

SRI NANDAA SPINNERS LIMITED

(Formerly Whitehouse Cotton Industries Ltd.)

Regd office: SF No 1, Vedanthangal Road, Kolambakkam Village,
Maduranthagam Taluk, Kancheepuram District 603 308

NOTICE

NOTICE is hereby given that the Annual General Meeting of the Company, will be held on Wednesday, the 29th September 2010, at the Registered Office of the Company at SF No 1, Vedanthangal Road, Kolambakkam Village, Maduranthagam Taluk, Kancheepuram District 603 308 at 10.00 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors Report, the audited Balance Sheet as at 31st March 2010 and Profit and Loss Account for the year ended 31st March 2010 and the Report of the Directors' and Auditors' thereon.
2. To appoint a Director in place of Mr.K.Narayanaswamy, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr.S.P.Muthuraman, who retires by rotation and being eligible, offers himself for re-appointment
4. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

RESOLVED THAT the retiring auditors M/s. V.Senthilnathan & Co., Chartered Accountants, be and are hereby reappointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General meeting on a remuneration as may be fixed by the Board of Directors.

For and on behalf of the Board
for SRI NANDAA SPINNERS LIMITED

SD/-

Place : Coimbatore
Date : 02.08.2010

Mr.V.Jegannathan
Chairman & Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

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2. Proxies in order to be effective should be lodged with the Company at the registered office at least 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September 2010 to 29th September 2010 (both days inclusive).

SRI NANDAA SPINNERS LIMITED*(Formerly Whitehouse Cotton Industries Ltd.)*Regd office: SF No 1, Vedanthangal Road, Kolambakkam Village,
Maduranthagam Taluk, Kancheepuram District 603 308**Particulars of Directors who are proposed to be reappointed are given below pursuant to Clause 49 of the Listing Agreement.**

Name of the Director	Mr.K.Narayanasamy
Brief Resume and expertise	Aged about 52 years with more than 25 years of experience in textile industry with sound technical knowledge
Directorship/Committee Membership held	Nil
Shareholding of non executive Directors	1.015%

Name of the Director	Mr.S.P.Muthuraman
Brief Resume & Expertise	Aged about 58 years with more than 39 years of experience in textile units
Directorship/Committee Membership held	2
Shareholding of non executive Directors	NIL

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DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Annual Report on the working of the company together with the Audited Accounts for the year ended 31st March 2010.

Financial Performance:

Rs.in Lakhs

	31-03-2010	31-03-2009
Sales	729.94	271.60
Other Income	2.31	457.18
Total Income	732.25	728.78
Less: Total Expenditure	738.02	590.77
Net Profit	(5.77)	138.01
Balance carried to B/S	(1675.62)	(1669.85)

The company is continuously striving to control the cost of manufacturing, administrative and other expenses. Your company is confident that it would overcome the crisis in the years to come.

Board of Directors:

During the year under review Mr.K.Narayanaswamy, and Mr. S.P.Muthuraman retire by rotation and being eligible they offer themselves for reappointment.

Auditors:

M/s. V.Senthilnathan & Co., Chartered Accountants, the retiring Auditors are eligible for reappointment.

Deposits:

The Company has not accepted deposits during the financial year under review.

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Dividend

In order to strengthen the net worth of the Company, the Board of Directors has not recommended any dividend for the year.

Human Relations

Industrial relations were very much satisfactory. There has been a perfect understanding between the employees and the management. The Company has been continuously discharging its social obligations in providing requisite welfare measures to its workers during the year.

Committees

The Company had constituted an Audit Committee with three independent Directors as its members. Mr.D.P.Venkataraman is the Chairman, Mr.S.P.Muthuraman and Mr.R.Radhakrishnan are the members of the Committee.

The Company does not have any Remuneration Committee because no remuneration is paid to any Director.

The Shareholders and Investor Grievance Committee has been constituted with three independent Directors as its members. Mr.R.Radhakrishnan is the Chairman, Mr.D.P.Venkataraman and Mr.S.P.Muthuraman are the members of the Committee.

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Director's Report.

No employee is in receipt of remuneration exceeding the limits set out under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

Particulars as required under 217(1) (e) of the Companies Act, 1956:

The information pursuant to Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this report.

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Directors Responsibility Statement under Section 217(2AA) of the Companies Act, 1956:

Your Directors State: -

1. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. That they had 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 and of the profit and loss of the company for that period.
3. That they had 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.
4. That they had prepared the annual accounts on a going concern basis.

Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Report on Corporate Governance with Auditors' Certificate on compliance with conditions of Corporate Governance and a Management Discussion & Analysis Report have been attached to form part of the Annual Report.

Acknowledgement

The Directors wish to place on record their sincere thanks to the employees at all levels for their continued contribution to the performance of the Company. The Board also wishes to place on record its appreciation cooperation and support received from customers, shareholders, suppliers, Government Departments and banks.

For and on behalf of the Board
for **SRI NANDAA SPINNERS LIMITED**

SD/-

Place : Coimbatore

Date : 02.08.2010

Mr.V.Jegannathan
Chairman & Managing Director

SRI NANDAA SPINNERS LIMITED

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ANNEXURE TO DIRECTORS' REPORT

The information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

Conservation of Energy

Energy conservation measures taken: Usage of energy is being continuously monitored and awareness to conserve energy has been created at all levels of employees.

Additional investments and proposals, if any, being implemented for reduction of consumption of energy: Nil.

Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Energy wastages have been reduced.

Total energy consumption and energy consumption per unit of production as per Form A.

	31.03.2010	31.03.2009
A. Power and fuel consumption		
1) Electricity		
a) Purchased		
Units (in Lakhs)	25.61	17.45
Total amount (Rs. in Lakhs)	123.43	80.47
Rate per unit (Rs.)	4.82	4.61
b) Own generation through Diesel Generator		
Units (in Lakhs)	2.76	0.73
Units per Litre of diesel oil	3.67	3.39
Cost per unit (Rs.)	9.51	10.99
B. Consumption per unit of production		
Electricity - units per Kg. yarn	5.79	1.265

Foreign exchange earnings and outgo as required under Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

Foreign exchange earnings - Nil

Foreign exchange outgo - Rs.NIL

For and on behalf of the Board
for SRI NANDAA SPINNERS LIMITED

SD/-

Place : Coimbatore
Date : 02.08.2010

Mr.V.Jegannathan
Chairman & Managing Director

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MANAGEMENT DISCUSSION AND ANALYSIS REPORT

BUSINESS PROFILE:

The Company is engaged in the business of manufacturing of yarn and is marketed locally. The details of installed capacity as on 31.3.2010 (which is also utilized capacity) are given below:

	As at 31.03.2010	As at 31.03.2009
Installed Capacity-Spindles (Nos.)	15696	15696

INDUSTRIAL SCENARIO AND DEVELOPMENTS:

The demand and supply of cotton are price sensitive despite various distortions in the world market.

Our Company is re-positioning and strengthened in the textile business. It is expected to bring more potentiality in the ensuing years.

FINANCIAL PERFORMANCE OF THE COMPANY.

During the financial year 2009-10, the sales made by the company was Rs.729.94 Lakhs as against Rs.271.61 Lakhs for the previous year.

However the Company has made necessary steps to repositioning in the cotton market procurement and promises positive growth in the ensuing years.

OUTLOOK:

Your Company has proposed to enhance spindles towards expansion plans and effective Cotton procurement to maximize the potentialities.

RISKS OPPORTUNITIES AND THREATS

Eventhough the export opportunities are promising and expects to contribute for the growth of the industry, the severe competition in textile sectors poses threat to the Company. Further, the fluctuations in pricing and marketing segments add further complications for a smooth growth.

For and on behalf of the Board
for SRI NANDAA SPINNERS LIMITED
SD/-

Place : Coimbatore
Date : 02.08.2010

Mr.V.Jegannathan
Chairman & Managing Director

SRI NANDAA SPINNERS LIMITED

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REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Corporate Governance

Sri Nandaa Spinners Limited (formerly Whitehouse Cotton Industries Ltd.) follows good Corporate Governance with the best practices and being transparent and accountable to Shareholders. This has assumed importance in all our dealings and action. It will be the endeavour of the Company to attain and maintain the highest level of Corporate Governance essentially by following best practices of peer leaders of the industry.

2. Board of Directors

a) Composition

The Board comprises of a combination of Executive and Non- Executive Directors. The present strength of the Board is 8 out of which 3 are Non- Executive Independent Directors. The Chairman is an Executive Director.

S.NO	NAME OF THE DIRECTOR	CATEGORY	OTHER DIRECTORSHIP	NO OF SHARES HELD IN THE COMPANY
1	Mr. V.Jegannathan (Chairman and Managing Director)	Executive Director	Nil	3044170
2	Mr. V. Devaraj	Executive Director	Nil	1522086
3	Mr. K. Narayanaswamy	Non- Executive Director	Nil	1522086
4	Mr. K. Venkitasamy	Non- Executive Director	Nil	675000
5	Mr. R. Radhakrishnan	Non- Executive Independent Director	Nil	1522086
6	Mr. R. Karthik	Non - Executive Director	Nil	1522086
7	Mr. S.P. Muthuraman	Non - Executive Independent Director	Nil	Nil
8	Mr. D.P. Venkataraman	Non - Executive Independent Director	Nil	Nil

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b) Board Procedure

The Board Meetings are pre scheduled and the Notice together with agenda are sent to the Directors in advance. The Board meets at least once a quarter to review the quarterly results and other items and additional meetings are held on need basis.

c) Board Meetings

There were 5 Board meetings held during the year ended 31st March 2010 on the following dates:

05.05.2009, 03.09.2009, 19.10.2009, 12.12.2009 and 02.03.2010

The names and attendance of the members are given below:

Sl No	Name of the Director	Category	Board meetings attended	No of other Directorship (excl our Company)	No of other Committee Membership (excl our Company)	Attendance at Last AGM	No of shares held in the Company
1	V.Jegannathan (Chairman & Managing Director)	Executive Director	5	Nil	Nil	Yes	3044170
2	V.Devaraj	Executive Director	5	Nil	Nil	Yes	1522086
3	K.Narayanasamy	Non Executive Director	5	Nil	Nil	Yes	1522086
4	K.Vekitasamy	Non Executive Director	5	Nil	Nil	Yes	675000
5	R.Radhakrishnan	Non Executive Independent Director	5	Nil	Nil	Yes	1522086
6.	R.Karthik	Non Executive Director	5	Nil	Nil	Yes	1522086
7.	S.P.Muthuraaman	Non Executive Independent Director	5	Nil	Nil	Yes	----
8.	D.P.Venkataraman	Non Executive Independent Director	5	Nil	Nil	Yes	----

3. Board Committees

The Board has set up the following Committees as per the requirement of the Corporate Governance

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a) Audit Committee

The Company has a qualified and Independent Audit Committee. The present Committee consists of 3 members, all are non-executive Independent Directors. The details are given below:

Sl No	Name of the Member	Category	Present Position
1.	Mr.D.P.Venkataraman	Non Executive Independent Director	Chairman
2.	Mr S P Muthuraaman	Non Executive Independent Director	Member
3.	Mr Radhakrishnan	Non Executive Independent Director	Member

The Chairman of the Committee has excellent financial and accounting knowledge and others are financially literates.

The role of the Audit Committee in brief, is to review financial statements, internal controls, accounting policies and internal audit. The Committee reviews quarterly financial results, management discussion and analysis of financial position/operations and Directors Responsibility Statement. The Committee also reviews significant related party transactions and also the appointment and terms of remuneration of statutory auditors. The Committee also holds periodical discussions with the statutory auditors on various financial matters.

The Committee met 4 times during the financial year ended 31st March 2010 on the following dates:

05.05.2009, 19.10.2009, 12.12.2009 and 02.03.2010

The names and attendance of the members are given below:

S No	Name of the Member	Meeting attended	
		As Chairman	As Member
1.	Mr D P Venkataraman	4	-
2.	Mr S P Muthuraaman	-	4
3.	Mr Radhakrishnan	-	4

b) Remuneration Committee

The Board has not constituted a Remuneration Committee as no remuneration is being paid to Directors.

c) Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee presently consists of 3 members two of them being Non executive Directors as detailed below:

Sl No	Name of the Member	Category	Present Position
1	Mr Radhakrishnan	Non Executive Independent Director	Chairman
2	Mr.D.P.Venkataraman	Non Executive Independent Director	Member
3	Mr.S.P.Muthuraaman	Non Executive Independent Director	Member

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The Shareholders and Investor Grievance Committee has been constituted with three independent Directors as its members is the Chairman and are the members of the Committee.

The Committee is constituted to look into the share transfers, transmissions etc. and also redressal of shareholder and investors complaints like transfers, non- receipt of balance sheet, declared dividends etc. The Committee met 4 times during the year on 05.05.2009, 19.10.2009, 12.12.2009 and 02.03.2010

The names and attendance of the members are given below:

S No	Name of the Member	Meeting attended	
		As Chairman	As Member
1.	Mr Radhakrishnan	4	
2.	Mr D P Venkataraman		4
3.	Mr S P Muthuraaman		4

The Company has 8460 shareholders. The investor complaints/requests/queries received and addressed during 2009-2010 are resolved to the satisfaction of the shareholders.

Mr.V.Jegannathan, Chairman and Managing Director is the Compliance Officer.

d) Procedure for Committee Meetings

Committee meetings follow the same guidelines as that of the Board meetings so far as may be practicable. Minutes of the Committee are placed before the Board for its noting and recording.

4. Directors' Remuneration

No remuneration has been paid to Directors

5. General Body Meetings

Last 3 Annual General Meetings

YEAR	DATE	TIME	VENUE
2006-2007	28.09.2007	10.00 AM	S.F. No.1, Vedanthangal Road Kolambakkam Village, Maduranthagam Taluk, Kanchipuram District - 603 308.
2007-2008	29.09.2008	10.00 AM	S.F. No.1, Vedanthangal Road Kolambakkam Village, Maduranthagam Taluk, Kanchipuram District - 603 308.
2008-2009	30.09.2009	10.00 A.M.	S.F. No.1, Vedanthangal Road Kolambakkam Village, Maduranthagam Taluk, Kanchipuram District - 603 308.

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6. Disclosures

a) Materially significant related party transactions

Materially significant related party transactions during the year have been disclosed in the accounts as required under Accounting Standard 18 issue by the Institute of Chartered Accountants of India. None of the transactions with any of the related parties were in conflict with the interest of the Company.

7. Means of Communication

Annual Report containing inter alia Audited Accounts, Consolidated financial statements, Directors Report, Auditors Report, Subsidiaries accounts and other important information is circulated to members and others entitled thereto.

8. Management Discussion and Analysis Report

Management Discussion and Analysis Report is annexed to the Directors Report

9. General Shareholder Information

Annexed to the Report

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GENERAL SHAREHOLDER INFORMATION

1. Name of the Company

Sri Nandaa Spinners Limited *(Formerly Whitehouse Cotton Industries Ltd.)*

2. Registered Office of the Company

SF No 1, Vedanthangal Road, Kolambakkam Village, Maduranthagam Taluk,
Kancheepuram District 603 308

3. Forthcoming Annual General Meeting

Wednesday the 29th September 2010 at 10.00 A M at the Registered Office of the
Company at SF No 1, Vedanthangal Road, Kolambakkam Village, Maduranthagam
Taluk, Kancheepuram District 603 308

4. Financial Calendar (Tentative)

Results for the Quarter Ending 30 th June 2010	Last week of July 2010
Results for the Quarter Ending 30 th September 2010	Last week of October 2010
Results for the Quarter Ending 31 st December 2010	Last week of January 2011
Results for the Quarter Ending 31 st March 2011	Last week of April 2011

5. Book Closure Period

22nd September 2010 to 29th September 2010 (both days inclusive)

6. Share Capital

The paid up Capital of the Company was Rs 15,00,00,000 comprising of 1,50,00,000
equity shares of Rs 10/- each.

7. Listing on Stock Exchanges

Stock Exchange	Stock Code
Madras Stock Exchange Ltd. Exchange Building Post Box No 183, 11 Second Line Beach, Chennai-01	A8
The Stock Exchange, Mumbai Phiroze Jee jee Bhoj Towers, Dalal Street, Mumbai 400 001	A1
Coimbatore Stock Exchange Limited Exchange Building, Trichy Road, Coimbatore 641 005	B4

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8. Shareholding Pattern and Distribution Schedule:

SHAREHOLDERS CATEGORY	NO OF HOLDERS	SHAREHOLDING	
		No of shares	% to Total capital
Promoters	6	1,06,54,500	71.03
Corporate Body	58	88500	0.59
NRI/OCB/FIIs	11	702000	4.68
Others	8385	3555000	23.7
		150000000	100.00

9. Registrars & Share Transfer Agents

Cameo Corporate Services Ltd.
Subramanian Building
No 1, Club House Road,
Chennai 600 002

10. Share Transfer System

The physical transfers and other requests from the shareholders are processed by Cameo Corporate Services Limited. The transfers are normally processed within 30 days from the date of receipt.

11. PLANT LOCATIONS OF THE COMPANY:

S.F. No.1, Vedanthangal Road
Kolambakkam Village
Maduranthagam Taluk
Kanchipuram District – 603 308.
Tel.No.(044) 26527296, 26527297

12. ADDRESS FOR CORRESPONDENCE:

The Shareholders may address their communications / suggestions / grievances / queries to –

SRI NANDAA SPINNERS LIMITED
S.F. No.1, Vedanthangal Road
Kolambakkam Village
Maduranthagam Taluk
Kanchipuram District – 603 308
E.Mail address: nandaaspinners@gmail.com

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**AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS
OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING
AGREEMENT**

To the members of M/S SRI NANDAA SPINNERS LIMITED (formerly M/s White House Cotton Industries Limited)

I have examined the compliance of conditions of corporate governance by M/S SRI NANDAA SPINNERS LIMITED ("the Company") for the year ended March 31, 2009, as stipulated in clause 49 of the listing agreement of the company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of 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, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

I further state that such compliance is neither an assurance as to the future viability of the Company for the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Coimbatore

Date : 02.08.2010

for V.SENTHILNATHAN & CO.,
CHARTERED ACCOUNTANTS

SD/-
S.JEEVARAJ
MEMBERSHIP NO.024698

AUDITOR'S REPORT

To
The Members,
Sri Nandaa Spinners Ltd,
Maduranthagam Taluk,
Kancheepuram District.

We have audited the attached Balance Sheet of M/s. Sri Nandaa Spinners Limited as at 31st March 2010 and also the Profit and Loss Account and Cash Flow Statement for the period ended on that date annexed thereto both of which we have signed with reference to this report. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on this financial statement based on our audit.

1. We have conducted the audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from any material misstatement. An audit includes, examining on a test basis, evidence supporting the amount and disclosure in the financial statement. An audit also includes assessing the accounting principles used and significant estimate made by the management as well as evaluating overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Department of Company Affairs, in terms of section 227 (4A) of the Companies Act, 1956, and on the basis of checks considered appropriate we enclose in the Annexure a statement on the matters specified in the said Order.
3. Further to our comments in the Annexure referred to in paragraph 1 above, we state 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 audit.



- b) In our opinion proper books of account as required by law have been kept by the company so far as appears from our examination of such books.
- c) The Balance Sheet and the Profit and Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account furnished to us.
- d) In our opinion the Profit & Loss account, Balance Sheet and Cash Flow statement comply with the accounting standards wherever applicable to the Company as referred to in Subsection (3C) of Section 211 of Companies Act, 1956
- e) As per the information and explanation given to us, none of the directors of the company are prima-facie disqualified as on 31st March 2010 from being appointed as a director under clause (g) of Sub Section (1) of section 274 of the Companies Act.
- f) In our opinion and to the best of our information and according to the explanation given to me, the said accounts read together with the notes attached give the information required by the companies act, 1956 in the manner, so required and give a true and fair view:
- a. In so far as it relates to the balance sheet, of the Company's state of affairs as at 31st March 2010
- || In so far as it relates, to the profit and loss account of the company ,
- b. Profit or loss for the year ended on that date;
- year ended on that date;
- c. In the case of Cash flow statement, of the cash flows for the year ended on that date.

S. Jeevaraj
Partner

Place : Coimbatore

Date : 02.08.2010.

CHARTERED ACCOUNTANT.

S. JEEVARAJ
No: 78, Aravind Nagar,
KNG Pudur, Palayam,
Edhyar Palayam Post,
Coimbatore - 641 025.



COMPANIES (AUDITORS REPORT) ORDER, 2003

- 1 a) Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets. The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of accounts. The Management has carried out physical verification of fixed assts at reasonable intervals. It was informed that there was no material discrepancies were noticed on such verification.
- c) If a substantial part of fixed assets have been disposed off during the year, whether it has affected the going concern. The company has not sold any substantial part of the fixed assets during the year.
- 2 a) Whether physical verification of inventory has been conducted at reasonable intervals by the management. Yes, it was explained that the management carries out physical verification of the inventory at reasonable intervals.
- b) Are the procedures of physical verification followed by the management reasonable and adequate in relation to the size of the company and the nature of its business? If not, the inadequacies in such procedures should be reported. The physical verification carried out by the management is adequate in relation to the size of the company and nature of its business.
- c) Whether the company is maintaining proper records of inventory and whether any material discrepancies were noticed on physical verification and if so, whether the same have been properly dealt with in the books of accounts. To the extent we have verified, we are of the opinion that the company is maintaining proper records of inventory and it was informed to me that no material discrepancies were noticed on physical verification.



3. a) Has the company granted any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the Act. If so, give the number of parties and amount involved in the transactions and. In our opinion, except short term interest free advance to M/s. Sri Karthik Spinners amounting to Rs. 12.40 Lakhs and M/s. Suparnaa Spinners Limited amounting to Rs. 100.53 Lakhs, the company has not granted any loans, secured or unsecured to / from companies, firms or other parties covered in the register maintained under Sec 301 of the Act.
- b) Whether the rate of interest and other terms and conditions of loans given by the company, secured or unsecured, are prima facie prejudicial to the interest of the company and. In our opinion and according to the information furnished to us, the terms and conditions of loans given by the company, secured or unsecured, are not prejudicial to the interest of the company
- c) Whether receipt of the principal amount and interest are also regular and In our opinion there are no covenants with regard to repayment of loan, however the loan has been fully repaid during the year.
- d) If overdue amount is more than rupees one lakh, whether reasonable steps have been taken by the company for recovery of the principal and interest. NIL
- e) Has the company taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. If so, give the number of parties and the amount involved in the transactions; and
- f) Whether the rate of interest and other terms and conditions of loans taken by the company, secured or unsecured, are prima facie prejudicial to the interest of the company; and
- g) Whether payment of the principal amount and interest are also regular. Yes



4. Is there an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods? Whether there is a continuing failure to correct major weaknesses in internal control.
- In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company, its nature of business, for the purchase of fixed assets and for the purchase and sale of goods. Further, on the basis of our examination of the books and records of the company we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. a) Whether the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section;
- Yes, as explained by the management the aforesaid transactions were duly recorded in the register.
- b) Whether transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- As explained by the management and to the extent we have verified, the said transactions were only carried out in the prevailing market rates.
6. In case the company has accepted deposits from the public, whether the directives issued by the Reserve Bank of India and the provisions of sections 58 A and 58AA of the Act and the rules framed there under, where applicable, have been complied with. If not, the nature of contraventions should be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal whether the same has been complied with or not?
- To the extent we had verified and according to the information and explanation given to me, the company has not accepted any deposits from the public.
7. In the case of listed companies and / or other companies having a paid - up capital and reserves exceeding Rs.50 Lakhs as at the commencement of the financial year concerned, or having an average annual turnover exceeding five crore rupees for a period of three consecutive financial years immediately preceding the financial year concerned, whether the company has an internal audit system commensurate with its size and
- In our opinion, the company has an Internal audit system commensurate with its size and nature of its business.



8. Where maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 (1) (d) of the Act, whether such accounts and records have been made and maintained.

We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under Clause (d) of Subsection (1) of Section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with view to determine whether they are accurate or complete.

9. a) Is the company regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, Sales tax, wealth tax, Service tax, custom duty, excise duty, cess and any other statutory dues with the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated by the auditor.

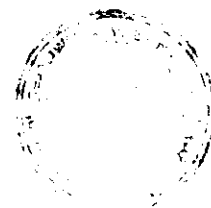
Undisputed statutory dues including provident fund, Sales-tax, and Cess have been regularly deposited with the appropriate authorities though there has been delay in few cases.

b) In case dues of sales tax / income tax / Service tax / Wealth tax / Customs duty/ Excise duty/ cess have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending may please be mentioned.

Nature	Amount (In Lakhs)	Period
Central Excise Excise Duty	81.38	1997-1998, 1998-1999, 1999-2000, 2000-2001, 2001-Feb 2002.
Cotton Corporation of India.	19.13	2003-2004

Tribunal has passed appeal order for re-hearing with commissioner of central Excise, Pudhucheri.

Pending Dispute with Cotton Corporation of India is referred to Honorable Madras High Court and the arbitration is Still pending.



10. Whether in case of a company which has been registered for a period not less than five years, its accumulated losses at the end of the financial year are not less than fifty per cent of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year also.
- The company's accumulated loss at the end of the financial year amounts to Rs. 16,79,25,513.52. In our opinion the company has not incurred any cash loss during the financial year covered by the audit or in the immediately preceding financial year and the accumulated losses at the end of the financial year are more than fifty percent of its net worth.
11. Whether the company has defaulted in repayment of dues to a financial institution or bank or debenture holders? If yes, the period and amount of default to be reported.
- The company has been enjoying holiday period which ended on October 2009 after which there has been a default in repayment of Working Capital Term Loan from M/s. South India Bank amounting to Rs. 14.42 Lakhs
12. Whether adequate documents and records are maintained in cases where the company has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities; if not, the deficiencies to be pointed out
- The company has not granted any loans and advances against pledge of shares, debentures and other securities.
13. Whether the provisions of any special statute applicable to chit fund have been duly complied with?
- This Clause is not applicable being a Manufacturing Company.

In respect of nidhi / mutual benefit fund / societies:

- (a) Whether the net - owed funds to deposit liability ratio is more than 1:20 as on the date of balance sheet.
- (b) Whether the company has complied with the prudential norms on income recognition and provisioning against sub-standard / default / loss assets;
- (c) Whether the company has adequate procedures for appraisal of credit proposals / requests, assessment of credit needs and repayment capacity of the borrowers;
- (d) Whether the repayment schedule of various loans granted by the nidhi is based on the repayment capacity of the borrower.



- 14 If the company is dealing or trading in shares, securities, debentures and other investments, whether proper records have been maintained of the transactions and contracts and whether timely entries have been made therein; also whether the shares, securities, debentures and other securities have been held by the company, in its own name except to the extent of the exemption, if any, granted under section 49 of the Act. The company is not dealing or trading in shares, securities, debentures and other investments.
- 15 Whether the company has given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prejudicial to the interest of the company. The company has not given any guarantee for loans taken by others from bank or financial institutions.
- 16 Whether the term loans were applied for the purpose for which the loans were obtained. The Company has not borrowed any term loan during the Financial Year.
- 17 Whether the funds raised on short – term basis have been used for long – term investment and vice versa. If yes, the nature and amount is to be indicated. According to the information and explanation and on the over all examination of the Balance sheet we report that no funds raised on short basis has been used for long term investments by the Company and vice-versa.
18. Whether the company has made any preferential allotment of shares to parties and companies converted in the Register maintained under Section 301 of the Act and if so whether the price at which shares have been issued is prejudicial to the interest of the company; No such allotment was made.
19. Whether security or charge has been created in respect of debentures issued; No debentures were issued.



20. Whether the management has disclosed on the end use of money raised by public issue and the same has been verified; No public issue has been made.
- 21 Whether any fraud on or by the company has been noticed or reported during the year, If yes, the nature and the amount involved is to be indicated. According to the information and explanation given to me and on the basis of examination of records, that there were no frauds noticed by the Company during the year

Place: Coimbatore
Date: 02.08.2010.

G. S. Jeyaraj
Partner



SRI NANDAA SPINNERS LIMITED
S.F NO:1, VEDANTHANGAL ROAD, KOLAMBAKKAM VILLAGE, KANCHEEPURAM DISTRICT
BALANCE SHEET AS AT 31ST MARCH 2010

PARTICULARS	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
I. SOURCE OF FUNDS			
SHARE HOLDERS FUNDS			
- Share Capital	1	150000000.00	150000000.00
LOAN FUNDS			
- Secured	2	29748567.06	28966048.06
- Unsecured	3	3434721.40	3434721.40
Total		183183288.46	182400769.46
II. APPLICATION OF FUNDS			
FIXED ASSETS			
Fixed Assets	4	179859264.80	179456264.80
Less: Depreciation		149213106.93	147674824.15
		30646157.87	31781440.65
CURRENT ASSETS, LOANS & ADVANCES			
- Inventories	5	25743820.00	18764156.00
- Sundry Debtors	6	61863.75	1440520.00
- Cash & Bank Balances	7	955916.31	325812.25
- Loans & Advances & Deposits	8	7132774.33	6102869.55
		33894374.39	26633357.80
Less: Current Liabilities & Provisions	9	49282757.32	43362097.93
		(15388382.93)	(16728740.13)
PROFIT & LOSS ACCOUNT			
		167925513.52	167348068.94
		183183288.46	182400769.46

PLACE: COIMBATORE

DATE : 02.08.2010

V. Jagannathan

V. JAGANNATHAN
MANAGING DIRECTOR

V. Devaraj

V. DEVARAJ
DIRECTOR

S. Jeevaraj

S. JEEVARAJ
CHARTERED ACCOUNTANT

Partner

SRI NANDAA SPINNERS LIMITED
S.F NO:1, VEDANTHANGAL ROAD, KOLAMBAKKAM VILLAGE, KANCHEEPURAM DISTRICT
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

PARTICULARS	SCHEDULE	AS AT 31.03.2010	AS AT 31.03.2009
I. INCOME			
Sales	12	72993871.00	27160687.00
Other Income	13	231177.00	45718893.08
		73225048.00	72879580.08
II. EXPENSES			
Raw Materials Consumed	14	52522741.00	20545468.75
Spares Consumed	15	1544703.95	1603982.00
Manufacturing, Administration & Other Exenses	16	24896714.55	19057415.94
Financial Expenses	17	4954928.30	4718729.27
Depreciation		1538282.78	1622237.89
Stock Adjustments	18	(11654878.00)	11529351.00
		73802492.58	59077184.85
Net Profit / Loss for the Year		(577444.58)	13802395.23
Balance of P & L a/c B/F		(166785489.94)	(180787885.17)
Balance carried to B/S		(167925513.52)	(166785489.94)

PLACE: COIMBATORE
DATE : 02.08.2010

V. Jagannathan

V.JAGANNATHAN
MANAGING DIRECTOR

V. Devaraj

V.DEVARAJ
DIRECTOR

Jeevaraj S

JEEVARAJ. S
CHARTERED ACCOUNTANT

SRI NANDAA SPINNERS LIMITED
Schedules to Balance Sheet as on 31.03.2010

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE 1		
SHARE CAPITAL		
Authorised capital 15000000 Equity Shares of Rs. 10 each	150000000.00	150000000.00
Issued, Subscribed and Paid-up Capital	150000000.00	150000000.00
	150000000.00	150000000.00
SCHEDULE 2		
SECURED LOANS		
The South Indian Bank Ltd., - OCC Loan	14820776.06	15232118.06
The South Indian Bank Ltd., - WCTL	14927791.00	13733930.00
	29748567.06	28966048.06
SCHEDULE 3		
UNSECURED LOANS		
Unsecured Loan from Directors	3434721.40	3434721.40
	3434721.40	3434721.40
SCHEDULE 5		
CURRENT ASSETS, LOANS & ADVANCES		
INVENTORIES		
Raw Materials	8986908.00	13528200.00
Process Stock	3939600.00	1401150.00
Finished Goods	11754752.00	3042292.00
Cotton Waste	609072.00	205104.00
Stores and Spares	453488.00	587410.00
	25743820.00	18764156.00
SCHEDULE 6		
SUNDRY DEBTORS (CONSIDERED GOOD)		
Others	0.00	82485.00
More than six months	61863.75	1358035.00
	61863.75	1440520.00

SRI NANDAA SPINNERS LIMITED

V. Senthil Kumar
Director



SRI NANDAA SPINNERS LIMITED
FIXED ASSETS VALUES & DEPRECIATION STATEMENT AS PER COMPANIES ACT FOR THE YEAR ENDING 31.3.2010

PARTICULARS	GROSS BLOCK			RATE OF DEP.	DEPRECIATION			NET BLOCK	
	AS ON 01.04.2009	ADDITIONS	AS ON 31.03.2010		AS ON 01.04.2009	DURING YEAR	UP TO 31.03.2010	AS ON 01.04.2009	AS ON 31.03.2010
Land	418332.00	0.00	418332.00	0.00%	0.00	0.00	0.00	418332.00	418332.00
Well	224180.00	0.00	224180.00	0.00%	7487.61	0.00	7487.61	216692.39	216692.39
Buildings	42407119.00	403000.00	42810119.00	3.34%	17041358.85	1423662.59	18465021.45	25365760.15	24345097.55
Plant & Machinery	134193872.80	0.00	134193872.80	0.00%	129059930.20	0.00	129059930.20	5133942.60	5133942.60
Computers	713249.00	0.00	713249.00	0.00%	700197.47	0.00	700197.47	13051.53	13051.53
Office Equipments	285054.00	0.00	285054.00	6.33%	178861.06	18043.92	196904.98	106192.94	88149.02
Furniture & Fittings	592973.00	0.00	592973.00	6.33%	454569.89	37535.19	492105.08	138403.11	100867.92
Vehicles	621485.00	0.00	621485.00	9.50%	232419.39	59041.08	291460.47	389065.61	330024.54
TOTAL	179456265	403000	179859265		147674824.47	1538282.78	149213107.25	31781440.33	30646157.55

For SRI NANDAA SPINNERS LIMITED

V. Suresh
 Executive Director



SCHEDULE 7		
CASH & BANK BALANCES		
Cash in Hand	659156.36	363250.86
Cash at Banks	296759.95	-37438.61
	955916.31	325812.25
SCHEDULE 8		
LOANS AND ADVANCES		
(Advances received in Cash or in kind or for value to be received)		
Sundry Deposits	4866179.55	4866179.55
Prepaid Expenses	95248.78	46879.00
TDS	305079.00	266916.00
Advances to Staff	61221.00	70500.00
Advances to Cotton Parties	800000.00	0.00
Others	1005046.00	852395.00
	7132774.33	6102869.55
SCHEDULE 9		
CURRENT LIABILITIES AND PROVISIONS		
Sundry Creditors		
- Spares	630468.00	0.00
- Cotton	9649044.00	0.00
- Others	-176973.52	5236094.09
Duties and Taxes	46366.92	25186.00
Provision for Expenses	2488477.00	2009484.92
Advance from Customers	796042.00	0.00
Share Application Money	35849332.92	36091332.92
	49282757.32	43362097.93

For the Manager (Signature)

V. Jeyaraj

Executive Director

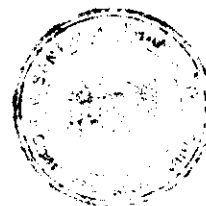


SRI NANDAA SPINNERS LIMITED

Schedules to Profit & Loss A/c for the FY 2008-2009

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE 12		
SALES		
Yarn Sales	72385970.00	26629993.00
Waste Sales	594911.00	500694.00
Scrap Sales	12990.00	30000.00
	72993871.00	27160687.00
SCHEDULE 13		
OTHER INCOME		
Creditors Written Off	0.00	0.00
Packing Charges Recovery	40363.00	5946.00
Interest on EB Deposit	190814.00	182489.00
Insurance Claim	0.00	23651.00
Sundry Balance Written Off		
Profit on Sale of Assets	0.00	41344946.00
Others	0.00	27836.08
Job Conversion	0.00	4134025.00
	231177.00	45718893.08
SCHEDULE 14		
RAW MATERIALS CONSUMED		
Opening Stock	13528200.00	11418440.00
Add: Purchases	47981449.00	22655228.75
	61509649.00	34073668.75
Less: Closing Stock	8986908.00	13528200.00
	52522741.00	20545468.75
SCHEDULE 15		
SPARES - CONSUMED		
Opening Stock	587410.00	1666726.00
Add: Purchases	1410781.95	524666.00
	1998191.95	2191392.00
Less: Closing Stock	453488.00	587410.00
	1544703.95	1603982.00

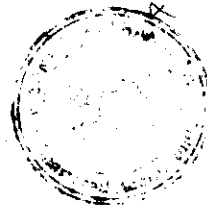
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SCHEDULE 16		
MANUFACTURING, ADMINISTRATIVE AND OTHER EXPENSES		
Freight & Carriage Inwards	45791.00	5000.00
EPF Employers contribution	272102.00	0.00
Motor car expenses-taxable	25875.00	0.00
Newspaper & periodicals	1215.00	0.00
Power & Fuel	14986291.94	9799423.00
Consumables	577579.00	301658.00
Packing Expenses	0.00	131532.00
AGM Expenses	0.00	85000.00
Audit Fees	27575.00	33090.00
Bonus	873914.00	406800.00
Bad Debts	20621.25	1507989.50
Canteen Expenses	358150.00	46639.00
Contribution to Provident Fund	0.00	182768.00
Consultation Charges	53408.00	18331.50
Fees to Cost Auditor	0.00	8700.00
Fees to Secretary	0.00	20000.00
General Expenses	24022.00	12244.00
Gratuity Paid	92100.00	78000.00
Insurance	75813.22	186694.33
Labour welfare fund-employee contribution	1092.00	0.00
Late Payment Fee for PF	14154.00	0.00
Loss on Sale of Assets	0.00	292579.00
Licences & Taxes	59930.00	177911.82
Loading & Unloading Charges	16576.00	0.00
Printing & Stationery	108120.14	43207.00
Postage, Telephone & Telegram	5133.00	71206.65
Pooja Expenses	0.00	15250.00
Prior Year Expenses	0.00	202068.00
Rates & Taxes	129941.00	31989.00
Rent Paid	60500.00	75000.00
Repairs & Maintenance	657589.00	333925.14
Salaries and Wages	5956260.00	4883512.00
Staff Welfare Expenses	182715.00	46652.00
Sales Commission	36550.00	15300.00
Travelling & Conveyance	71323.00	24391.00
Telephone Charges	132706.00	0.00
Testing Lab Fees	3743.00	0.00
Water Charges	25925.00	20555.00
Total	24896714.55	19057415.94

For DRI NANJANG

V. Jeyasingh



SCHEDULE 17		
FINANCIAL EXPENSES		
Interest - on Term Loan	2438838.00	2037813.00
- On other Loans	2448870.00	2525069.00
Bank Charges	67220.30	155847.27
	4954928.30	4718729.27
SCHEDULE 18		
STOCK ADJUSTMENT		
Opening Stock of Process stock, Finished Goods and Cotton Waste	4648546.00	16177897.00
Less: Closing Stock of Process stock, Finished Goods and Cotton Waste	16303424.00	4648546.00
Stock Adjustment	(11654878.00)	11529351.00

D. V. Senthil Nathan



NOTES ON ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2010

1. ACCOUNTING POLICIES:

- a) The accounts are prepared on accrual basis under the historical cost of convention in accordance with Generally Acceptable Accounting Principles in India on going concern basis comprising the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provision referred to section 211 (3C) of the Companies Act, 1956.

Gratuity:

- b) Provision has been made for payment of gratuity but the said amount has not been invested in any funds.

2. FIXED ASSETS:

Fixed assets are stated at cost of Acquisition less accumulated depreciation. Since the net value of the machinery is becoming nil on provision of depreciation but the plant and machinery is still in use in the concern, no depreciation is provided on the same and around 5% of the Gross Block of Machinery is shown as net block.

3. SECURED LOANS:

i) Term Loan:

The entire assets of the Company including its factory land and building, Plant and Machineries both present and future being secured on a first charge basis. Further the said credit facilities are also secured additionally by way of offering their personal guarantees of directors except that of independent directors.

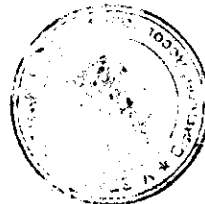
ii) Working Capital Loan:

Secured by first charge on all Raw-materials, Work-in-process, Finished Goods, Consumables and all other current assets present and future and all Book Debts and second charge on all fixed assets of the company, present and future and further the said credit facilities are also secured additionally by way of offering their personal guarantees of directors except that of independent directors.

4. UNSECURED LOANS:

The Unsecured Loans were received from directors / shareholders of the company which are repayable on demand do not carry any interest.


Director



5. INVENTORIES:

The Inventories are stated, valued and certified by the Management. The Inventories are valued at cost or market price whichever is lower in accordance with the method of accounting standards prescribed by the Institute of Chartered Accountants of India.

6. INSTALLED CAPACITY, PRODUCTION, SALES, CLOSING STOCK, RAW MATERIAL CONSUMPTION:

No	Particulars	31.03.2010		31.03.2009	
		Qty (in tonnes)	Value (in lakhs)	Qty (in tonnes)	Value (in lakhs)
A)	Installed Capacity (Nos)	15696		15696	
B)	Production Capacity Yarns - Tonnes	870		870	
C)	Sales Yarn	540.52	723.86	231.19	271.19
D)	Closing Stock of yarns	101.25	117.55	92.20	30.42
E)	Raw Material Consumed - Indigeneous	694.69	418.38	303.66	205.45

7. VALUE OF IMPORTS (CIF)

Capital Goods	Nil	Nil
Spares	Nil	Nil
Raw Material - Cotton	Nil	Nil

8. EXPENDITURE IN FOREIGN EXCHANGE:

Traveling Expenses	Nil	Nil
Interest Paid on Foreign Currency Loan	Nil	Nil

9. EARNINGS IN FOREIGN EXCHANGE:

FOB value of Exports	Nil	Nil
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10. Payments to suppliers in the Small Scale Sector as identified by the company are generally made in accordance with agreed credit terms and there are no overdue on this account as on 31st March, 2010.

For SHI NANDA

V. Aravind
Proprietor



**11. DETAILS OF RELATED PARTY TRANSACTIONS FOR THE PERIOD
1.04.2009 to 31.03.2010**

As required by the Accounting Standard – AS 18 “Related Party Disclosures” issued by the Institute of Chartered Accountants of India are as follows:

a. Where Control exists:

i. Key Management personnel

- a) V. Jegannathan
- b) V. Devaraj
- c) K. Venkatasamy
- d) K. Narayanaswamy
- e) R. Radhakrishnan
- f) R. Karthik
- g) SP Muthuraman

ii. Enterprise in which Key Management personnel have direct influence

- a) White Gold Textiles P Ltd
- b) Suparnaa Cotton Ltd (Formally known as: R.G. Fabrics Limited).

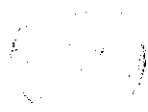
During the year, the company has purchased used plant and machinery from White gold Textiles (p) Ltd. The purchases were made only at prevailing market price.

12. TAXES ON INCOME:

No provision for taxation has been made in the absence of any liability. In view of the continued losses and considering the trend, and in the absence of virtual certainty of future profits deferred taxes as per AS 22- Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India, has not been provided for.

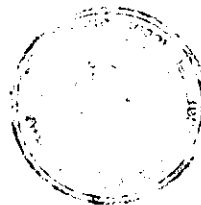
13. INTERIM FINANCIAL REPORTING:

The quarterly financial results are not published in accordance with the requirement of listing agreements with Stock Exchanges. However the management is ensuring all possible standards of compliance in the ensuing periods.



For and on behalf of the Company

V. Devaraj
Director



14. CONTINGENT LIABILITIES:

The following are the pending disputes and liabilities are also of Contingent in nature:

1. There is pending dispute with Cotton Corporation of India for Rs. 19,13,148.00 and the dispute is referred to arbitration by Honorable Madras High Court and arbitration award is pending. In fact the company has claimed refund of Rs. 8,69,090.55 which is lying with them as deposit.
2. There was a pending dispute with Central Excise authorities before the Customs, Excise and Service Tax Appellate Tribunal, Chennai for Rs.81.38 Lakhs and the case was set aside for re-hearing with commissioner of central Excise authorities, Pudhucheri.

15. EARNINGS PER SHARE (EPS):

	2009-10 Rs. In Lakhs	2008-09 Rs. In Lakhs
Net Profit/(Loss) after Tax	(5.77)	138.02
Weighted Average No. of Equity Shares for Basic/Diluted EPS	150.00	150.00
Nominal Value of Equity Share Basic/Diluted Earning per share	Rs.10.00 -	Rs.10.00 Rs.0.92

Place: Coimbatore.

Date: 02.08.2010.

For SHI RAYON SOLUTIONS LIMITED

V. Srinivasan
Executive Director

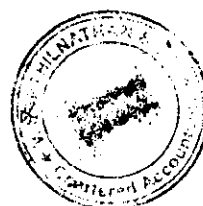


SRI NANDAA SPINNERS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2010

	YEAR ENDED	
	31.03.2010	31.03.2009
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss)	(577444.58)	13802395.23
Adjustment for		
Depreciation	1538282.78	1622237.89
Interest Paid	4887708.00	4718729.27
Interest Received etc.,	(190814.00)	(182489.00)
Profit on Sale of Fixed Assets	0.00	(41052367.00)
Insurance Claim	0.00	(23651.00)
Fringe Benefit tax paid	0.00	0.00
Misc. Expenses Write Off	0.00	0.00
Deficit on Disposal of Fixed Assets	0.00	0.00
Operating Profit before Working capital changes	5657732.20	(21115144.61)
Adjustment for :		
Inc./Dec. in Trade & Other Receivables	348751.47	6962124.32
Inc./Dec. in Inventories	(6979664.00)	10498907.00
Inc./Dec. in Trade payables	6162659.39	(27636231.28)
Cash generated from Operations	5189479.06	(31290344.57)
Cash Generated before extra-ordinary items	5189479.06	(31290344.57)
Fringe Benefit Tax Paid	0.00	0.00
Payment in respect of extra-ordinay itmes	0.00	0.00
Net Cash generated from Operating Activity - A	5189479.06	(31290344.57)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(403000.00)	(520000.00)
Sale of Fixed assets	0.00	45127271.00
Interest Received	190814.00	182489.00
Insurance Claim	0.00	23651.00
Net cash from/ used in Investing Activities - B	(212186.00)	44813411.00
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest Paid	(4887708.00)	(4718729.27)
Bank Overdrafts(Net)	(411342.00)	(7366451.00)
Proceeds from Borrowings	1193861.00	(2754657.00)
Share Capital Advance	(242000.00)	.
Borrowings	0.00	.
Net Cash Generated from Financial Activities - C	(4347189.00)	(14839837.27)
Net Inc./Dec. in cash and Cash Equivalents (A+B+C)	630104.06	(1316770.84)
Cash and Cash Equivalents as at the beginning of the year	325812.25	1642583.09
Cash and Cash Equivalents as at the close of the year	955916.31	325812.25

For SRI NANDAA SPINNERS LIMITED
V. Jagannathan
 MD
 2010/03/31

Per SRI NANDAA SPINNERS LIMITED
V. Jagannathan
 Executive Director



SRI NANDAA SPINNERS LIMITED**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

1. REGISTRATION DETAIL :
REG NO. :
BALANCE SHEET DATE : 31.03.2010.
2. CAPITAL RAISED DURING THE YEAR
PUBLIC ISSUE : RIGHT ISSUE: BONUS ISSUE:
PRIVATE ISSUE: Rs.
3. POSITION OF MOBLISATION AND DEPLOYMENT OF FUNDS

TOTAL LIABILITIES:**SOURCES OF FUNDS**

(Amount in Rs. 000)

PAID UP SHARE CAPITAL	RESERVES / SURPLUS	SECURED LOAN	UNSECURED LOANS
150000.00	NIL	29748.56	3434.72

TOTAL ASSETS:**APPLICATION OF FUNDS:**

NET FIXED ASSETS	INVESTMENTS	NET CURRENT ASSETS	MISC. EXPENSES	ACCUMULATED LOSSES
30646.16	NIL	(15388.38)	NIL	167925.50

4. PERFORMANCE OF THE COMPANY: Nil
5. GENETIC NAME IF THREE PRINCIPAL PRODUCT/SERVICE OF THE COMPANY:

A) ITEM CODE

B) PRODUCT DESCRIPTION

V. Jagannathan

Managing Director

I II III
For Sri Nandaa Spinn. Ltd. Coimbatore

S. Jeevaraj

Director

AS PER MY REPORT ANNEXED

PLACE : Coimbatore.

DATE : 02.08.2010.

S. Jeevaraj

S. Jeevaraj
Chartered Accountant.

