

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).

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**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

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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

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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