



To  
The Board of Directors,  
Arvind Worldwide(M)Inc.  
Arvind Mills Ltd.  
Ahmedabad

We have audited the attached Balance sheet of UK Branch of Arvind Worldwide(M) Inc. as at 31<sup>st</sup> March 2011 and also the annexed Profit & Loss Account of the branch 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.

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 management, as well as evaluating the overall financial statement presentation.

We report that, in our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon give the information in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India

- (a) In case of Balance sheet , of the state of affairs of the branch as at 31<sup>st</sup> March 2011  
(b) In the case of Profit & Loss account, of the Profit for the year ended on that date.

Date : 10<sup>th</sup> May, 2011  
Place: Ahmedabad



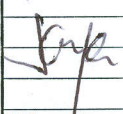
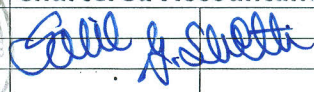
For Mehta Sheth & Associates;  
Chartered Accountants

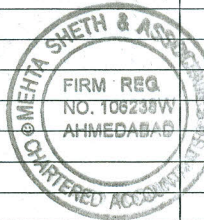
*Salil G. Sheth*


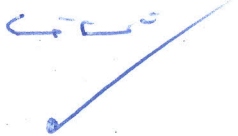
(Salil G. .Sheth)

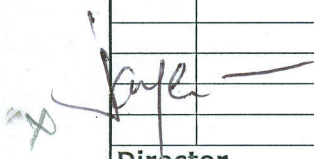
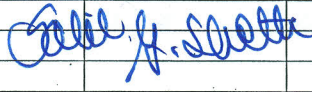
Partner

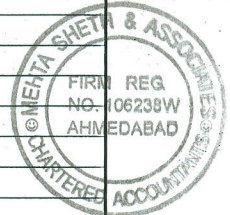
Membership No. 110500.

ARVIND WORLDWIDE (M) INC.			
BALANCE SHEET As At- 31-03-2011			
		As at 3/31/2011	As at 3/31/2010
		\$	\$
<b>DEFICIT OF ASSETS</b>			
<b>Non current assets</b>			
Investment		0	0
Tangible fixed assets		0	0
		0	0
<b>Current assets</b>			
Inventories		0	0
Trade and other receivables		295050	295050
Bank and cash balances		32271	25580
		327320	320630
<b>Current liabilities</b>			
Trade and other payables		175641	156035
		175641	156035
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			
		151679	164595
		151679	164595
<b>REPRESENTED BY</b>			
<b>Capital and reserves</b>			
Share capital		5484000	5484000
Reserves		-6277321	-6264405
		-793321	-780405
<b>Unsecured Loan</b>			
Loans (Liability)		945000	945000
		151679	164595
<b>For Arvind Worldwide (M) Inc.</b>		<b>For Mehta Sheth &amp; Associates Chartered Accountants</b>	
			
Director		Salil G. Sheth Partner	



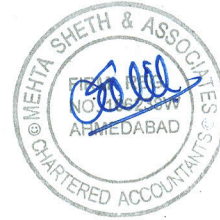
ARVIND WORLDWIDE (M) INC.			
DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2011			
		UPTO 31-03-2011	31-03-2010
		TOTAL	TOTAL
		\$	\$
TURNOVER		0	0
COST OF SALES	1	0	3,692
DIRECT EXPENSES		0	0
		0	3,692
GROSS PROFIT / (LOSS)		0	(3,692)
OTHER INCOME	2	0	18,962
Administrative & Other Expenses	2	12,915	43,562
		0	0
<b>PROFIT/(LOSS) FOR THE YEAR</b>		<b>(12,915)</b>	<b>(28,292)</b>
<b>For Arvind Worldwide (M) Inc.</b>		<b>For Mehta Sheth &amp; Associates Chartered Accountants</b>	
			
Director		Sali G. Sheth Partner	



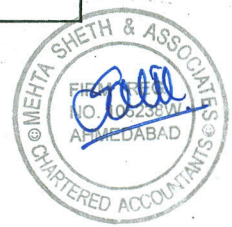
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ARVIND WORLDWIDE (M) INC		
<u>Administrative &amp; Other Expenses</u>		
FOR THE PERIOD ENDED 31ST MAR 2011		
Cur: USD		
		<b>TOTAL</b>
	<i>Indirect Expenses</i>	<b>310311</b>
1	Bank Charges	0
2	Bank Charges - Collections	0
3	Bank Charges - Others	1805
4	Bank Interest	
5	Misc Exp	
6	Office Exp	
7	Professional Fees	10195
8	Legal Exps	676
9	ROC Annual Fees	240
10	Forex gain and loss	
11	Sundry Debits W/off.	0
12	Unadjusted Forex Gain/Loss	0
13	Sales Claims	0
14	Discount	
15	Telephone Exp	
16	Sundry Debtors W.off	0
	<b>TOTAL</b>	<b>12915</b>



ARVIND WORLDWIDE (M) INC.		
Details of Receirables & Payables ason 31-03-2011		
Name of the Party	USD	Details
<u>Due to (Loan)</u>		
Arvind Ltd	945,000	
	945,000	
<u>Due to (Creditors)</u>		
Arvind Ltd-Shtg. Classic line	79,303	Purchase
Arvind Ltd-Denim	(39,870)	Purchase Return
Arvind Ltd-DGD Blore	(9,516)	Asset Sale
Arvind Fashions Ltd	101,806	Reds Div.-Purchase
Arvind Ltd-Denim	43,918	Reds Div-Royalty
	175,641	
<u>Due from (Debtors)</u>		
Arvind Ltd	295,049	Sale of Denim
	295,049	



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ARVIND WORLDWIDE (M) INC.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31.03.2011

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1. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted by the company are as follows:

(a) Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Turnover

Turnover represents the total invoiced values, net of value added tax, of all sales of goods and services, less discounts, allowances and returns.

(c) Depreciation

Since the company does not have any fixed assets no depreciation has been provided during the year.

(d) Inventories

Inventories are valued at the lower of cost and net realisable value.

(e) Foreign currencies

Assets and liabilities denominated in foreign currencies other than the U.S Dollar are translated into U.S Dollars at the rates of exchange ruling at the balance sheet date. Differences on exchange arising from the retranslation of the opening reserves and from the translation of the results for the period at the year end rate are taken to reserves. All other foreign exchange differences are taken to the profit and loss account of the period in which they arise.

(f) Organisation and operations

**UK Branch**

Arvind Worldwide (M) Inc. - UK Branch is the UK branch of Arvind Worldwide (M) 'Inc., a company incorporated in Mauritius (Head Office) which in turn is a wholly owned subsidiary of Arvind Mills Limited., a company incorporated in India (Parent Company).

The UK Branch is principally engaged in the provision of sales and marketing services in the European region for its parent Company.

The Company is doing the Business of Denim & Shirting Products with its Parent company Arvind Mills L through its UK Branch



ARVIND WORLDWIDE (M) INC.

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31.03.2011

	USD 31.03.2011	USD 31.03.2010
<b>1 RELATED PARTY TRANSACTIONS</b>		
The following transactions were carried out with related parties:		
<b>Purchases</b>		
The Arvind Mills Limited	-	-
Arvind Overseas ( M ) Ltd.	-	-
Arvind Fashions Ltd	-	-
<b>Purchases Return</b>		
The Arvind Mills Limited	-	-
Arvind Overseas ( M ) Ltd.	-	-
Arvind Mills Ltd Garment Banglore	-	-
<b>Due to</b>		
Arvind Products Limited	-	-
Arvind Fashions Ltd	101,806	101,806
Arvind Mills Limited	83,351	63,745
<b>Due from</b>		
Arvind Mills Limited	295,049	295,050
AML DGD Blore	9,516	9,516
	-	-
	-	-
<b>Transaction of loan Due to</b>		
Arvind Mills Ltd	945,000	945,000
Arvind Overseas(Mauritius) Ltd	-	-
<b>Transaction of loan Due from</b>		
Arvind Worldwide Inc.USA	-	-
<b>2 INVENTORIES</b>		
Finished goods and goods held for resale	-	-
<b>3 TRADE AND OTHER RECEIVABLES</b>		
Loans & Advances	-	-
Sundry Debtors	295,050	295,050
	<u>295,050</u>	<u>295,050</u>



## ARVIND WORLDWIDE (M) INC.

## NOTES TO THE ACCOUNTS

	USD 31.03.2011	USD 31.03.2010
<b>4 TRADE AND OTHER PAYABLES</b>		
Trade creditors	131,723	112,117
Taxes and social security costs		
Other payables	43,918	43,918
Accruals and deferred income		
	<u>175,641</u>	<u>156,035</u>
<b>5 SHARE CAPITAL</b>		
<u>Authorised</u>		
100,000 Shares of USD 100 each	<u>10,000,000</u>	<u>10,000,000</u>
<u>Issued and Fully Paid</u>		
54,840 Shares of USD 100 each	<u>5,484,000</u>	<u>5,484,000</u>
<b>6</b>		
Opening Revenue Reserve	(7,394,450)	(7,366,158)
Profit during the year	(12,915)	(28,292)
Capital Reserve	1,130,045	1,130,045
Exchange rate on retranslation	0	0
	<u>(6,277,321)</u>	<u>(6,264,405)</u>
<b>7 COST OF SALES</b>		
Opening stock	0	36688
Purchase (Purch Return)	0	-32996
	<u>0</u>	<u>3692</u>
Closing stock	0	0
	<u>0</u>	<u>3692</u>
<b>8 Direct Expenses</b>	0	0
<b>9 Other Income (Sundry Cr.W.off)</b>	0	0
<b>9-A Other Income (MISC.INCOME)</b>	0	18692
<b>9-B <u>Administrative Expenses</u></b>	<u>31.03.2011</u>	<u>31.03.2010</u>
1 Bank Charges	0	0
2 Bank Charges - Collections	0	0
3 Bank Charges - Others	1805	751
4 Bank Interest		
5 Misc Exp		
6 Office Exp		
7 Professional Fees	10195	42812
8 Legal Exps	676	
9 ROC Annual Fees	240	0
10 Forex gain and loss		
11 Sundry Debits W/off.	0	0
12 Unadjusted Forex Gain/Loss	0	0
13 Sales Claims	0	0
14 Discount		
16 Sundry Debtors W.off	0	0
<b>TOTAL</b>	<b>12915</b>	<b>43562</b>





ARVIND WORLDWIDE (M) INC.

NOTES TO THE ACCOUNTS

	31.03.2011 USD	31.03.2010 USD
<b>10 EARNINGS/(LOSS) PER SHARE</b>		
Earnings per share is based on Loss for the year \$352625 (PY Loss \$689377) and 54,840 shares in issue.	(0.24)	(0.52)
<b>11 CASH GENERATED FROM OPERATIONS</b>		
Profit/(Loss) for the year	(12,915)	(28,292)
Adjustments for:		
Capital reserve	-	-
Depreciation	-	-
Provision for diminution in value of investments	-	-
Movements in working capital:		
(Increase) / Decrease in stocks	-	36,688
(Increase) / Decrease in trade and other receivables	-	-
Increase / (Decrease) in trade and other payables	-	(19,606)
	<u>(12,915)</u>	<u>(11,210)</u>

**12 TAXATION**

The company has been established as an "Offshore Company" for the purpose of the Mauritius Offshore Business Activities Act 1992.

**13 HOLDING COMPANY**

The holding company is Arvind Ltd, a company incorporated in India.

**14 GOING CONCERN**

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the shareholders.

The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis.

**15 There is no Revenue Commitments for the next year.**

**For Arvind Worldwide (M) Inc.**

*[Signature]*  
Director

**For Mehta Sheth & Associates  
Chartered Accountants**

*[Signature]*

**Salil G.Sheth  
Partner**

