

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 31st March 2010 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

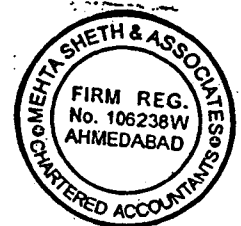
- (a) In case of Balance sheet , of the state of affairs of the branch as at 31st March 2010
- (b) In the case of Profit & Loss account, of the Profit for the year ended on that date.

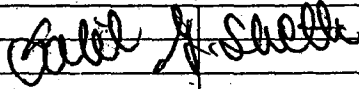
For Mehta Sheth & Associates;
Chartered Accountants

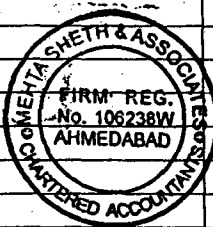
Salil G. Sheth

(Salil G. .Sheth)
Partner

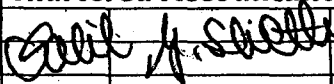
Date : 24th May, 2010
Place: Ahmedabad



ARVIND WORLDWIDE (M) INC.			
BALANCE SHEET As At- 31-03-2010			
		As at	As at
		31/03/2010	31/03/2009
		\$	\$
DEFICIT OF ASSETS			
Non current assets			
Investment		0	0
Tangible fixed assets		0	0
		0	0
Current assets			
Inventories		0	36688
Trade and other receivables		295050	295050
Bank and cash balances		25580	36790
		320630	368528
Current liabilities			
Trade and other payables		156035	175641
		156035	175641
NET CURRENT ASSETS/(LIABILITIES)			
		164595	192887
		164595	192887
REPRESENTED BY			
Capital and reserves			
Share capital		5484000	5484000
Reserves		-6264405	-6236113
		-780405	-752113
Unsecured Loan			
Loans (Liability)		945000	945000
		164595	192887
For Arvind Worldwide (M) Inc.		For Mehta Sheth & Associates	
		Chartered Accountants	
			
		Salil G. Sheth	
		Partner	
Director			



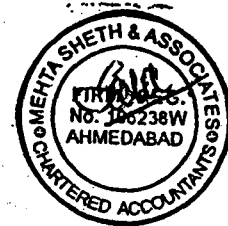
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ARVIND WORLDWIDE (M) INC.			
DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31-03-2010			
		UPTO	
		31-03-2010	31-03-2009
		TOTAL	TOTAL
		\$	\$
TURNOVER		0	28,287
COST OF SALES	1	3,692	55,422
DIRECT EXPENSES		0	9,706
		3,692	65,128
GROSS PROFIT / (LOSS)		(3,692)	(36,841)
OTHER INCOME	2	18,962	632,348
Administrative & Other Expenses	2	43,562	948,132
		0	0
PROFIT/(LOSS) FOR THE YEAR		(28,292)	(352,625)
For Arvind Worldwide (M) Inc.		For Mehta Sheth & Associates	
		Chartered Accountants	
			
		Salil G. Sheth	
Director		Partner	



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ARVIND WORLDWIDE (M) INC			
Administrative & Other Expenses			
FOR THE PERIOD ENDED 31ST MARCH 2010			
Cur: USD			
Sr. No.	Particulars	FOR FY 09-10	TOTAL FY 08-09
1	Bank Charges	0	1380
2	Bank Charges - Collections	0	444
3	Bank Charges - Others	751	1114
4	Professional Fees	42812	10585
5	Sales Commission	0	8428
6	Sundry Debits W/off.	0	458541
7	Unadjusted Forex Gain/Loss	0	644
8	Sales Claims	0	1000
9	Sundry Debtors W.off	0	465996
	TOTAL	43562	948132



ARVIND WORLDWIDE (M) INC.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31.03.2010**

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.

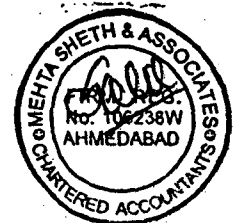
(f) Organisation and operations

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 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.

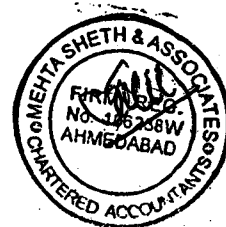
The Company is doing the Business of Denim & Shirting Products with its Parent company Arvind Ltd. through its UK Branch



ARVIND WORLDWIDE (M) INC.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31.03.2010**

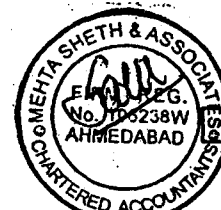
	USD 31.03.2010	USD 31.03.2009
1 RELATED PARTY TRANSACTIONS		
The following transactions were carried out with related parties:		
Purchases		
The Arvind Mills Limited	-	1,397
Arvind Overseas (M) Ltd.	-	-
Arvind Fashions Ltd	-	-
Purchases Return		
The Arvind Mills Limited	-	-
Arvind Overseas (M) Ltd.	-	-
Arvind Mills Ltd Garment Bangalore	-	-
Due to		
Arvind Products Limited	-	-
Arvind Fashions Ltd	101,806	101,806
Arvind Mills Limited	63,745	90,036
Due from		
Arvind Mills Limited	295,050	295,050
AML DGD Blore	9,516	9,516
	-	-
Transaction of loan Due to		
Arvind Mills Ltd	945,000	945,000
Arvind Overseas(Mauritius) Ltd	-	-
Transaction of loan Due from		
Arvind Worldwide Inc.USA	-	-
2 INVENTORIES		
Finished goods and goods held for resale	<u>-</u>	<u>36,688</u>
3 TRADE AND OTHER RECEIVABLES		
Loans & Advances	-	-
Sundry Debtors	<u>295,050</u>	<u>295,050</u>
	<u>295,050</u>	<u>295,050</u>



ARVIND WORLDWIDE (M) INC.

NOTES TO THE ACCOUNTS

	USD 31.03.2010	USD 31.03.2009
4 TRADE AND OTHER PAYABLES		
Trade creditors	112,117	131,723
Taxes and social security costs		
Other payables	43,918	43,918
Accruals and deferred income		
	156,035	175,641
5 SHARE CAPITAL		
<u>Authorised</u> 100,000 Shares of USD 100 each	10,000,000	10,000,000
<u>Issued and Fully Paid</u> 54,840 Shares of USD 100 each	5,484,000	5,484,000
6		
Opening Revenue Reserve	(7,366,158)	(7,013,533)
Profit during the year	(28,292)	(352,625)
Capital Reserve	1,130,045	1,130,045
Exchange rate on retranslation	0	0
	(6,264,405)	(6,236,112)
7 COST OF SALES		
Opening stock	36688	36688
Purchase (Purch Return)	-32996	0
	3692	36688
Closing stock	0	36688
	3692	0
8 Direct Expenses	0	0
9 Other Income (Sundry Cr.W.off)	0	-632348
9-A Other Income (MISC.INCOME)	18962	0
9-B <u>Administrative Expenses</u>	31.03.2010	31.03.2009
1 Bank Charges	0	1380
2 Bank Charges - Collections	0	444
3 Bank Charges - Others	751	1114
4 Bank Interest		
5 Misc Exp		
6 Office Exp		
7 Professional Fees	42812	10585
8 Royalty		
9 Sales Commission	0	8428
10 Forex gain and loss		
11 Sundry Debits W/off.	0	458541
12 Unadjusted Forex Gain/Loss	0	644
13 Sales Claims	0	1000
14 Discount		
16 Sundry Debtors W.off	0	465996
TOTAL	43562	948132



ARVIND WORLDWIDE (M) INC.

NOTES TO THE ACCOUNTS

	31.03.2010 USD	31.03.2009 USD
10 EARNINGS/(LOSS) PER SHARE		
Earnings per share is based on Loss for the year \$352625 (PY Loss \$689377) and 54,840 shares in issue.	(0.52)	(6.43)
11 CASH GENERATED FROM OPERATIONS		
Profit/(Loss) for the year	(28,292)	(352,625)
Adjustments for:		
Capital reserve	-	-
Depreciation	-	-
Provision for diminution in value of investments	-	-
Movements in working capital:		
(Increase) / Decrease in stocks	36,688	26,890
(Increase) / Decrease in trade and other receivables	-	355,312
Increase / (Decrease) in trade and other payables	(19,606)	(672,158)
	(11,210)	(642,581)

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.

CSL
Director

**For Mehta Sheth & Associates
Chartered Accountants**

Salil G. Sheth

**Salil G. Sheth
Partner**

