

Maxwell Industries Ltd.

Registered Office: C-6, Road No. 22, MIDC, Andheri (E), Mumbai – 400093
Tel.: +91-22-2825 7624 / 27 Fax: +91-22-2837 1023 / 24

Notice Pursuant to Section 192A of the Companies Act, 1956

Dear Shareholder(s),

NOTICE is hereby given pursuant to Section 192A and other applicable provisions of the Companies Act, 1956 read together with the Companies (Passing of the Resolution by Postal Ballot) Rules 2001 or Companies (Passing of the Resolution by Postal Ballot) Rules 2011 as may be applicable (herein after refer to as "Postal Ballot Rules"), for the consent of the members of the Company in relation to sale of "Spinning Division Business" situated at Kollapalur Village, Gobichettipalayam, Erode, Tamil Nadu in terms of Section 293(1)(a) of the Companies Act, 1956, for which consent is sought to be obtained by means of Postal Ballot.

As per the provisions of Section 293(1)(a) of the Companies Act, 1956, the sale, lease or disposal of the whole or substantially the whole of undertaking of the Company or where the Company own more than one undertaking, of the whole or substantially the whole of any such undertaking, requires the approval of the Shareholders by way of an Ordinary Resolution.

As per Section 192A of the Companies Act, 1956, read with the Postal Ballot Rules, the consent/approval of the Shareholders for the above purpose is required to be obtained by means of postal ballot. Accordingly the proposed Ordinary Resolution and Explanatory Statement thereto are sent to you with a Postal Ballot Form for your consideration.

The Company has appointed Mr. Rakesh Sanghani of M/s. Rakesh Sanghani, Practicing Company Secretary, as a Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

Please read carefully the instructions printed in the Postal Ballot Form and return the form duly completed in all respects in the enclosed self addressed pre-paid postage envelope so as to reach the Scrutinizer on or before the close of working hours on 9th July, 2011.

The Scrutinizer will submit his report to Chairman of the Company after completion of the scrutiny and the result of voting by Postal Ballot will be announced on 13th July, 2011 at 11.00 A.M. at the Registered Office of the Company at C-6, Road No.22, MIDC, Andheri (East), Mumbai-400 093.

ORDINARY RESOLUTION

To consider, and if thought fit, to give assent / dissent , to the following Resolution as an Ordinary Resolution through Postal Ballot under provisions of Section 293(1)(a) of the Companies Act, 1956:

"RESOLVED THAT pursuant to the provisions of Section 192A, 293(1)(a), read with the Postal Ballot Rules and other applicable provisions, if any, of the Companies Act, 1956, the provisions contained in the Memorandum and Articles of Association of the Company and subject to such other approvals and permissions as may be required, consent be and is hereby accorded to the Board of Directors of the Company ("the Board" which expression shall also include a Committee of Directors constituted for this purpose) to sale, convey, transfer, assign, deliver or otherwise dispose of its Spinning Division Business Unit situated at Kollapalur Village, Gobichettipalayam, Erode, Tamil Nadu together with all immovable, movable, intangible and current assets and liabilities pertaining/apportioned to the above Spinning Division Business Unit on Slump Sale basis as a Going Concern to M C Spinners Private Limited or any other party for a lump sum consideration of Rs.39 Crore (Rupees Thirty Nine Crore Only), subject to fulfillment of the terms and conditions as may be contained in Business Transfer Agreement and such other terms and conditions as may be decided by the Board and as incidental to the transfer, sale and disposal thereof subject to requisite approvals as may be required from the lenders and other authorities if any, with full power and authority to the Board to authorize the finalization and execution of all the necessary documents, agreements, deeds of assignment/conveyance and other documents and to do all such acts, deeds, matters and things as may be deemed necessary or expedient in their discretion for completion of sale, conveyance, transfer, assignment, delivery or otherwise disposal of the Spinning Division Business Unit.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such acts, deeds, matters, things and accept any alteration or modifications(s) as they may deem fit and proper and give such directions as may be necessary to settle any questions or difficulty that may arise in regard to the subject matter of the resolution, if any."

Registered Office:
C-6, Road No. 22,
M.I.D.C., Andheri (East)
Mumbai - 400093.

Place : Mumbai
Date : 04.06.2011

**By Order of the Board
For Maxwell Industries Limited**

Sd/-
R. Venkataraman
Vice President Finance &
Company Secretary

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT AND REASONS FOR THE PROPOSED RESOLUTION ACCOMPANYING THE NOTICE, PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.

ITEM NO. 1

The Company has mainly been engaged in the business of manufacture and sale of Hosiery products. In addition to the main business, the Company has been engaged in the business of manufacturing of yarn at its Spinning Unit situated at Kollapalur Village, Gobichettipalayam, Erode, Tamil Nadu.

The Company to focus its attention on growing its core Hosiery business and in order to enable the Company to concentrate in its core business of manufacture and sale of Hosiery product, it is proposed that as a business restructuring, to dispose off the Spinning business as a going concern, on slump sale basis. This will enable the Company to focus its attention on growing its core business of Hosiery. It is proposed to transfer the Spinning business along with the all assets and liabilities which are required to conduct the business.

The Company has entered into a Business Transfer Agreement dated 03.06.2011 with M C Spinners Private Limited for disposal of the Spinning Division Business Unit situated at Kollapalur Village, Gobichettipalayam, Erode, Tamil Nadu for a lump sum consideration of Rs.39 Crore (Rupees Thirty Nine Crore Only), subject to approval of the members. It is proposed to transfer the Spinning business to M C Spinners Private Limited, subject to receipt of all consents and approvals including consent of the Members.

The Board of Directors by their resolution dated 03.06.2011, have approved disposal of the Spinning Division Business Unit, subject to approval being accorded by the Members. The above transaction requires the consent of the Members by Postal Ballot under Section 293(1)(a) and 192A of the Companies Act, 1956.

Accordingly, the consent of the Members is solicited by passing an Ordinary Resolution through Postal Ballot under section 293(1)(a) of the Companies Act, 1956 as detailed in the Notice.

As the proposal for sale of the Spinning Business Unit will be in the interest of the Company, the Board of Directors recommends passing of the Ordinary Resolution as set out in the Notice.

The agreement referred to in the above Notice will be available for inspection at the Registered Office of the Company between 11.00 a.m to 2.30 p.m. on all working days (except Saturdays, Sundays and Holidays) upto till the date of declaration of postal ballot results.

Interest of Directors

None of the Directors of the Company is in anyway concerned or interested in the Resolution except to the extent of their respective shareholding in the Company.

Registered Office:
C-6, Road No. 22,
M.I.D.C., Andheri (East)
Mumbai - 400093.

Place : Mumbai
Date : 04.06.2011

**By Order of the Board
For Maxwell Industries Limited**

Sd/-
R. Venkataraman
Vice President Finance &
Company Secretary

Maxwell

MAXWELL INDUSTRIES LTD.

Registered Office: C-6, Road No. 22, MIDC, Andheri (E), Mumbai – 400093

POSTAL BALLOT FORM

Name & Registered Address
of the Sole / First named
Shareholder

Name(s) of the Joint
Shareholder(s), if any

Registered folio No. /
DP ID No. / Client ID No.
(applicable to investors holding
shares in dematerialized form)

Number of Shares held

I/We hereby exercise my / our vote in respect of the Special resolution to be passed by Postal Ballot
for the business stated in the Notice of the Company dated 04.06.2011 by sending my / our assent
or dissent to the said resolution by placing the tick(✓) mark at the appropriate box below:

Notice Item No.	Description	No. of Shares	I/We assent to the Resolution (For)	I/We dissent to the Resolution (Against)
1.	Ordinary Resolution in terms of Section 293(1)(a) of the Companies Act 1956.			

Place:

Date:

Signature of the Shareholder

Note: Please read carefully the instructions printed overleaf before exercising your vote.

INSTRUCTIONS

1. A Member desiring to exercise vote by Postal Ballot may complete the Postal Ballot Form and sent it to the Company in the attached self addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if sent by courier at the expenses of the registered shareholder, will also be accepted.
2. The Self addressed envelope bears the address of the Scrutinizer appointed by the Board of Directors of the Company.
3. The Form should be completed and signed by the shareholders. In case of joint holding, this form should be completed and signed by the first named shareholder and in his absence by the next named shareholder. In case of shares held by the companies, trust, societies etc., the duly completed Postal Ballot form should be accompanied by a certified true copy of the Board of Resolution / Authority. The signature must be as per specimen signature registered with the Company.
4. Unsigned Postal Ballot Form will be rejected.
5. Duly completed Postal Ballot Form should reach the Company not later than the close of the Company's business hours on the 09.07.2011 Postal Ballot form received after this date will be strictly treated as if the reply from the member has not been received.
6. Voting rights shall be reckoned on the basis of the Paid up value of shares registered in the name of the shareholders on the date of dispatch of the Notice.
7. Members are requested not to send any other paper along with Postal Ballot Form in the enclosed self addressed prepaid envelope in as much as such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope will be destroyed by Scrutinizer

No.	Description	No. of Shares	I/We assent to the Resolution (Yes)	I/We dissent to the Resolution (Assent)
1.	Ordinary Resolution in terms of Section 203(1)(a) of the Companies Act 1956			

Signature of the Shareholder

Place
Date

Please read carefully the instructions printed overleaf before exercising your vote.