

ANNUAL REPORT 2007-2008



Maxwell

MAXWELL INDUSTRIES LIMITED



**WINNER OF
GOLDEN SCALE TROPHY
2007 - 2008**



"BRAND OF THE YEAR"

**MEN'S
INNERWEAR**

VIP[®]

**WOMEN'S
INNERWEAR**

vip[®]
Feelings

Corporate Information

Board of Directors

Jaykumar K. Pathare	Chairman
L. Jaipal Reddy	Managing Director (Upto 17 th July, 2008)
Sunil J. Pathare	Vice Chairman & Managing Director (Designate)
L. Vinay Reddy	Director (Upto 30 th June, 2008)
Kapil J. Pathare	Whole Time Director
R. Anand	Director
Dr. Arvind Kulkarni	Director
Durgesh Chandra	Director
Gopal Sehjpal	Director
Chetan Sheth	Director
Robin Banerjee	Director
Deepak Maheshwari	Additional Director (From 29 th January, 2008)

Vice President Finance and Company Secretary

R. Venkataraman

Bankers

State Bank of India

Auditors

Attar & Co. - Chartered Accountants

Plant Location

Spinning Mills	:	Kollapalur Village ,Gobichettipalayam , Periyar District, Tamil Nadu.
Elastic Manufacturing Unit	:	104, SIDCO, Mudhalipalyam, Tirupur.
Processing House	:	13-15 , SIPCOT, Perundurai ,Erode District Tamil Nadu.
	:	C 119, TTC Industrial Area, MIDC, Pawane Village, Navi Mumbai.
Stitching Units	:	92, New GIDC, Umerngaon, Gujarat.
	:	SF-125/126/127, Appachimarmadam, Thingallur, Erode District, Tamilnadu
Socks Manufacturing Unit	:	D-20, Okhla Industrial Area, Delhi.

Registered Office

C-6, Road No.22, MIDC,
Andheri (East),
Mumbai 400 093.
Phone : + 91 22 28257624/27
Fax : + 91 22 28371023/24
E-mail : investor.relations@viporg.com
Website: www.vipapparel.com

Registrars & Transfer Agents

Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills
Compound, L. B. S. Marg,
Bhandup (W),
Mumbai 400 078.
Phone : + 91 22 25963838
Fax : + 91 22 25946969

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18TH ANNUAL GENERAL MEETING

Day	: Friday
Date	: 29 th August, 2008
Time	: 11 00 a.m.
Location	: All India Plastics Manufacturers Association Plot no. A-52 Road 1, MIDC, Marol, Andheri (East), Mumbai 400093

NOTICE NOTICE is hereby given that the 18th Annual General Meeting of the Members of Maxwell Industries Limited will be held on Friday the 29th August 2008, at 11.00 a.m at the All India Plastic Manufacturers' Association, Plot No. A- 52, Road No.1 MIDC, Marol, Andheri (E), Mumbai 400 093 to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the Balance Sheet as at 31st March, 2008, the Profit & Loss Account for the year ended on that date and the reports of the Board of directors and Auditors thereon.
2. To declare dividend on Preference Shares
3. To declare dividend on Equity Shares.
4. To appoint a Director in place of Mr. Gopal Sehjpal who retires by rotation and being eligible, offers himself for reappointment.
5. To appoint a Director in place of Dr. Arvind Kulkarni who retires by rotation and being eligible, offers himself for reappointment.
6. To appoint a Director in place of Mr. Chetan Sheth who retires by rotation and being eligible, offers himself for reappointment.
7. To re-appoint Messrs. Attar & Co., Chartered Accountants, as the Auditors of the Company and to authorise the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

8. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Deepak Maheshwari, who was appointed as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 and holds office upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956, in writing, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, subject to retirement by rotation under the Articles of Association of the Company."
9. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as Special Resolution:

"RESOLVED THAT pursuant to applicable provisions of the Companies Act, 1956, Securities Contract (Regulation) Act and rules framed there under, SEBI (Delisting of Securities) Guidelines 2003, Listing Agreement and all other applicable laws, regulations and guidelines and subject to such approvals, permission and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permission and sanction, which may be agreed to by the Board of Directors of the company, (hereinafter referred to as "the Board") approval of the member be and is hereby accorded to the Board for voluntary delisting of the Equity Shares of the company listed on Over The Counter Exchange of India (OTCEI), Mumbai."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to take all necessary steps in this regard and to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable and settle any question, difficulty, doubt that may arise in regard to voluntary delisting of Equity Shares from aforesaid Stock Exchange and to execute all such deeds, documents, writing as any be necessary, expedient or desirable as it may deem fit".
10. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and subject to such sanction(s) as may be necessary in law, Mr. Sunil J. Pathare be and is hereby appointed as Vice Chairman and Managing Director of the company for a period of five years effective from 17th July, 2008 to 16th July, 2013, on the terms and conditions set out in the draft Agreement with authority to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or Agreement, in such manner as may be agreed to between the Board of Directors and Mr. Sunil J. Pathare within and in accordance with the limit prescribed in Schedule XIII of the Companies Act, 1956 or any amendment thereto".

"RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid draft agreement between the Company and Mr. Sunil J. Pathare, be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law".

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits of the Company in any year, Mr. Sunil J. Pathare shall be entitled by way of salary and perquisites not exceeding the limits as specified in terms and conditions of the agreement, as minimum remuneration".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as are expedient or desirable to give effect to this Resolution".

11. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956 and subject to such sanction(s) as may be necessary in law, Mr. Kapil J. Pathare be and is hereby re-appointed as the Whole time Director of the Company for a period of five years effective from 1st July, 2008 to 30th June, 2013, on such terms and conditions set out in the draft Agreement with authority to the Board of Directors to alter, vary and modify the terms and conditions of the said appointment and/or Agreement, in such manner as may be agreed to between the Board of Directors and Mr. Kapil J. Pathare within and in accordance with the limit prescribed in Schedule XIII of the Companies Act, 1956 or any amendment thereto".

"RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the aforesaid draft agreement between the Company and Mr. Kapil J. Pathare, be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law".

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits of the Company in any year, Mr. Kapil J. Pathare shall be entitled by way of salary and perquisites not exceeding the limits as specified in terms and condition of the agreement, as minimum remuneration".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as are expedient or desirable to give effect to this Resolution".

12. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as Special Resolution:

"RESOLVED THAT in modification of the Resolution No. 11 passed at the 16th original Annual General Meeting of the Company held on 25th September, 2006 and in accordance with the provisions of Sections 198, 269, 309, 314 and other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Companies Act, 1956, the Company hereby approves the revision in the Remuneration of Mr. Jaykumar Pathare, the Whole-time Director of the Company".

"RESOLVED FURTHER THAT in the event of any statutory amendments, modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorised to vary or increase the remuneration (including the minimum remuneration), that is, the salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the agreement between the Company and Mr. Jaykumar Pathare, be suitably amended to give effect to such modification, relaxation or variation, subject to such approvals as may be required by law".

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits of the Company in any year, Mr. Jaykumar Pathare shall be entitled by way of salary and perquisites not exceeding the limits as specified in terms and condition of agreement, as minimum remuneration".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as are expedient or desirable to give effect to this Resolution".

13. To consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution.

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any of the Companies Act, 1956, existing article 112 of the Articles of Association of the Company be altered & include the following words".

"then the Vice Chairman of the Company shall preside as the Chairman of the meeting and in his absence"

The new alter article 112 be read as under

Chairman of General Meeting:

Article 112. "The Chairman of the Board shall preside as Chairman at every general meeting, annual or extra-Ordinary. If there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or present declines to take the Chair, ***then the Vice Chairman of the Company shall preside as the Chairman of the meeting and in his absence***, the Directors present may choose one of their number to be Chairman and in default of their doing so the members present shall choose one of the Directors to be chairman and if no Director present be willing to take the Chair shall, on a show of hands elect one of their number to be Chairman of the meeting. If a poll is depended on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and these articles, and the Chairman elected on a show of hands shall exercise all the powers of the chairman under the said provisions. If some other person is elected Chairman as a result of the poll, he shall be the chairman for the rest of the meeting and concerned authorities in this regard."

Place: Mumbai
Date: 17th July, 2008

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

By order of the Board of Directors
For Maxwell Industries Limited

R. Venkataraman
Vice President Finance &
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The Proxy form duly completed must reach the Registered Office of the Company not later than forty eight hours before the time appointed for holding the meeting.
3. The Register of members and the share transfer books of the Company will remain closed from 21st August, 2008 to 29th August, 2008 (both days inclusive).
4. The Company will be transferring the unclaimed dividend for the financial year ended on 31st March 2001 on or before 16th October, 2008. The members can claim the said dividend on or before 16th September, 2008 as it was the last date for claiming the unpaid dividend for 31st March, 2001. The Company has transferred, the unclaimed dividend upto the financial year ended 31st March 2000 to the Investors Education and Protection Fund (IEPF) of the Central Government. The Members who have not claimed their dividend for the financial years 2000-01, 2001-02, 2002-03, 2003-04, 2004-05, 2005-06 and interim & final dividend of 2006-07 are requested to claim it from the Company immediately.
5. Members are requested to notify any change in their address, to the Company at its Registered Office or to the Registrar and Share Transfer Agent, Intime Spectrum Registry Limited., C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai 400078.
6. Members desirous of obtaining any information concerning accounts of the Company are requested to address their queries, to the Company Secretary, atleast Seven days before the date of the meeting, to enable the information required to be made available at the meeting to the extent possible.
7. Members may be aware, that the Equity Shares of the Company have been subdivided from one equity shares of Rs.10/- each to 5 equity share of Rs.2/- each, in terms of Resolution passed by the Shareholders of the Company at the Extra Ordinary General Meeting of the Company held on 1st February, 2006. The Members who are yet holding their share certificate of Rs.10/- each of the Company need to exchange the same with new equity shares of Rs.2/-each by sending the same to the Company's Registrar & Transfer Agent, M/s. Intime Spectrum Registry Limited, since the old share certificate of Rs.10/- each are no longer tradable.
8. Members/proxies are requested to bring the attendance slip duly filled in for attending the Meeting and copy of their Annual Report.

Explanatory Statement under Section 173 (2) of the Companies Act, 1956**Item No. 8**

Mr. Deepak Maheshwari, representative of Reliance Capital Partner, was appointed as an additional Director of the Company w.e.f. 29th January, 2008 (in terms of share subscription and share holders agreement entered by the company on 19th May, 2006) and holds the office upto the date of 18th Annual General Meeting, pursuant to Section 260 of the Companies Act, 1956 and Articles of Association of the Company.

Notice under Section 257 of the said Act has been received from a member along with the deposit of Rs. 500/- signifying his intention to propose the name of Mr. Deepak Maheshwari, for appointment as a Director of the Company. Mr. Deepak Maheshwari, has already filed his consent, to act as a Director, with the Company.

Mr. Deepak Maheshwari, (Head, Finance with Reliance Power), aged 38 years, is an Electric Engineer and MBA with 14 years of work experience which spans sales, contract management, software project implementation, project finance and private equity and has worked across Asia.

The Resolution as set out in item No. 8 of the Notice will be placed before the meeting for the approval of the members.

Your Directors recommend the approval of proposed resolution by the Members.

None of the Directors of the Company except Mr. Deepak Maheshwari, is interested in the resolution.

Item No. 9

The Equity Shares of the Company are presently listed on Over the Counter of Exchange India (OTCEI), Bombay Stock Exchange Limited (BSE), National Stock Exchange Limited (NSE), There is no trading in the Company's Equity Shares on OTCEI during the last three years, it is felt that continued listing with OTCEI, does not provide any significant tangible advantage to the members of the Company. Therefore, the Company proposes to get its shares delisted from OTCEI.

With the extensive networking of BSE and NSE, the Members of the Company have access to online dealing in the Company's Equity Shares across the country. The Equity Shares of the Company, will continue to be listed on BSE and NSE. There would be no change in the capital structure of the Company post delisting. The Company has paid listing fee within the stipulated time.

Moreover the company's shares are one of the scrips, which the SEBI has specified for settlement only in demat form by all investors. As per the applicable, SEBI Guidelines, no exit option is required to be given to the shareholders, as the Company's shares are listed on BSE/NSE having nationwide terminals.

In line with the SEBI guidelines, member's approval is sought by a Special Resolution for enabling voluntary delisting of the Company's Equity Shares from the OTCEI. The proposed delisting will not adversely affect the investors. The delisting will take effect after all approval(s), permission(s) and sanction(s) are received from appropriate authorities, wherever require.

The Resolution as set out in item No. 9 of the Notice will be placed before the meeting for the approval of the members.

Your Directors recommend the approval of proposed resolution by the Members.

None of the Directors of the Company is interested in the resolution.

Item No.10

Pursuant to the resignation of Managing Director of the Company, Board has at its meeting held on 17th July, 2008 appointed Mr. Sunil J. Pathare Director of the Company as a Vice Chairman and Managing Director of the Company subject to the approval of members.

The main terms and conditions of Mr. Sunil J. Pathare appointment shall be as under:

- i. Mr. Sunil J. Pathare to perform such duties and exercise such powers as are entrusted to him by the Board.
- ii. REMUNERATION:

The remuneration payable shall be determined by the Board from time to time within, however, the maximum limits set forth below:

- a) Salary upto Rs.2,25,000/- (Rupees Two Lakh Twenty five Thousand Only) per month, with such increase, as may be decided by the Board of Directors (which includes any committee thereof) from time to time, but subject to maximum of salary of Rs.3,25,000/- (Rupees Three Lakh Twenty Five Thousand only) per month.
- b) Commission:
Subject to availability of profit and at the rate of not more than 0.5% of the net profit for the year, the Board of Directors will determine the commission payable within the overall ceiling laid down in sections 198 and 309 of the Companies Act, 1956 and Schedule XIII as may be applicable from time to time.
- c) Perquisites:
He will be entitled to furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to Rs 21,00,000/- (Rupees Twenty One Lakhs Only) per annum;
- d) Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to him by way of salary and perquisites shall not exceed the maximum limit prescribed under Schedule XIII to the Companies Act, 1956.

The Board shall have the discretion and authority to modify the forgoing terms of remuneration within, however, the limit prescribed under Schedule XIII to the Companies Act, 1956.

The appointment will be for a period of 5 years, which may be terminated by either party, giving to the other, 30 days notice in writing, or upon Mr. Sunil J. Pathare ceasing to be a Director of the Company.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the details of appointment and remuneration payable to Mr. Sunil J. Pathare are placed before the members, in general meeting, for their approval by way of special resolution.

The terms and conditions of Mr. Sunil J. Pathare appointment as set out above may also be treated as an abstract of the terms of the draft Agreement between Mr. Sunil J. Pathare and the Company under Section 302 of the Companies Act, 1956.

Your Directors recommend the approval of the proposed special resolution by the Members.

Mr. Sunil Pathare himself and Mr. Jaykumar Pathare and Mr. Kapil Pathare being his relatives, are concerned or interested in the resolution at Item No.10 of the Notice.

The draft of the agreement to be entered into with Mr. Sunil J. Pathare is available for inspection by any member of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day prior to the date of the Meeting and at the venue of the Annual General Meeting on the date of the Meeting during the Meeting.

Item No.11

At the 13th Annual General Meeting held on 15th September, 2003 shareholders had approved the appointment and terms of remuneration of Mr. Kapil Pathare Whole time Director of the Company for a period of 5 years from 1st July, 2003 the terms of Mr. Kapil J. Pathare as whole time Director expired on 30th June, 2008. Mr. Kapil Pathare has provided dedicated and meritorious services towards the growth of the Company.

The main terms and conditions of Mr. Kapil Pathare's re-appointment shall be as under:

Mr. Kapil Pathare to perform such duties and exercise such powers as are entrusted to him by the Board.

ii REMUNERATION:

The remuneration payable shall be determined by the Board from time to time within, however, the maximum limits set forth below:

- a) Salary upto Rs. 1,40,000 (Rupees One Lakhs Forty Thousand Only) per month, with such increase as may be decided by the Board of Directors (which includes any committee thereof) from time to time, but subject to maximum of salary of Rs.2,00,000/- (Rupees Two Lakh only) per month.
- b) Perquisites:
He will be entitled to furnished/non furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to Rs.14,00,000/- (Rupees Fourteen Lakhs only) per annum;
- c) Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to him by way of salary and perquisites shall not exceed the maximum limit prescribed under Schedule XIII to the Companies Act, 1956.

The Board shall have the discretion and authority to modify the forgoing terms of remuneration within, however, the limit prescribed under Schedule XIII to the Companies Act, 1956.

The re-appointment will be for a period of 5 years, which may be terminated either party, giving to the other 30 days notice in writing or upon Mr. Kapil J. Pathare ceasing to be a Director of the Company.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the details of re-appointment and remuneration payable to Mr. Kapil Pathare are placed before the members, in general meeting, for their approval by way of special resolution.

The terms and conditions of Mr. Kapil Pathare's re-appointment as set out above may also be treated as an abstract of the terms of the draft Agreement between Mr. Kapil Pathare and the Company under Section 302 of the Companies Act, 1956.

Your Directors recommend the approval of the proposed resolution by the Members.

Mr. Kapil Pathare himself and Mr. Jaykumar Pathare and Mr. Sunil Pathare being his relatives are concerned or interested in the resolution at Item No.11 of the Notice.

The draft of the agreement to be entered into with Mr. Kapil J. Pathare is available for inspection by any member of the Company at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on any working day prior to the date of the Meeting and at the venue of the Annual General Meeting on the date of the Meeting during the Meeting.

Item No.12

At the 16th original Annual General Meeting held on 25th September, 2006 shareholders had approved the re-appointment and terms of remuneration of Mr. Jaykumar Pathare Whole-time Director of the Company for a period of 5 years from 1st October,2006. Mr. Jaykumar Pathare has provided dedicated and meritorious services towards the growth of the Company. The Board of Director has decided to revise the remuneration of Mr. Jaykumar Pathare, Whole time Director.

The Revised terms and conditions of Mr. Jaykumar Pathare's remuneration shall be as under:

- i Mr. Jaykumar Pathare to perform such duties and exercise such powers as are entrusted to him by the Board.

ii) REMUNERATION:

The remuneration payable shall be determined by the Board from time to time within, however, the maximum limits set forth below:

- a) Salary upto Rs.2,25,000/- (Rupees Two Lakh Twenty five Thousand Only) per month with such increase as may be decided by the Board of Directors (which includes any committee thereof) from time to time, but subject to maximum of salary of Rs.3,00,000/- (Rupees Three Lakh only) per month.
- b. Commission:
Subject to availability of profit and at the rate of not more than 0.5% of the net profit for the year, the Board of Directors will determine the commission payable within the overall ceiling laid down in sections 198 and 309 of the Companies Act, 1956 and Schedule XIII as may be applicable from time to time.
- c. Perquisites:
He will be entitled to furnished accommodation or house rent allowance, gas, electricity, medical reimbursement, leave travel concession for self and family, club fees, personal accident insurance, company maintained car, telephone and such other perquisites in accordance with the Company's rules, the monetary value of such perquisites to be determined in accordance with the Income-Tax Rules, 1962 being restricted to Rs 21,00,000/- (Rupees Twenty One Lakhs Only) per annum;
- d. Company's contribution to provident fund and superannuation fund or annuity fund, gratuity payment as per Company's rules and encashment of leave at the end of his tenure shall not be included in the computation of ceiling on remuneration and perquisites as aforesaid.

In the event of absence or inadequacy of profits in any financial year, the remuneration payable to him by way of salary and perquisites shall not exceed the maximum limit prescribed under Schedule XIII to the Companies Act, 1956.

The Board shall have the discretion and authority to modify the forgoing terms of remuneration within, however, the limit prescribed under Schedule XIII to the Companies Act, 1956.

In compliance with the provisions of Section 309 and other applicable provisions, if any, of the Companies Act, 1956, the details of revised remuneration payable to Mr. Jaykumar Pathare are placed before the members, in general meeting, for their approval by way of special resolution.

The terms and conditions of Mr. Jaykumar Pathare's revision in remuneration as set out above may also be treated as an abstract of the terms of the draft Agreement between Mr. Jaykumar Pathare and the Company under Section 302 of the Companies Act, 1956.

Your Directors recommend the approval of the proposed resolution by the Members.

Mr. Jaykumar Pathare himself and Mr. Sunil. J Pathare and Mr. Kapil J. Pathare being his relatives, are concerned or interested in the resolution at Item No. 12 of the Notice.

Item No. 13

Presently as per the Article 112 of the Articles of Association of the Company, the chairman appointed by the Board will act as chairman of the General Meeting, Annual or Extra Ordinary General Meeting. The Board has approved the designation of Vice-Chairman, who will act as a chairman of the Board and General Meeting of the Company.

In order to give effect to the above, the Article 112 of the Articles of Association needs to be altered/amended.

The Copy of amended articles of associations is available for inspection to Members.

Your directors recommend the resolution for the approval

None of the Directors are interested in the resolution.

Place: Mumbai
Date: 17th July, 2008

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

By order of the Board of Directors
For Maxwell Industries Limited

R. Venkataraman
Vice President Finance &
Company Secretary

**Details of Director seeking appointment & reappointment at the forthcoming Annual General Meeting
(in pursuance of Clause 49 of the Listing Agreement)**

Name of the Director	Mr. Gopal Sehgal	Dr. Arvind Kulkarni	Mr. Chetan Sheth	Mr. Deepak Maheshwari	Mr. Sunil J. Pathare	Mr. Kapil J. Pathare
Date of Birth	19.05.1944	22.07.1932	12.07.1963	25.09.1969	17.07.1971	05.09.1979
Date of appointment	23.09.2002	11.03.1996	30.01.2004	29.01.2008	29.09.1992	15.09.2003
Qualification	B.A. (Eco.), M.A. (philosophy), PGDPM, Certified Quality Engineer.	M.S.	Engineer	Engineer and MBA	B.com	B.Com
Shareholding in Maxwell Industries	-	-	-	-	1,61,07,425	1,16,84,465
List of Directorship in other Companies	Oracle Management Private Limited	-	1. Prestige Metal System Pvt Ltd. 2. Sheth Fabrics Pvt Ltd	-	1. AVS Ventures Pvt Ltd 2. Kolhapur Apparel Pvt Ltd 3. Shogun Chemicals Pvt Ltd 4. Maxwell Capital Management Pvt Ltd 5. VIP Overseas Marketing Pvt Ltd	-

FINANCIAL HIGHLIGHTS

	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99
Equity Share capital	1262	1262	1078	616	616	616	616	616	616	616
Redeemable Pref shares Capital	2435	2435	2435	-	-	-	-	-	-	-
Convertible Pref Shares Capital	-	1600	-	-	-	-	-	-	-	-
Reserves & Surplus	6934	6505	3516	3337	3185	3166	3065	3718	3470	3281
Misc. exp. not written off	61	109	87	73	106	17	32	46	108	171
Net Worth	8135	7658	4507	3880	3695	3765	3649	4288	3978	3726
Long term Debts	3291	1323	2027	1578	1518	1146	1182	1064	3218	2848
Net Asset Block	8295	5628	5379	2329	2667	3103	3490	3937	4209	4612
Total Income	20673	19485	17534	18006	16302	16333	16390	17561	16785	14373
Profit before tax	1584	1385	1451	246	310	251	328	346	329	93
Taxation	578	482	547	90	106	101	116	30	38	11
Profit after tax	1006	903	904	156	204	150	212	316	290	82
Dividend Rate on										
Equity share	22.50%	20.00%	15.00%	5.00%	5.00%	8.00%	10.00%	10.00%	15.00%	5.00%
Redeemable Pref. shares	5.00%	5.00%	5.00%	-	-	-	-	-	-	-
OCPS	10.00%	10.00%	-	-	-	-	-	-	-	-
No of Equity Shares (in lakhs)	630.77	630.77	539*	61.6	61.6	61.6	61.6	61.6	61.6	61.6
Face value of Share-Equity (Rs.)	2	2	2	10	10	10	10	10	10	10
Preference (Rs.)	100	100	100	-	-	-	-	-	-	-
Earning per share (Rs.)	1.21	0.94	1.54	3.05	0.87	2.55	3.45	5.13	4.71	1.33
Book value per share (Rs.)	12.90	12.14	8.36	62.99	59.98	61.12	59.24	69.61	64.58	60.49
Current Ratio	1.79	1.95	1.55	1.58	1.55	1.51	1.49	1.47	1.57	1.75
Debt equity Ratio	0.40	0.17	0.45	0.41	0.41	0.30	0.32	0.25	0.81	0.76

(Rupees in Lakhs) Except ratio and face value of shares.

* Split - up of equity shares from Rs. 10/- each to Rs. 2/- each and issue of bonus shares.

DIRECTORS' REPORT

To,

**THE MEMBERS
MAXWELL INDUSTRIES LTD.**

The Directors of your Company are pleased to present the 18th Annual Report on the working and the progress of the Company along with audited accounts for the year ended on 31st March 2008 and report of the Auditors thereon.

FINANCIAL RESULTS**(Rupees in Lakhs)**

	Current Year Ended 31/03/2008	Previous Year Ended 31/03/2007
Profit before Interest, Depreciation & Income Tax	2580.90	2214.68
Less : Interest	587.88	396.09
Less : Depreciation	408.59	433.60
Profit before tax	1584.43	1384.99
(Less) : Provision for income tax - Current & FBT	371.91	316.73
(Less): Provision for income tax - Deferred	206.15	165.71
Profit after tax	1006.37	902.55
(Add / Less) : Tax adjustment for previous year	16.37	- 45.75
Profits for the year	1022.74	856.80

DIVIDEND**(Rupees in Lakhs)**

	Current Year Ended 31/03/2008	Previous Year Ended 31/03/2007
5% Redeemable Preference Shares (interim)	121.75	121.75
10% Optionally Convertible Preference shares (redeemed during the year)	101.70	138.96
Equity Shares		
Interim Dividend	0.00	126.15
Proposed Final Dividend	283.85	126.15

The Directors have recommended a dividend of 22.50 % on Equity Shares (0.45 paise per Equity Share) and 5% on Redeemable Preference Shares (Rs.5/- per share) for the financial year ended 31st March, 2008. During the year, the Company had redeemed 16,00,000, 10% Optionally Convertible preference shares (OCPS) of Rs. 100/- each at par along with the dividend of Rs. 101.70 Lakhs due, upto the date of redemption. The Dividend (along with dividend on preference shares and income tax) will absorb Rs. 593.54 Lakhs.

OPERATIONS

During the year your Company achieved sales of Rs. 204.51 Lakhs as against 195.90 Lakhs in the previous year. Sales for hosiery business were 179.99 Lakhs against 166.47 in the previous year representing a 8% growth over the previous year. The turnover of the Spinning Division was Rs. 40.06 Lakhs as against Rs. 46.77 Lakhs in the previous year. The lower sale in the Spinning division was on account of the lower realization.

1. Hosiery: - Hosiery division of the Company continued to grow well as in the past. A number of new launches were made during the year. The Company's focus has been to provide comfortable inner wear garments and value for money to the customers. The Company's operations at the new location at Thingullur has stabilized. The operations in Umbergoan and Kolkotta continue to progress well.
2. Spinning :- The Company's spinning mill, performed reasonably well during the year. However, the manufacturing cost of yarn increased, due to increasing prices or cotton price in the latter half of the year. The sales realisation was affected due to a lower corresponding increase in yarn realization. This benefitted our hosiery operation but had an effect on the profitability of the Spinning Division.
3. Elastic and Socks :- Certain operations like manufacture of elastics and socks were being carried out by Microtex India Limited for the Company. The Plant & Machinery of these manufacturing units have been acquired by the Company after necessary due diligence and valuation by independent valuers at a value of Rs. 312 Lakhs hence, from the current financial year, your Company Will have manufacture of elastic and socks an activity.

Maxwell Industries Ltd.

EXPANSION AND DIVERSIFICATION

With a view of total integration of the process from cotton to fabric, the Company is considering setting up of a knitting unit at Gobi to take an advantage of the location of the Spinning Mill. The project is expected to be completed over a 12 months period and will help reduction in inventory and complete in-house cycle of complete production. The Company is also considering of associating itself with a couple of foreign brands with a view to take on the competition in the market place.

DELISTING FROM OTCEI

As you are aware, the shares of the company are listed in BSE, NSE & OTCEI. Incidentally, our company which was the first to list on the OTCEI has seen no transaction originating from that exchange and this is proving to be an administrative exercise. Hence, the company desires to de-list from OTCEI.

FIXED DEPOSIT

Your company did not accept any fixed deposits from public during the year.

DIRECTORS

Mr. Gopal Sehgal, Mr. Arvind Kulkarni and Mr. Chetan Sheth Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment.

Mr. Deepak Maheshwari was inducted as Additional Director with effect from 29th January, 2008 to hold the office till the date of 18th Annual General Meeting. A notice proposing his candidature for the office of a Director has been received from a member along with the necessary deposit pursuant to Section 257 of the Companies Act, 1956.

Mr. Deepak Maheshwari, aged 38 years, a British national, is the Head- Finance, Reliance Power. He is an electrical engineer and a MBA from XLRI, Jamshedpur. He is also an MBA from London Business School. He has over 14 years experience in project finance, strategic acquisitions, investment banking and treasury management. He has been with Reliance Capital Limited since 2004. Prior to joining Reliance Capital Ltd he has worked with ANZ Investment Bank in London and ICICI Securities Limited in India."

Your Directors recommend appointment of Mr. Deepak Maheshwari on the Board for approval of members.

Mr. L. Jaipal Reddy, Managing Director of the Company, has resigned from the office of directorship with effective from 17th July, 2008.

Mr. Sunil J. Pathare, Director of the company to be appointed as a Vice Chairman and Managing Director of the company at the ensuing Annual General Meeting.

Your Directors recommend appointment of Mr. Sunil J. Pathare as a Managing Director of the company.

Mr. L. Vinay Reddy, Director of the company has resigned from the office of directorship with effective from 30th June, 2008.

AUDITORS

M/s Attar & Company, Chartered Accountants, holds office as auditors of the Company until the conclusion of the forthcoming Annual General Meeting and is eligible for re-appointment.

PERSONNEL

To meet the growth plans of the Company, the Company is conducting structured H. R. Initiatives, in training to improve productivity of the work force. Succession planning and development of technical and managerial skills within the organization are being organised. Besides, in house training programs, the Company is deputing its personnel for various training programs in established institutions so as to improve the managerial and technical skills.

Information Pursuant to Section 217 of the Companies Act, 1956.

Energy conservation, technology absorption & Foreign Exchange earning & Outgo.

The information required to be disclosed under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, with respect to conservation of energy, technology absorption, foreign exchange earnings / outgo, are set out in the Annexure-A to this report.

Particulars of Employees:

The Information required to be disclosed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 are set out in the Annexure-B to this report.

DIRECTORS' RESPONSIBILITY

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2002 the Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed.
- Appropriate accounting principles have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 and of the profits of the Company for the period ended 31st March, 2008.

Maxwell Industries Ltd.

- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The annual accounts have been prepared on going concern basis.

CORPORATE GOVERNANCE

The Company is committed to maintain highest standards of Corporate Governance. The Securities and Exchange Board of India (SEBI) has introduced a code of Corporate Governance for listed companies which are implemented through the Listed Agreement with the exchanges in which the Company's shares are listed. A separate report on Corporate Governance forms part of the Annual Report.

ACKNOWLEDGEMENT

The Directors of your Company acknowledge with deep sense of appreciation the encouragement, support and co-operation received by the Company from its Bankers viz. State Bank of India, Bombay Stock Exchange Limited, National Stock Exchange of India Limited, OTC Exchange of India, shareholders, suppliers and esteemed customers of the Company. The Board of Directors also thanks all the employees of the company for their contribution and continued cooperation throughout the year.

CAUTIONARY STATEMENT

Statement made in the report and elsewhere, as applicable, in the Annual Report, including those stated under the caption "Management Discussion and Analysis" describing the Company's plan, projections and expectations may constitute "forward looking statement" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

Place: Mumbai
Date: 17th July, 2008

For and on behalf of the Board

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

J.K. Pathare
(Chairman)

ANNEXURE TO DIRECTORS REPORT

ANNEXURE-A

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988.

A) CONSERVATION OF ENERGY

- The products manufactured and sold by the Company are not power intensive; hence the impact on overall cost is marginal. However, steps have been taken to ensure energy conservation in the processing unit where an energy efficient boiler is installed and the condensate is being re-utilised.

Additional investments and proposals for reduction of energy consumption: NIL

- Total energy consumption and energy consumption per unit of production as per FORM A of the Annexure in respect of Industries specified in scheme thereto:

Year	Units Consumed	Units Consumed per kg. of Production
Current year	151.58 lacs	2.36
Previous year	150.07 lacs	2.59

B) TECHNOLOGY ABSORPTION

Effort made in technology absorption as per Form B: Not applicable.

C) FOREIGN EXCHANGE EARNING AND OUTGOING

The Company has earned Rs. 2054.91 lacs (Previous year Rs. 1052.88 lacs) from exports during the year. The total amount of outgo on account of foreign exchange utilised by the Company amounted to Rs. 951.59 lacs (Previous year Rs. 842.08 lacs) mainly on account of import of , raw material and interest on foreign currency loan.

ANNEXURE - B

Information under section 217(2A) of the Companies Act, 1956 read with the Companies (particulars of employees) Rules, 1975 and forming part of the Directors' report for the year ended 31st March, 2008

Employed throughout the financial year under review and were in receipt of remuneration fro the Financial year in the aggregate of not less than Rs.24,00,000 p.a

1.	Name	Jaykumar Pathare	L. Jaipal Reddy
2.	Age	72 Years	69 Years
3.	Qualification	Electrical Engineering	Electrical Engineering
4.	Designation	14.01.1991	14.01.1991
5.	Date of commencement of employment	14.01.1991	14.01.1991
6.	Experience	40 Years	40 Years
7.	Remuneration (Rupees)	4047668	3766566
8.	Particulars of last employment		
a)	Employer	Business	Business
b)	Last post		
c)	No. of Years		

(B) Employed for the part of the financial year under review and were in receipt of remuneration fro the Financial year in the aggregate of not less than Rs.2,00,000 per month :- Nil

CORPORATE GOVERNANCE

Maxwell Industries Ltd is committed to corporate transparency and lays emphasis on business ethics in all its dealings. The Company believes in meeting its obligations to all its stake holders, including amongst others, shareholders, customers, employees and the community in which the Company operates.

Corporate Governance is a process that aims to meet shareholders aspirations and social expectations. It's not a discipline imposed by a regulator, rather a culture that guides the Board, management and employees to function towards best interest of stakeholders.

The Board of Directors has been constituted in compliance with the Companies Act .1956 and the Listing agreement with the stock exchanges .The Board functions either as a full Board or through its committees. The company's executive provides the Board with reports on the performance.

Your Directors are happy to inform you that your Company's existing practices and policies are in conformity with the requirements stipulated by Stock Exchanges and SEBI and has gone well beyond simple statutory compliance by instituting such systems and producers as are required to make the management completely transparent and institutionally sound.

Board of Directors

The Board of Directors along with its committees provide direction and vision on the functioning of the company .The composition of the Board is governed by the listing agreement, the Companies Act and the Articles of Association .The Board is represented by a Chairman, Managing Director who are whole time Directors and three other Director representing the promoter Group one of whom is a whole time Director and 6 independent Directors. The whole time Directors are paid a Remuneration while the other Directors are paid a Sitting fees for attending a Board meeting as fixed by the Board

The gap between 2 Board meetings does not exceed more than 4 months .Leave of absence is granted when requested. All Directors have made the necessary Disclosures regarding disclosure regarding committee positions The board met Five times during the last financial year on 30.04.07, 30.07.07, 31.10.07, 27.11.2007, and 29.01.2008. The lastAGM was held on 28th December 2007.

COMPOSITION OF BOARD AND ATTENDANCE RECORD

Name of Director	Category	No. of other directorships/ Board Committees	No. of Board Meetings attended	Attendance at the last AGM held on December 28, 2007
Shri. J. K. Pathare	Chairman, Promoter	5	5	Yes
Shri. L. J. Reddy*	Managing Director, Promoter	7	5	Yes
Shri. L. Vinay Reddy*	Director, Promoter	13	3	Yes
Shri. Sunil J. Pathare	Director, Promoter	11	5	Yes
Shri. Kapil J. Pathare	Whole time Director, Promoter	0	4	Yes
Shri. R. Anand	Independent Director	7	2	Yes
Dr. Arvind Kulkarni	Independent Director	0	5	Yes
Shri. Durgesh Chandra	Independent Director	0	3	No
Shri. Gopal Sehjpal	Independent Director	1	5	Yes
Shri. Chetan Sheth	Independent Director	2	5	Yes
Shri. Robin Banerjee	Independent Director	2	2	No
Shri Srinath Srinivasan*	Independent Director	0	2	No
Shri Tushar Sanghani*	Alternate Director to Shri Srinath Srinivasan	0	1	No
Shri. Deepak Maheshwari**	Independent Director	0	2	No

* Shri Srinath Srinivasan representative of Reliance Capital Partners was resigned w.e.f 31st May, 2007

* Shri. Tushar Sanghani ceased to be a director of the Company on resignation of Shri Srinath Srinivasan, Director

* Shri. L. Vinay Reddy, Director was resigned w.e.f 30th June, 2008

* Shri. L. J. Reddy, Managing Director was resigned w.e.f 17th July, 2008

** Shri Deepak Maheshwari representative of Reliance Capital Partners was appointed as an Additional Director of the Company with effect from 29th January 2008.

REMUNERATION OF DIRECTORS

(Figures in Lakhs)

Director	Relationship with other Director/s	Business Relationship with the company	Sitting Fees	Salary/ Perquisites	Commission	Total
Shri. J. K. Pathare, Chairman	Father of Mr. Sunil J. Pathare & Mr. Kapil J. Pathare	Promoter	N.A.	33.75	8.42	42.17
Shri L. J. Reddy,* Mg. Director	Father of Mr. L. Vinay Reddy	Promoter	N.A.	30.94	8.42	39.36
Shri L. Vinay Reddy,* Director	Son of Mr. L. Jaipal Reddy	Promoter	0.10	N.A.	N.A.	0.10
Shri Sunil J. Pathare, Director	Son of Mr. J. K. Pathare	Promoter	0.15	N.A.	N.A.	0.15
Shri Kapil J. Pathare, Whole time Director	Son of Mr. J. K. Pathare	Promoter	N.A.	18.38	NIL	18.38
Shri R. Anand, Director	None	None	0.05	N.A.	N.A.	0.05
Dr. Arvind Kulkarni, Director	None	None	0.15	N.A.	N.A.	0.15
Shri Durgesh Chandra, Director	None	None	0.10	N.A.	N.A.	0.10
Shri Gopal Sehjpal, Director	None	None	0.15	N.A.	N.A.	0.15
Shri. Chetan Sheth Director	None	None	0.15	N.A.	N.A.	0.15
Shri. Robin Banerjee Director	None	None	0.05	N.A.	N.A.	0.05
Shri. Srinath Srinivasan* Director	None	None	0.05+	N.A.	N.A.	0.05+
Shri. Deepak Maheshwari ** Director	None	None	0.05+	N.A.	N.A.	0.05+

* Shri Srinath Srinivasan representative of Reliance Capital Partners, was resigned w.e.f 31st May, 2007

* Shri. L. J. Reddy, Managing Director was resigned w.e.f 17th July, 2008

* Shri. L. Vinay Reddy, Director was resigned w.e.f 30th June, 2008

** Shri Deepak Maheshwari representative of Reliance Capital Partners was appointed as an Additional Director of the Company with effect from 29th January 2008.

+ sitting fees paid to Reliance Capital Partners

Audit Committee

A) Constitution of Audit Committee :- The Audit Committee comprises of four members out of whom three are non-executive independent directors and one executive director.

b) Composition of Audit Committee and number of meetings attended :- During the financial year audit committee met five times on 30.04.07, 30.07.07, 31.10.07, 27.11.2007 and 29.01.2008. The composition of Audit Committee and the number of meetings attended were as under:

Name	Designation	Status	No. of committee meeting attended
Shri. Gopal Sehjpal	Chairman	Independent Director	5
Dr. Arvind Kulkarni	Member	Independent Director	5
Shri. Sunil. J. Pathare	Member	Promoter Director	5
Shri. Chetan Sheth	Member	Independent Director	5

The terms of reference of the Committee are as per the guidelines set out in Clause 49 of the listing agreement with the Stock Exchanges and Section 292A of the Companies Act 1956 and inter alia it briefly includes the following:

Maxwell Industries Ltd.

- To review compliance with internal control systems;
- To hold periodic discussions with the Statutory Auditors of the Company concerning the accounts of the Company, internal control systems, scope of audit and observation of the auditors;
- To review the quarterly, half-yearly and annual financial results of the Company before submission to the Board;
- To make recommendations to the Board on any matter relating to the financial management of the Company;
- Recommending to the Board, the appointment, re-appointment and if required the replacement and removal of Statutory Auditors and fixation of Audit fees.

Investors Grievance Committee

- Constitution of Investors Grievance Committee:
The Investors Grievance Committee comprises of four members out of whom three are non-executive independent directors and one executive director.
- Composition of Investors Grievance Committee and number of meetings attended:
The Investor Grievance committee met four times during the last financial year on 30.04.07, 30.07.07, 31.10.07, and 29.01.2008. The composition of Investors Grievance Committee and the number of meetings attended were as under:

Name	Designation	Status	No. of committee meeting attended
Dr. Arvind Kulkarni	Chairman	Independent Director	4
Shri. Durgesh Chandra	Member	Independent Director	3
Shri. Sunil. J. Pathare	Member	Promoter Director	4
Shri. Gopal Sehgal	Member	Independent Director	4

The Company has appointed an agency viz. M/s. Intime Spectrum Registry Ltd. to attend to the investors' grievances. The Company Secretary is the compliance officer for the purpose, who interacts with the agency on the said matter and acts as Secretary of the committee. The shares of the Company are listed on the OTCEI, Bombay Stock Exchange Limited and National Stock Exchange limited and all the complaints received from the share holders were resolved within reasonable time.

The shares of the company are listed in the OTCEI ,BSE and NSE and the committee looks into the matters relating to redressal of Shareholders and investors complaints such as non receipt of annual report, interest / dividend payments, issue of duplicate certificates, transmission (with and without representation) of shares and other miscellaneous complaints.

General Body Meeting

The last three General Body Meetings of the Company (all held at The All India Plastic Manufacturers Association, MIDC, Andheri East, Mumbai) details of which are as under:-

Financial Year	Date	Time	Special Resolution if passed
2006-2007	28 th December 2007	11.00 a.m	No
2005-2006	28 th December 2007**	10.30 a.m.	No
2005-2006	25 th September 2006*	11.30 a.m.	Yes
2005-2006	15 th May 2006 (EGM)	12.00 noon	Yes
2005-2006	1 st February 2006 (EGM)	12.00 noon	Yes
2004-2005	28 th September 2005	11.30.a.m.	No

* Adjourned sine die and concluded on 28th December. 2007

** Conclusion of original AGM held on 25th September, 2006

Postal Ballot

The Company conducted a postal ballot in the year, the notice of which was issued on 31st October 2007 for approval under section 293(1) (a) of the Companies Act 1956 for the sale, lease or the dispose of the land, building, plant & machinery of the unit of the Company at Trans Thane Creek and the same was approved by the shareholders the result of which was declared by the Chairman on 21st December 2007.

Disclosure

- The Company did not have any related party transactions, i.e. transactions of the Company of material nature, with its promoters, Directors or the management, their subsidiaries or relatives, etc., which may have potential conflict with the interests of the Company at large.

Maxwell Industries Ltd.

- The Company has complied with the requirements of regulatory authorities on capital markets and no penalty / stricture was imposed on the Company during the last three years.
- The Company's financial statements are prepared as per Accounting Standard and the accounting principles generally accepted in India.
- Secretarial Audit was carried out by a qualified practicing Company Secretary to reconcile the total admitted capital with National Securities Depositories Limited (NSDL) and Central Depositories Services Limited (CDSL) and the total issued and listed capital. The Secretarial Audit Report confirms that the total issued / paid up capital is in agreement with the total number of dematerialized share held with NSDL and CDSL.
- The Company has not implemented the Whistle Blower Policy which is a non-mandatory requirement under the code of the Corporate Governance.
- None of the Directors of the Company is disqualified as per provision of Section 274(1) (g) of the Companies Act, 1956.
- The Company has not accepted any public deposits and no amount on account of public deposit was outstanding as on 31st March 2008.
- None of the employees of your Company is drawing remuneration exceeding the limits laid down under provisions of Section 117(2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975 as amended.

Means of Communication

The Company communicates with the shareholders through its Annual Report, General Meetings and disclosure through web site. Information and latest updates and announcement regarding the Company can be accessed at Company's website : www.vipapparels.com

The quarterly results are published in English and Marathi Newspapers. These results are also submitted to the stock exchanges. The quarterly results for the quarters of the last financial years were published in the below mentioned news papers on the following dates:

Quarterly Results	Newspaper (publishing dates)	
	Economic Times	Maharashtra Times
30 th June, 2007	31 st July, 2007	31 st July, 2007
30 th September, 2007	2 nd November, 2007	2 nd November, 2007
31 st December, 2007	31 st January, 2008	31 st January, 2008

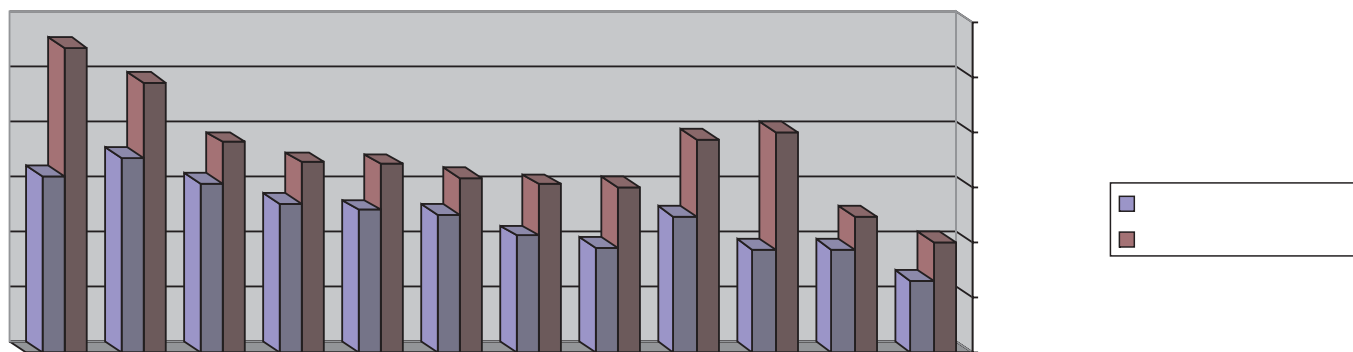
General Shareholders information

- Annual General Meeting is proposed to be held on Friday ,the 29th August 2008 at 11.00 a.m. at All India Plastics Manufacturers Association, MIDC, Andheri (East), Mumbai - 400093
- Financial Calendar
 - Quarterly Results : Within 30 days from the end of the quarter
 - Annual Results : September'2008
- Book Closure : 21/08/08 to 29/08/08
(Both days inclusive)
- Dividend Payment : 5th September' 2008
- Registered office of the Company : C-6, Road No. 22, MIDC, Andheri (E)
Mumbai 400 093.
- Registrar & Transfer Agent : Intime Spectrum Registry Ltd.
C-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (W)
Mumbai - 400 078
- Listing of Equity Share : Bombay Stock Exchange Limited (BSE)
National Stock Exchange of India Limited (NSE)
OTC Exchange of India, (OTCEI)
- Stock code : 532613 (BSE)
MAXWELL (NSE)
- ISIN : INE450G01016

Stock Market Data:

Equity Shares:

As Per BSE Data



Month	Bombay Stock Exchange (in Rs.)			*National Stock Exchange (in Rs.)		
	High	Low	Volume	High	Low	Volume
April 2007	55.30	32.00	5041905	-	-	-
May 2007	48.90	35.30	1725700	-	-	-
June 2007	38.15	30.65	979918	-	-	-
July 2007	34.50	27.00	722231	-	-	-
August 2007	34.20	25.85	786548	34.50	25.50	328398
September 2007	31.70	25.00	1043775	33.00	24.60	390624
October 2007	30.50	21.25	1044257	30.25	21.50	379733
November 2007	30.00	19.05	1775917	29.75	18.05	799966
December 2007	38.60	24.60	4421018	39.00	24.20	2204879
January 2008	39.90	18.60	2406871	41.40	16.30	1504050
February 2008	24.75	18.65	668189	24.85	16.10	581376
March 2008	20.05	13.05	793061	20.00	12.75	293873

* Equity Shares of the Company got listed in the National Stock Exchange of India Limited on 6th August 2007 in the last financial year.

Source : Website of Bombay Stock Exchange and National Stock Exchange Limited.

There is no trading on the OTCEI.

Distribution of Shareholders as on 31st March 2008.

Slab of no of Shareholding	Shareholders	% of Shareholders	Amount (Rs.)	% of Amount
1-5000	8282	91.5340	9194794	7.2890
5001-10000	421	4.6530	3184660	2.5240
10001-20000	176	1.9450	2658582	2.1070
20001-30000	34	0.3760	835740	0.6620
30001-40000	35	0.3870	1244222	0.9860
40001-50000	19	0.2100	880450	0.6980
50001-100000	36	0.3980	2485204	1.9700
100001 above	45	0.4970	105670778	83.7630
	9048	100.0000	126154430	100.0000

Shareholding pattern as on 31st March 2008

Category	No. of Share held	% to total
1. Indian Promoters & Person Acting in Concert	4,00,97,868	63.5695
Sub-total	4,00,97,868	63.5695
2.1 Mutual Funds & UTI	875	0.0014
2.2 Banks, FIs, Insurance Companies	Nil	Nil
2.3 FIs	212973	0.3376
Sub-total	213848	0.3390
3.1 Bodies Corporates	1,25,95,177	19.9679
3.2 Indian Public	95,54,076	15.1466
3.3 NRIs. / OCBs.	3,50,743	0.5561
3.4 Others	300	0.0005
3.4 Clearing Members	2,65,203	0.4204
Sub-total	2,27,65,499	36.0915
Grand Total	6,30,77,215	100.00

Dematerialization of Shares:

About 96.37% of the shares of the Company have been dematerialized as on March 31st, 2008. The Company has entered into an agreement with National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) whereby shareholders can dematerialize their shares.

The equity shares of the Company are traded at Bombay Stock Exchange, National Stock Exchange and Over The Counter Exchange of India.

Secretarial Audit Report for reconciliation of the share capital of the Company obtained from Practicing Company Secretary has been submitted to Stock Exchange within stipulated time.

No. of shares held in dematerialized and physical mode

	No. of Shares	% of total Shares issued
Holding in dematerialized form	60786694	96.37%
Holding in physical form	229051	3.63%
Total	63077215	100%

The names and addresses of the Depositories are as under:

- | | |
|--|--|
| 1. National Securities Depository Ltd.
Trade World, 4 th Floor
Kamala Mills Compound
Senapathi Bapat Marg, Lower Parel,
Mumbai - 400013 | 2. Central Depository Services (India) Limited
Phiroze Jeejeebhoy Towers
28 th Floor, Dalal Street
Mumbai 400023 |
|--|--|

Share Transfer System

Application for transfer of shares held in physical form is received at the office of the Registrar and Transfer Agents of the Company. Investors Grievance Committee approves valid transfers of shares and share certificates duly endorsed are dispatched within the prescribed time.

Shares held in dematerialized form are electronically traded in the Depository and the Registrars and Share Transfer Agents of the Company periodically receive from the depository the beneficiary holdings so as to enable them to update the records and to send all corporate communications, dividend warrants, etc.

Plant Locations of Maxwell Industries Ltd:

Factory Location	Activity
(I) Kolappalur Village, Gobichettipalayam Taluk, Periyar District, Tamil Nadu.	Spinning Mill
(ii) Plot no.13-15, SIPCOT Inds. Growth Centre, Perundurai- 638 052, Erode, Tamilnadu.	Process House
(iii) C 119, TTC Industrial Area, MIDC, Pawane Village, Navi Mumbai.	Process House
(iv) Plot No. 92/94, New GIDC, Umargaon - 396 171, Dist. Valsad, Gujarat	Stitching Unit
(v) S. F. No. 125, 126 & 127, Appachimarmadam, Thingallur, Erode (DT) - 638055.	Stitching Unit
(vi) 104, SIDCO, Mudhalipalyam, Tirupur.	Elastic
(vii) D-20, Okhla Industrial Area, Delhi.	Socks

Investors Correspondence

Shareholders correspondence should be addressed to our Registrar & Transfer Agents at the following address:

M/s Intime Spectrum Registry Ltd. : C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W) Mumbai - 400 078.

Tel No. - 022 25963838, Fax No. - 022 25946969

In case of difficulty investors are advised to correspond with the Company Secretary at the Registered Office of the Company at the following address: **Maxwell Industries Ltd.**: C 6, Road No. 22, MIDC, Andheri (E), Mumbai 400093, Tel No. - 022 28257624, Fax No. - 022 28371023

Code of Conduct

The Board of Directors have laid down a code of conduct for all Board members and senior management of the Company. All the Directors and senior management personnel have affirmed compliance with the code of conduct as approved and adopted by the Board of Directors and a declaration to this effect has been annexed to the Corporate Governance Report. The code of conduct has been posted on the website of the Company www.vipapparel.com.

ANNEXURE TO CORPORATE GOVERNANCE FOR THE YEAR ENDED 31ST MARCH 2008

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

I, Jaykumar Pathare, Chairman of Maxwell Industries Limited ("the Company") hereby declare that, to the best of my information, all the Board members and senior management personnel of the Company have affirmed their compliance and undertaken to continue to comply with the code of conduct laid down by the Board of Directors of the Company for the Board members and senior management

For Maxwell Industries Limited

J. K. Pathare
Chairman

AUDITORS' CERTIFICATE

To The Members of
Maxwell Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by Maxwell Industries Ltd. for the year ended 31st March 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring compliance with the conditions of the certificate of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to best of our information and according to the explanations given to us, and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that while the Shareholders/ Investors Grievance Committee has not maintained records to show the investor grievances pending for a period of one month against the Company, the Registrars of the company have maintained the records of investor grievances and certified that as on 31st March 2008 there were no investor grievances remaining unattended / pending for more than 30 days.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Attar & Co.

Chartered Accountants

M. F. Attar

Membership No.: 34977

Mumbai, Dated: 30th June 2008

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors presents hereunder an analysis of performance of the Company for the year 2007-08 and its outlook for the future.

Industry structure and developments

This industry is a backbone for our country. It provides 20 % of the industrial production, more than 7 % of the revenue collections, provides 18 % of industrial Employment, earns 20 % of the exports earning and adds 4 % to the GDP. Greater segments of this industry were however for a long period reserved for SSI units, resulting in a lopsided growth pattern. However, with the opening of the economy things have started to brighten up. Today with competition from foreign brands, there has been a steady but marked improvement in quality of product manufactured

Inner wear segment of the textile industry shares the basic characteristics of the main industry. From being a product supplied predominantly by the unorganized segment today it is turning out to be a product dominated by brands. This shift has heralded the advent of foreign brands. The industry is still evolving itself and will be dominated by players who will provide value /quality for money

Financial Review

The company has two segments namely Hosiery and Spinning activity. The Spinning activity was to be a part of backward integration supplying yarn for making grey fabric. Surplus production of yarn after meeting own consumption is sold in open market. During the year there has been a drop in realization of yarn in spite of increase in input prices of cotton this has resulted in lower profitability of spinning operations.

The Hosiery division the main stay of our company has performed reasonably well despite increase in input cost and increased competition. Please refer Board report for operation wise performance review.

Outlook and Opportunity

This industry is moving towards brand consciousness. The branded products are slowly replacing the unorganized and unbranded segment. The Company sees these as avenues to improve its market position. The Company is focusing on new areas for improving growth like, introducing new product lines, focusing on under penetrated geographies targeting new segment with newer brands. With Globalization the Market place has also increased. Moreover there are marked preferences towards use of products which use natural fibers as compared to the manmade fibers all these augur well for the future. The non quota regime should open up better opportunities for exports.

Outlook on threats, risks and concerns

The market is opening up, but is also making way for new entrants. On an average we see at least a couple of new brand making presence every month making selling a challenging proposition. The input cost which is dependent on the commodity cotton, has seen steep increase of over 50 % in the past one year both in local as well as international markets, and the imports being further effected with the depreciation of the Indian Rupee. Better procurement is the key to success in such an environment. This is a labour intensive industry and constantly faced with issues of wage hikes, employee attrition and the ability to retain manpower. The spinning operation is a cause for worry with the yarn prices not increasing commensurate with the increase in cotton price

Internal Control systems and adequacy

Internal control systems and procedures are an on going process evolved and developed to meet specific requirements of an organization. These are aimed at ensuring that the assets of the company are safe guarded against misuse and protected against loss due to improper use, dispossession or in wrong custody. The Control systems are essential to reduce wastage and to ensure maintenance of appropriate accounting records for ensuring accuracy reliability and transparency of the financial information which circulated. The company's internal control system is commensurate with the size of the company and nature of business.

To further strengthen the operation of the company the board has constituted an audit committee to periodically review the financial performance and the accuracy of the financial records. The company has an internal audit system in addition to the existing internal control system and every effort is made to extend and further strengthen it

Human Resource Development

Our company is highly dependent on labour. In fact 95% of our employees are women. Constant and better environment is therefore an essential feature to keep the productivity improving. During the year, under review the industrial continued to remain cordial. The human resources of the company are characterized by long term association of its employees. Training and retraining thus becomes an on going process. Our HRD strives to attract best talent in the industry and in improving the quality and competitiveness through training and motivational moves.

Cautionary statement

Statement made in Management Discussion and analysis describing the company's expectation or projection may be forward looking within the applicable laws. Actual results could differ materially from those expressed or implied with the changes in Government Regulation, slowdown in Economic growth, commodity prices etc being important factors which could make a difference in the company's operations.

AUDITORS' REPORT

To the Members,
Maxwell Industries Limited,

We have audited the attached Balance Sheet of Maxwell Industries Limited as at 31st March 2008, and also Profit and Loss Account and Cash Flow Statement 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 the 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 test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act 1956, and on the basis of such checks of the books and record of the Company and according to information and explanations received by us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, .

2. Further to our comments in the Annexure referred to in Paragraph (1) above,

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of the 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 those books
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet and Profit & Loss account and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent applicable;
 - e) According to information and explanation given to us and on the basis of written representation from the directors taken on record by the board of the directors, none of the directors is disqualified as on 31st March 2008 from being appointed as a director under section 274 (1) (g) of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to explanations given to us, the accounts read with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view: -
3. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2008.
 4. In the case of Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 5. In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **Attar & Co.**
Chartered Accountants

M.F. Attar
Membership No.: 34977
Mumbai. Dated: 30th June 2008

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date.)

- 1) In respect of its fixed assets:
 - a) The Company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets.
 - b) Some of the Fixed Assets were physically verified by the Management during the year in accordance with program of verification, which in our opinion is reasonable. No material discrepancies were noticed on such physical verification.
 - c) In our opinion the Company has not disposed off substantial part of fixed assets during the year.
- 2) In respect of its inventories:
 - a) As explained to us, inventory has been physically verified by the management at regular intervals during the year. In our opinion the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of Company and nature of its business.
 - c) On the basis of our examination of records of inventories, in our opinion, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification of inventory as compared to book records.
- 3) In respect of loan secured or unsecured, taken from / granted to any Company, firm or other parties covered in register maintained u/s. 301 of the Companies Act 1956 According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured, from companies firms or others parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of the clause 4 (iii)(d), iii (e), (iii)(f) and (iii)(g) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- 4) 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 and the nature of its business for the purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit we have not observed any major weakness in internal control.
- 5) In respect of transactions covered u/s. 301 of the Companies Act 1956
 - a) In our opinion and according to the information and explanations given to us the transactions made in pursuance of contracts or arrangements that needed to be entered into the register maintained under Section 301 of Companies Act, 1956 have been so entered.
 - b) In our opinion and according to the information and explanations given to us, where such transactions are in excess of Rs. Five lacs in respect of any party during the year, the transactions have been made at prices which are prima facie reasonable having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 58A and Section 58AA of the Companies Act, 1956 and the rules framed thereunder. We are informed that the deposits from the promoters of the Company are in pursuance of the undertaking given by the promoters to the banks / financial institutions.
- 7) We are informed that the Company has the internal audit system in addition to the existing internal control procedure. However we are of the opinion that the same need to be further extended and strengthened to make the same commensurate with the size of the Company and nature of the business.
- 8) We have broadly reviewed the books of account maintained by the Company in respect of its spinning mill, pursuant to the rules made by the Central Government, prescribing the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956. We are of the opinion that prima facie the prescribed accounts and records have been maintained and are being made up. We have not however, made a detailed examination of the same with a view to determining whether they are accurate or complete.
- 9) In respect of statutory dues
According to the information and explanation given to us and records as produced and examined by us, in our opinion the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Investor Education and Protection Funds, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other statutory dues which have not been deposited on account of any dispute excepting those mentioned hereunder :

Forum where the dispute is pending	Name of the Statute	Rs In Lakhs	FY to which the amounts relate to
High Court of Chennai	Central Sales Tax	12.91	1999-00
Deputy Commercial Tax Office	Tamilnadu General Sales Tax	0.88	2000-01
High Court of Chennai	CST	195.76	2001-02
Deputy Commercial Tax Office	CST	13.30	2001-02
Deputy Commercial Tax Office	Tamilnadu General Sales Tax	5.43	2001-02
High Court of Mumbai	Income Tax Act	1,157.49	1992-01

- 10) The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- 11) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions and banks. The Company has not issued debentures that were outstanding during the year.
- 12) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The provisions of any special statute applicable to chit fund, nidhi, mutual benefit fund, societies are not applicable to the Company.
- 14) In our opinion the Company is not a dealer or trader in shares, securities, debentures and other investments.
- 15) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 16) To the best of our knowledge and belief and according to the information and explanations given to us, term loans availed by the Company were prima facie applied by the Company during the year for the purpose for which the loan was obtained.
- 17) According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company we are of the opinion that funds raised on short term basis have prima facie not been used during the year for long term investment and vice versa. There are no personal expenses of employees or directors have been charged to revenue account, other than those payable under contractual obligations.
- 18) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s. 301 of the Companies Act, 1956 during the year.
- 19) According to the information and explanations given to us, and the records examined by us the Company has not issued any debentures during the year.
- 20) The Company has not raised any money by way of public issue during the year.
- 21) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices, and according to the information and explanations given to us we have neither come across any instance of material fraud on or by the Company noticed or reported during the year nor have we been informed of such case by the management.

For **Attar & Co.**
Chartered Accountants

M.F. Attar
Membership No.: 34977
Mumbai.
Dated: 30th June, 2008

ACCOUNTING POLICIES

A) Basis of preparation of financial statements:

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and comply with the mandatory accounting standards and statement issued by Institute of Chartered Accountants of India (ICAI) and the provisions of the Companies Act, 1956.

All amounts in financial are presented in Rupees in lakhs except per share data or as otherwise stated. Figures for the previous year have been regrouped /rearranged wherever considered necessary to conform to the figures presented in the current year.

B) Fixed assets and depreciation

- i) Fixed assets are valued at cost of acquisition /construction (including expenses /interest on borrowing, directly attributable to such asset, during construction period). Cost of acquisition is inclusive of freight, insurance, duties net of credits under CENVAT scheme, levies and all incidentals attributable to bringing the asset to its working condition.
- ii) Buildings, Plant & Machinery(except assets subject matter of impairment) and other assets, including intangible assets are depreciated over their estimated useful lives or lives derived from the rates specified in Schedule XIV to the Companies Act, 1956, whichever is lower, except for assets costing less than Rs. 5000/- which are fully depreciated in the year of acquisition.
- iii) Assets subject to impairment, on the asset's revised carrying amount, over its remaining useful life.

C) Investments:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Long term investments are stated at cost less provision for diminution other than temporary, if any in the value of such investments. Current investments are valued at lower of cost or market value.

D) Foreign Currency Transactions:

- a) Initial Recognition.
Transactions in foreign currencies are recorded in the reporting currency , by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.
- b) Conversion
Foreign currency monetary items are reported using the closing rate. Non- monetary items are reported using the exchange rate at the date of transaction.

In respect of transactions covered by forward exchange contracts premium or discount being the difference between the forward rate and the exchange rate on the date of the transaction is recognized as income or expense over the life of the contract.
- c) Exchange difference
Transactions not covered by forward contracts and outstanding at year end are translated at exchange rates prevailing at the year end and the profit / loss so determined is recognized in the Profit and Loss Account.

E) Inventories :

- i. Cost of Inventories has been computed to include all cost of Purchases. Cost of Conversion and other costs incurred in bringing the inventories to their present location.
- ii. Raw materials and components, Stores and Spares are valued at cost. The cost are ascertained using the weighed average method , except incase of slow moving and obsolete material , at lower of cost or estimated realizable value.
- iii. Work-in-progress and finished goods are valued at lower of cost or realizable value.
- iv. Scrap is valued at estimated realizable value.
- v. Goods in transit are stated at actual cost upto the Balance Sheet.

F) Revenue recognition

- I. Revenue from sale of products are recognized on dispatch of goods, but net of Incentives on sales including rebates & discounts.
- ii. Revenue from sale of scrap, interest subsidy on SIDBI TUFF loan is accounted on cash basis.
- iii. Income from Interest is recognized in the year in which it is accrued and stated at gross of tax deducted at source.
- iv. Rental income from hiring of facilities is accounted in accordance with the terms and conditions agreed with the customer.
- v. Dividend is recognized when the right to receive the dividend is unconditionally established on the Balance Sheet date.

G) Borrowing cost

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalized as part of the cost of such assets to the extent they relate to the period till such assets are ready to put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit and Loss account. Borrowing cost comprises of interest and other cost incurred in connection with borrowing of funds.

H) Miscellaneous Expenditure (to the extent not written off or adjusted)

The balance under the head Miscellaneous Expenditure (to the extent to written off or adjusted) comprises of Advertisement & publicity expenses and preliminary expenses which are amortized over a period of 5 years.

I) Income Taxes

Tax expense comprise of current, deferred and fringe benefit tax.

- i) Current Income tax is determined based on the amount of tax payable in respect of taxable income for the year.
- ii) Deferred tax is recognized on timing differences being the difference between taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years. Deferred tax assets and liabilities are computed on the timing differences applying the tax rates enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against such deferred tax assets can be realized.
- iii) Fringe Benefit Tax is provided on the aggregate amount of fringe benefit determined in accordance with the provisions of the relevant enactment at the specified rate of tax.

J) Retirement and Other Employee Benefits

Retirement benefits to employees are provided for by payments to Gratuity, Superannuation and Provident Funds Retirement benefit in the form of provident fund /pension schemes are charged to Profit and Loss account of the year when the contributions to the respective funds are due.

Gratuity Plan

The company has taken an insurance policy under the group gratuity scheme with Life Insurance Corporation of India to cover the gratuity liability of the employees of the company. The Liability for gratuity is provided for on the basis of actuarial valuation done at the end of the financial year.

Leave Encashment

Liability for leave encashment is provided for on actuarial valuation done at the end of financial year.

Balance Sheet as at 31st March, 2008

(Rupees in Lakhs)

	Schedules	31.03.2008	31.03.2007
I. Sources of Funds			
Shareholders' Funds			
Share Capital	1	3,696.54	5,296.54
Reserves and Surplus	2	6,934.03	6,504.83
Loan Funds			
Secured Loans	3	6,455.35	3,707.51
Unsecured Loans	4	633.75	661.02
Deferred Tax Liability		1,005.81	799.67
		18,725.48	16,969.57
II. Application of Funds			
Fixed Assets			
Gross Block	5	13,353.40	10,298.69
Less : Depreciation		5,058.47	4,670.31
Net Block		8,294.93	5,628.38
Capital Work in Progress		0.00	1,559.26
Investments	6	1.45	7.03
Current Assets, Loans and Advances			
Inventories	7	7,061.46	5,661.12
Sundry Debtors	8	6,756.42	5,834.60
Cash and Bank Balances	9	278.39	173.78
Loans and Advances	10	740.72	2,230.46
		14,836.99	13,899.96
Less : Current Liabilities and Provisions			
Current Liabilities	11	3,647.14	3,579.82
Provisions		821.78	654.03
		4,468.92	4,233.85
Net Current Assets		10,368.07	9,666.11
Miscellaneous Expenditure (To the extent not written off or adjusted)	12	61.03	108.79
		18,725.48	16,969.57

As per our report of even date
For Attar & Co.
Chartered Accountants

For and on behalf of Board

J. K. Pathare
Chairman

M. F. Attar
Proprietor
Membership No.: 34977
Mumbai. Dated: 30th June, 2008

R. Venkatraman
Vice President-Finance
& Company Secretary

L. J. Reddy
Managing Director

Sunil Pathare
Director

Profit and Loss Account for the year ended on 31st March, 2008

(Rupees in Lakhs)

	Schedules	31.03.2008	31.03.2007
Income			
Sales		20,451.15	19,590.34
Increase / (Decrease) in Stocks	13	45.57	(221.43)
Other Income	14	176.58	116.35
		20,673.30	19,485.26
Expenses			
Cost of goods Consumed / Sold	15	11,197.64	11,147.09
Employees Remuneration and Benefits	16	840.64	842.93
Managerial Remuneration		99.90	46.60
Manufacturing and Other Expenses	17	4,237.24	3,535.24
Selling and Distribution Expenses	18	513.31	456.66
Advertisement Expenses		1,155.91	1,194.30
Interest	19	587.88	396.09
Deferred Expenses written off		47.76	47.76
Depreciation		408.59	433.60
		19,088.87	18,100.27
Profit Before Tax		1,584.43	1,384.99
Less : Provision for Taxation - Current Tax		(347.23)	(299.62)
- Deferred Tax		(206.15)	(165.71)
- Fringe Benefit Tax		(24.68)	(17.11)
Profit After Tax		1,006.37	902.55
Add/(Less) : Tax Adjustment for earlier years		16.37	(45.75)
		1,022.74	856.80
Add : Surplus brought forward		1,629.11	1,451.02
		2,651.85	2,307.82
Appropriations			
Transfer to General Reserve		163.82	90.00
Transfer to Capital Redemption Reserve		1,600.00	0.00
Proposed Dividend			
Preference Share Capital		121.75	0.00
Equity Share Capital		283.85	126.15
Interim Dividend			
Preference Share Capital		0.00	260.71
Equity Share Capital		0.00	126.15
Preference dividend on OCPS - Redeemed		101.70	0.00
Corporate dividend tax		86.24	75.70
		2,357.36	678.71
Balance Carried to Balance Sheet		294.49	1,629.11
Basic and Diluted EPS (in Rs.) (F.V. Rs. 2/-)		1.21	0.94

Notes on Accounts and Additional Information

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As per our report of even date
For Attar & Co.
Chartered Accountants

For and on behalf of Board

J. K. Pathare
Chairman

M. F. Attar
Proprietor
Membership No.: 34977
Mumbai. Dated: 30th June, 2008

R. Venkatraman
Vice President-Finance
& Company Secretary

L. J. Reddy
Managing Director

Sunil Pathare
Director

Cash Flow Statement for the year ended on 31st March, 2008

(Rupees in Lakhs)

	31.03.2008	31.03.2007
A. Cash Flow From Operations		
Net Profit before Tax & Extraordinary Items	1,584.43	1,384.99
Add :		
1) Depreciation	408.59	433.60
2) Preliminary Expenses	47.76	47.76
3) Interest	587.88	396.09
4) (Profit)/Loss on Sale of Assets (Net)	4.00	1.98
5) Insurance Claim	(1.96)	(2.52)
6) Other Income	(43.89)	(32.58)
7) Interest Received	(14.97)	(20.94)
8) Rent Received	(0.75)	(1.47)
9) Duty Drawback	(115.00)	(0.00)
10) Provision for Diminution in value of investments	5.48	0.00
	877.14	821.93
Operating Profit before Working Capital Changes	2,461.57	2,206.88
Adjusted for :		
(Increase)/Decrease in Trade Receivables	(921.82)	141.14
(Increase)/Decrease in Inventories	(1,400.34)	(17.86)
(Increase)/Decrease in Other Receivables	25.74	(27.37)
Increase/(Decrease) in Trade Payables	(147.84)	71.24
Increase/(Decrease) in Other Liabilities	213.44	(617.98)
(Increase)/Decrease in Working Capital	(2,230.83)	(450.83)
Cash Generated from Operations	230.75	1,756.06
Less :		
Direct Tax Refunds	0.00	(5.82)
Deferred Expense Payments	0.00	(70.05)
Direct Taxes Paid	(307.92)	(734.76)
Net cash used before extraordinary items	(77.17)	945.43
Extraordinary items		
Insurance Claim	1.96	2.52
Duty Drawback	115.00	0.00
	(A) 39.79	947.95
B. Cash Flow from Investing Activity		
Purchase of Fixed Assets	(1,533.06)	(707.76)
Capital Work in Progress	0.00	(1,504.41)
Sale of Fixed Assets	13.17	22.67
Addition to Investments	(0.03)	(0.10)
Sale of Investments	0.13	0.00
Interest Received	14.97	20.94
Rent Received	0.75	1.47
Other Income	43.89	32.58
Loan to Companies	1,464.00	(1,464.00)
	(B) 3.82	(3,598.61)

Cash Flow Statement for the year ended on 31st March, 2008

(Rupees in Lakhs)

	31.03.2008	31.03.2007
C. Cash Flow from Financing		
Issue of Share		
Share Capital - Equity	0.00	183.54
- Preference	(1,600.00)	1,600.00
Share Premium	0.00	2,721.04
Proceeds from Borrowing		
Secured Loans		
Bank Overdraft	752.15	276.36
Loan from SIDBI	243.66	0.00
Medium Term Loan from Bank	1,752.03	(188.34)
Unsecured Loans		
From Directors	0.00	(445.94)
Deferred Sales Tax	(13.76)	(13.94)
From Others	0.00	(50.00)
Security Advances	(13.51)	(6.54)
Interest		
Bank	(587.88)	(149.85)
Others	0.00	(246.25)
Dividend Tax Paid	(64.18)	(54.26)
Interim Dividend paid	407.50	(388.03)
	(C)	
	61.01	2,685.10
Net Increase in Cash & Cash Equivalents	(A+B+C)	
	104.61	34.45
Cash & Cash Equivalents at the beginning of the year	173.78	139.33
Cash & Cash Equivalents at the end of the year	278.39	173.78
Closing Balance	104.61	34.45

As per our report of even date
For Attar & Co.
Chartered Accountants

For and on behalf of Board

J. K. Pathare
Chairman

M. F. Attar
Proprietor
Membership No.: 34977
Mumbai. Dated: 30th June, 2008

R. Venkatraman
Vice President-Finance
& Company Secretary

L. Jaipal Reddy
Managing Director

Sunil Pathare
Director

Schedules to the accounts for the period ended on 31st March, 2008

(Rupees in Lakhs)

	31.03.2008	31.03.2007
SCHEDULE '1' SHARE CAPITAL		
Authorised		
Equity :		
15,00,00,000 Ordinary Shares of Rs. 2/- each	3,000.00	3,000.00
Preference :		
45,00,000 Preference Shares of Rs. 100/- each	4,500.00	2,500.00
	7,500.00	5,500.00
Issued, Subscribed and Paid up :		
6,30,77,215 Ordinary Shares of Rs. 2/- each fully paid up	1,261.54	1,261.54
Note : 3,57,50,000 Ordinary Shares of Rs. 2/- each allotted as fully paid Bonus Shares by way of Capitalisation of Share Premium.		
5% 24,35,000 Redeemable Preference Shares of Rs. 100/- each fully paid up redeemable after 10 years with an option of the Company to redeem at the end of 8 th , 9 th and 10 th year in 3 equal installments	2,435.00	2,435.00
10% 16,00,000 Optional Convertible preference Shares issued to Reliance Capital Partners, Convertible within 18 month	0.00	1,600.00
	3,696.54	5,296.54
SCHEDULE '2' RESERVES AND SURPLUS		
Securities Premium Account		
As per last Balance Sheet	3,859.54	1,138.50
Add: Received during the year	0.00	2,721.04
	3,859.54	3,859.54
General Reserve		
As per last Balance Sheet	1,016.18	926.18
Add : Transferred from Profit & Loss account	163.82	90.00
	1,180.00	1016.18
Capital Redemption Reserve Account		
As per last Balance Sheet	0.00	0.00
Add:- Transferred from Profit and Loss account	1,600.00	0.00
	1,600.00	0.00
Profit and Loss Account		
	294.49	1,629.11
	6,934.03	6,504.83
SCHEDULE '3' SECURED LOANS		
a) Term Loans	2,657.30	661.61
b) Cash Credit	3,798.05	3,045.90
	6,455.35	3,707.51
SCHEDULE '4' UNSECURED LOANS		
Security Advances	275.96	289.47
Deferred Sales Tax Loan	357.79	371.55
	633.75	661.02

Maxwell Industries Ltd.

Schedules to the accounts for the period ended on 31st March, 2008

SCHEDULE '5' FIXED ASSETS

Name of the Asset	Gross Block				Depreciation Block				Net Block	
	Op.Bal 01.04.07	Additions Br. Transfers	Deduc- tions/ Br. Transfers	Total 31.03.08	Op.Bal 01.04.07	Depre- ciation for the year	Deduc- tions/ Adjst- ments	Total 31.03.08	As at 31.03.08	As at 31.03.07
Owned Assets										
Goodwill & Other Rights on Acquisition	1,258.21	0.00	0.00	1,258.21	0.00	0.00	0.00	0.00	1,258.21	1,258.21
Land	216.00	85.56	0.00	301.56	0.00	0.00	0.00	0.00	301.56	216.00
Buildings	397.06	32.08	0.00	429.14	68.06	7.22	0.00	75.28	353.86	329.00
Factory Buildings	1,575.07	1,300.04	0.00	2,875.11	312.71	57.12	0.00	369.83	2,505.28	1,262.36
Furniture & Fixtures	200.02	65.74	0.00	265.76	101.03	13.45	0.00	114.48	151.28	98.98
Office Equipments	76.74	17.65	0.00	94.39	44.78	5.35	0.00	50.13	44.26	31.97
Plant & Machinery	5,745.25	1,495.08	20.51	7,219.82	3,575.54	281.69	10.26	3,846.97	3,372.85	2,170.16
Vehicles	136.63	78.43	17.10	197.96	58.06	15.72	10.17	63.61	134.35	78.31
Electrical Installations	498.20	5.46	0.00	503.66	375.80	9.29	0.00	385.09	118.57	121.66
Boilers	48.32	0.00	0.00	48.32	28.05	3.59	0.00	31.64	16.68	20.26
Effluent Treatment Plant	13.76	0.00	0.00	13.76	7.89	1.02	0.00	8.91	4.85	5.87
Computer Systems	133.43	12.28	0.00	145.71	98.39	14.14	0.00	112.53	33.18	35.58
Total	10,298.69	3,092.32	37.61	13,353.40	4,670.31	408.59	20.43	5,058.47	8,294.93	5,628.36
Previous Year	9,625.31	707.76	34.38	10,298.69	4,246.44	433.60	9.73	4,670.31	5,628.38	0.00

(Rupees in Lakhs)

	31.03.2008	31.03.2007
SCHEDULE '6' INVESTMENT		
Long term - Quoted		
100 Shares in N. K. Industries Ltd. of Rs. 10 each at a premium of Rs. 30 each fully paid [Market Value of Rs. 0.01 (Previous Year Rs. 0.01)]	0.04	0.04
21,900 Shares in Kripa Chemicals Ltd. of Rs. 10 each [Market Value of Rs. 0.45 (Previous Year Rs. 0.45)]	5.48	5.48
	5.52	5.52
Less : Provision for Dimunition in Value of Investments	5.48	0.00
	0.04	5.52
Government Securities (Deposited with Sales Tax Authorises)		
Kisan Vikas Patra	0.06	0.03
National Saving Certificate	1.35	1.48
	1.45	7.03
SCHEDULE '7' INVENTORIES		
(At cost or market value whichever is lower as Certificate by the Management)		
Raw Materials	3,194.57	1,839.79
Work In Progress	1,348.83	1,504.15
Finished Goods	2,518.06	2,317.17
	7,061.46	5,661.11

Schedules to the accounts for the period ended on 31st March, 2008

(Rupees in Lakhs)

	31.03.2008	31.03.2007
SCHEDULE '8' SUNDRY DEBTORS		
Unsecured and considered good,		
(a) Outstanding for a period exceeding six months	1,674.80	958.31
(b) Others	5,081.62	4,876.29
	6,756.42	5,834.60
SCHEDULE '9' CASH AND BANK BALANCES		
Cash on hand	20.83	37.52
Balances with Scheduled Banks		
On Fixed Deposit Account	60.10	100.10
On Current Account	190.95	31.38
On Unclaimed Dividend Account (As per Contra)	6.51	4.78
	278.39	173.78
SCHEDULE '10' LOANS AND ADVANCES		
(Unsecured and considered good)		
Sundry Deposits	170.59	194.01
Other Advances	570.13	2,036.45
	740.72	2,230.46
SCHEDULE '11' CURRENT LIABILITIES AND PROVISIONS		
a) Current Liabilities		
Sundry Creditors	3,640.63	3,575.04
Unclaimed Dividend (As per Contra)	6.51	4.78
	3,647.14	3,579.82
b) Provisions		
Provision for Taxation	347.23	299.62
Proposed Dividend - Preference Share Capital	121.75	19.68
- Equity Share Capital	283.85	287.85
Corporate Dividend Tax	68.95	46.88
	821.78	654.03
	4,468.92	4,233.85
SCHEDULE '12' MISCELLANEOUS EXPENDITURE		
(To the extent not written off)		
Advertisement & Publicity Expenses	0.00	24.26
Preliminary Expenses	61.03	84.53
	61.03	108.79
SCHEDULE '13' INCREASE / DECREASE IN STOCKS		
Closing Stocks		
Work in Progress	1,348.83	1,504.15
Finished Goods	2,518.06	2,317.17
	3,866.89	3,821.32
Less : Opening Stocks		
Work in Progress	1,504.15	1,535.35
Finished Goods	2,317.17	2,507.40
	3,821.32	4,042.75
	45.57	(221.43)

Schedules to the accounts for the period ended on 31st March, 2008

(Rupees in Lakhs)

	31.03.2008	31.03.2007
SCHEDULE '14' OTHER INCOME		
Interest	14.97	20.94
Rent	0.75	1.47
Profit on Sale of Assets	0.01	0.16
Duty Drawbacks	115.00	58.68
Insurance Claim	1.96	2.52
Others	43.89	32.58
	176.58	116.35
SCHEDULE '15' COST OF GOODS CONSUMED / SOLD		
Opening Stock	1,839.79	1,600.50
Add : Purchases	12,552.42	11,386.38
	14,392.21	12,986.88
Less : Closing Stock	3,194.57	1,839.79
	11,197.64	11,147.09
SCHEDULE '16' EMPLOYEES REMUNERATION AND BENEFITS		
Salaries, Wages & Bonus	672.93	655.78
Contribution to Provident and other funds	77.16	74.70
Welfare Expenses	68.68	82.74
Gratuity Benefits	22.04	29.71
	840.81	842.93
SCHEDULE '17' MANUFACTURING AND OTHER EXPENSES		
Processing and Labour Charges	3,184.92	2,669.97
Rent	123.19	101.43
Rates & Taxes	3.66	6.81
Insurance	39.31	35.17
Electricity Charges	35.49	31.85
Legal and Professional Charges	122.48	61.53
General Expenses	102.93	86.28
Motor Car Expenses	41.36	44.59
Conveyance Expenses	16.77	24.60
Travelling Expenses	184.92	226.81
Printing & Stationery	24.73	29.18
Postage & Telephone	66.67	65.40
Repairs & Maintenance		
- Building	6.59	8.77
- Machinery	30.96	39.81
- Others	55.31	32.89
Bank Charges	80.43	56.26
Exchange Loss	104.51	3.75
Loss on Sale / Discard of Assets	4.02	2.15
Audit Fees	8.99	7.99
	4,237.24	3,535.24
SCHEDULE '18' SELLING AND DISTRIBUTION EXPENSES		
Freight, Delivery Etc.	360.77	408.22
Sales Tax and Other Overheads	152.54	48.44
	513.31	456.66
SCHEDULE '19' INTEREST		
Bank	357.76	149.84
Others	230.12	246.25
	587.88	396.09

Notes on accounts

1. a. Working Capital borrowing from bank are secured by hypothecation of Company's entire stock of raw materials (imported and indigenous), stocks in process, semi-finished goods, finished goods and goods in transit covered by documents of title to goods and book debts and further collaterally secured by way of charge on entire fixed assets of the company's units at TTC, Turbhe and at Gobichettipalayam, Perundurai, Umergaon and personal guarantees of promoter directors.
b. Term Loan from SIDBI are secured by first charge by way of hypothecation of all the movables including plant, machinery and equipments at Umergaon, Extension of first charge by way of mortgage on the Leasehold rights on immovable properties, present & future assets situated at GIDC Industrial Estate Umergaon Dist. Valsad and Personal Guarantee of Promoter Directors.
c. The Company is in the process of creation of charge on its assets both movable and immovable located at Thingallur towards its term loan from Barclays Bank
2. Cash Credit loan from State Bank of India of Rs. 3798.05 lakhs outstanding as on 31.03.2008.
3. Payment against supplies from small scale and ancillary undertakings are generally made in accordance with agreed credit terms.
4. As reported, the Scheme of Amalgamation of Maxwell Industries with Lovable Lingerie Private Limited and Microtex India Limited has been withdrawn.
5. In the opinion of the Company, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of the business.
6. Sundry Debtors and Sundry Creditors balances are subject to confirmation.

As per our report of even date
For Attar & Co.
Chartered Accountants

For and on behalf of Board

J. K. Pathare
Chairman

M. F. Attar
Proprietor
Membership No.: 34977
Mumbai. Dated:30th June , 2008

R. Venkatraman
Vice President-Finance
& Company Secretary

L. J. Reddy
Managing Director

Sunil Pathare
Director

ACCOUNTING STANDARD DISCLOSURES (Issued by Institute of Chartered Accountants of India)**7. AS 10 - ACCOUNTING FOR FIXED ASSETS:**

The Company Assets at Thingallur and Perundrai were put to commercial use effective 1st October 2008. Depreciation on the above assets under Companies Act and Income Tax have been calculated accordingly.

8 AS-15 - EMPLOYEES BENEFIT:

The Company has classified the various benefits provided to employees as under:

Defined Contribution Plans:

The Company has recognized the following amounts in the Profit and Loss Accounts which are included under contribution to Provident Fund and Other Funds:

Particulars	Rupees in Lakhs
Provident Fund & Employee Pension Scheme	67.26

Company employees are covered by the contribution of the company to Provident Fund Scheme and Employees Family Pension Schemes

DEFINED BENEFIT PLANS

Rupees in Lakhs

Particulars	As at 31st March 2008.	
	Gratuity	Leave Encashment
Current service cost	7.13	6.10
Interest cost	5.92	1.34
Expected return on plan assets	7.46	0.00
Net Actuarial (gain) / loss to be recognized	4.58	2.29
Total expense recognized in the statement of Profit & Loss Account	10.16	9.73
Actual Contribution & Benefit Payments		
Actual Benefit Payments	12.08	7.09
Actual Contribution	2.22	0.00
Net Asset / (Liability) recognized in Balance Sheet		
Liability at the end of the year	84.35	16.79
Fair value of plan assets at the end of the year	86.39	0.00
(Net Asset) / Liability recognized in the Balance Sheet	2.05	(16.79)
Change in Defined Benefit Obligations (D.B.O.)		
Present value of D.B.O. at Beginning of Year	78.81	-
Interest Cost	5.92	-
Current Service Cost	7.13	-
Benefits Paid	12.8	-
Actuarial (Gain) / Losses on Obligations	4.58	-
Present Value of D.B.O. at the End of Year	84.35	-
Change in Fair Value of Plan Assets during the year		
Planned assets at Beginning of the year	88.79	-
Expected return on planned assets	7.46	-
Contributions	2.22	-
Benefit paid	12.08	-
Actuarial gain / (loss) on plan assets	Nil	-
Fair value of plan assets at the end of the year	86.39	-
Defined benefit plan - Gratuity Assumptions		
Discount rate	8%	8%
Salary Escalation Rate	4%	4%
Rate of return on plan assets	8%	8%

9 AS-17 - SEGMENT REPORTING:

The segments are identified based on the dominant source and nature of risks and returns and the internal organization and management structure. Inter segment revenue is accounted on the basis of transactions which are primarily market led. Unallocated Corporate Expenses include revenue and expenses which relate to the enterprise as a whole and are not attributable to the segments.

Rupees in Lakhs			
Sr. No.	Particulars	2007-08	2006-07
1	Segment Revenue		
	a) Hosiery and Others	17999.12	16647.76
	b) Spinning Mill	4006.38	4677.27
	Total	22005.50	21325.03
	Less:		
	Inter Segment revenue	1554.35	1734.69
	Sales / Income form Operations	20451.15	19590.34
2	Segment Results		
	[Profit / (Loss)before tax and interest from each segment]		
	a) Hosiery and Others	2495.09	1662.65
	b) Spinning Mill	325.99	559.05
	Total	2821.08	2221.70
	Less:		
	i) Interest	587.88	396.09
	ii)Other un-allocable expenditure net unallocable income	648.77	440.62
	Total Profit Before Tax	1584.43	1384.99
3	Capital Employed (Segment Asset- Segment Liabilities) (Based on estimates in terms of available data)		
	a) Hosiery and Others	15854.25	14233.15
	b) Spinning Mill	1804.57	1827.94

10 AS 18 RELATED PARTY:**A. List of Related Parties with whom the company undertook transactions;**

- Group Concerns:** Microtex India Ltd., Lovable Lingerie Pvt. Ltd., Vinay Hosiery Pvt. Ltd., VIP Overseas Marketing Pvt. Ltd., Hybo Hindustan, Technit Industries, Aadhunik Vitharak, Pako Hindustan, Pats Treasure.
- Directors and other members of Promoter Group:** Shri J. K. Pathare, Shri L. J. Reddy, Shri L. Vinay Reddy, Shri Sunil J. Pathare, Shri L. Venkat Reddy, Smt Lalita J. Pathare, Shri L Prashant Reddy, Shri Kapil J. Pathare, J.K. Pathare HUF, L. Venkat Reddy HUF, L. Jaipal Reddy HUF.

B. Details of transactions are as follows;

Rupees in Lakhs			
Sr. No.	Type of Transaction	2007-08	2006-07
1	Sales to and recoveries	323.32	283.57
2	Purchases from and payments	1301.69	1394.57
3	Inter Corporate Deposit received	0.00	1464.00
4	Interest payment	0.00	26.68
5	Remuneration / Sitting Fees to Directors	99.96	51.35

C. Outstanding balances

Rupees in Lakhs

Sr. No.	Type of Transaction	2007-08	2006-07
1	Dues to Company	1281.01	958.72
2	Payable by Company	402.38	22.32

11 AS-20 EARNINGS PER SHARE (EPS):

Rupees in Lakhs

	2007-08	2006-07
Net Profit After Tax	1022.74	856.80
Less:-Preference Dividend (including tax thereon)	261.44	260.71
Profit Available to Equity Shareholders	761.30	595.89
Weighted average no. of equity shares for basic EPS	63077215 nos	63077215 nos
Nominal Value of equity shares	Rs.2/-	Rs. 2/-
Basic earnings per equity share	Rs.1.21	Rs 0.94

12 AS-22 - ACCOUNTING FOR TAXES ON INCOME:

Components of deferred tax liability:

Rupees in Lakhs

	2007-08	2006-07
DEFERRED TAX LIABILITY:		
Difference between book and tax depreciation	206.14	165.71
TOTAL DEFERRED TAX LIABILITY	206.14	165.71
DEFERRED TAX ASSET:		
TOTAL DEFERRED TAX ASSETS	0.00	0.00
DEFERRED TAX LIABILITY NET	206.41	165.71

Z13 AS-28- IMPAIRMENT OF ASSETS :

The Company's asset at TTC, Thane are in the process of being disposed off and are stated at realizable market value. As a cash generating unit the flows are expected to be positive over the useful life of the asset.

14 AS-29 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent Liabilities

Rupees in Lakhs

Particulars	2007-08	2006-07
Guarantees given by Bank	236.77	5.79
Estimated amount of contracts remaining to be executed on capital account	0.00	1074
Letter of Credits	10.06	826.20
Claims against the company not acknowledged as debts	116.50	116.50
Income Tax Liability in Appeal	1157.49	1157.49
Export obligations	112.67	0.00

15 Value of Imports on C.I.F. basis

Rupees in Lakhs

Particulars	2007-08	2006-07
Raw materials	921.33	0.00
Components and stores & Spares	1.12	0.26
Capital Goods	2.01	795.96

16 Expenditure in foreign currency

Rupees in Lakhs

Particulars	2007-08	2006-07
Travelling Expenses`	1.90	15.98
Commission on Export sales	22.19	1.84
Interest	0.02	28.04
Quality Claim	3.03	-

17 Earnings in foreign currency

Rupees in Lakhs

Particulars	2007-08	2006-07
F.O.B value of exports	2054.91	1052.88

18 Remuneration to auditors

Rupees in Lakhs

Particulars	2007-08	2006-07
Audit Fees	8.44	7.44
Tax Audit	0.43	0.43
Retainer Fees	0.11	-

19 Additional Information pursuant to the provisions of paragraphs 3 & 4 of Part II Schedule VI to the Companies Act, 1956.

Particulars	2007-08		2006-07	
	Quantity	Value	Quantity	Value
A) Licensed Capacity (Spinning Mill) Installed capacity (Spinning Mill)	26208 Spindles 26208 Spindles		26208 Spindles 26208 Spindles	
b) Quantitative information in respect of Sales & Closing Stocks (As certified by management)	Quantity	Value	Quantity	Value
i) Sales				
Hosiery (Boxes)	56.21	15327.21	45.86	14914.92
Yarn (Kgs)	19.00	2452.02	18.55	2892.35
Fabric (Kgs)	3.66	1414.80	1.13	436.87
Socks (Pieces)	58.76	1180.89	59.73	1268.60
Others		76.22	0.00	77.60
Total		20451.14		19590.34
ii) Closing Stocks				
Hosiery (Boxes)	11.16	2255.19	10.94	2209.74
Socks (Pieces)	14.05	210.79	14.97	267.19
Yarn (Kgs)	0.45	52.08	0.89	107.43
Total		2518.06		2584.36
iii) Finished Goods Purchased				
Hosiery (Boxes)	11.13	1560.03	4.96	1298.55
Socks (Pieces)	56.74	625.66	74.50	982.85

20 Raw Material Consumption(Included in Cost of Goods Sold)

Rupees in Lakhs

Particulars	2007-08		2006-07	
	Quantity	Value	Quantity	Value
Fabric / Yarn (Kgs)	38.36	4177.61	43.32	3990.44
Elastics (Mtrs)	289.21	484.74	125.63	558.43
Cotton (Kgs)	41.90	2320.03	44.77	2924.55
Packing Material	0.00	1354.27	0.00	954.94
Cloth (Mtrs)	0.00	0.00	3.95	153.72
Others	0.00	610.77	0.00	550.82
Total		8947.42		9132.90

21 Break up of Raw Material Consumed

Rupees in Lakhs

Particulars	2007 - 08		2006 - 07	
	Percentage	Value	Percentage	Value
Imported	15.49	1385.84	0.00	0.00
Indigenous	84.51	7561.58	100	9132.91

22 Managerial remuneration Under Section 198 of the Companies Act, 1956 to the Managing Director & Whole time Director

Rupees in Lakhs

Particulars	2007 - 08		2006 - 07	
		Value		Value
a) Remuneration		67.07		38.66
b) Contribution to Provident other funds		4.07		3.66
c) Perquisites		11.92		4.29
d) Commission		16.84		14.46
Total		99.90		61.07

23 Computation of Net Profit as per Sec 309(5) and Sec. 198 of the Companies Act,

Rupees in Lakhs

Particulars	2007 - 08		2006 - 07	
		Value		Value
i) Profit before Tax as per P& L A/c		1584.87		1384.99
ii) Add:				
a) Depreciation as per books	408.49		433.60	
b) Directors Remuneration	83.06		46.61	
c) Directors Commission	16.84		14.32	
d) Profit /Loss on Sale of Fixed Assets	4.00	512.39	0.16	494.69
Total		2096.82		1879.68
iii) Less:				
a) Depreciation as per Sec. 350	408.59		433.60	
b) Loss on Sale of Fixed Assets as per Sec. 350	4.00	42.59	0.16	433.76
Total		1684.23		1445.92
Net Profit u/s 198/349 of the Companies Act 1956 . Commission to Managing Director & Whole Time Director @ 0.5% of the Net Profit to each (Previous Year. Rs. Nil)		16.84		14.46

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**I) REGISTRATION DETAILS**

Registration No.	59804	State Code	11
Balance Sheet Date	31-03-2008		

II) CAPITAL RAISED DURING THE YEAR : (Amt. in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

III) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS : (Amt. Rs. in thousands)

Total Liabilities	1,872,548	Total Assets	1,872,548
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Sources of Funds

Paid up Capital	369,654	Reserves & Surplus	693,403
Secured Loans	645,535	Unsecured Loan	63,375

Application of Funds

Net Fixed Assets	829,493	Investments	145
Net Current Assets	1,036,807	Misc. Expenditure	6,103
Accumulated Loss	NIL		

IV) PERFORMANCE OF COMPANY

Turnover	2,045,115	Total Expenditure	1,908,887
+Profit/-Loss before tax	158,443	+Profit/-Loss after tax	100,637
Earning per share	1.21	Dividend Rate	22.50%

V) GENERIC NAME OF TWO PRODUCTS / SERVICES OF COMPANY

(as per monetary items)

Item Code No. 600121.00

(ITC Code)

Product Description HOSIERY PRODUCTS

Item Code No. 510720.01

(ITC Code)

Product Description HOSIERY YARN

For and on behalf of Board

R. Venkataraman
Vice President-Finance
& Company Secretary

J. K. Pathare
Chairman

L. J. Reddy
Managing Director

Sunil Pathare
Director

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

PROXY FORM

I/We.....
.....of the above named company, hereby
appoint.....

or failing him..... of

as my/our proxy to vote for me / us on my / our behalf at the EIGHTEENTH ANNUAL GENERAL MEETING of the Company at All India Plastics Manufacturers Association, Plot No. A-52, Road No. 1, MIDC, Marol, Andheri (E), Mumbai – 400093 on Friday, the 29th August, 2008 at 11.00 a.m. and any adjournment thereof.

Signed this..... day of, 2008

Affix
1 Rupee
Revenue
Stamp

Reference Folio / D.P. & Client I. D. No.

No. of Equity shares held

Member's Signature

Note : The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the schedule time of the aforesaid meeting.



Maxwell Industries Limited

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

ATTENDANCE SLIP

I hereby record my presence at the EIGHTEENTH ANNUAL GENERAL MEETING of the held on Friday the 29th August, 2008 at 11.00 a.m. at All India Plastics Manufacturers Association, Plot No. A-52, Road No. 1, MIDC, Marol, Andheri (E), Mumbai – 400093.

Name:.....

Reference Folio / D.P. & Client I. D. No.

No. of Equity shares held.....

SIGNATURE OF THE ATTENDING MEMBER/PROXY

NOTES:

- (1) Shareholder/ Proxyholder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand over at the entrance duly signed and completed in Block letters.
- (2) Shareholder/ Proxyholder desiring to attend the meeting should bring his/her copy of the Annual Report for reference at the meeting.

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MAXWELL INDUSTRIES LIMITED

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Website : www.vipapparel.com