POSTAL BALLOT NOTICE

[Pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011]

Dear Member(s),

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, that the Resolutions appended below are proposed to be passed as Ordinary/Special Resolutions, as the case may be, by way of Postal Ballot.

Members' consent is requested for the proposals contained in the Resolutions appended below. The Explanatory Statement pertaining to the said Resolutions setting out material facts and the reasons thereof is annexed hereto alongwith a Postal Ballot Form for your consideration.

1. To consider and, if thought fit, to give assent or dissent to the following resolution as a **Special Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 372A and other applicable provisions, if any, of the Companies Act, 1956 and in supercession of the Special Resolution passed by postal ballot on 11th November, 2005, in this behalf, and subject to the necessary approvals, consents, sanctions and permissions of appropriate authorities, departments or bodies as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include person(s) authorized and/or committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to make loan(s) and/or give guarantee(s)/provide any security(ies) in connection with loan(s) made either in Rupee or in any other foreign currency, to the Company or other Bodies Corporate by any Banks/Financial Institutions/Bodies Corporate and/or any other person, situated within or outside the country, and/or to make investment by acquisition, subscription, purchase or otherwise the securities of any Body Corporate upto a limit of Rs. 25,000 Crores (Rupees Twenty Five Thousand Crores Only) notwithstanding that the aggregate of all loans and investments thus far made in and the amounts for which the guarantees or securities thus far provided to all other Bodies Corporate, along with the investments, loans, guarantees or securities so to be made or given by the Board, exceeds the limits prescribed under the said Section.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, if any required, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

2. To consider and, if thought fit, to give assent or dissent to the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and in supercession of the Resolution passed at the Extra-Ordinary General Meeting held on 26th June, 2006, the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include person(s) authorized and/or committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and are hereby authorized to borrow from time to time any sum or sums of money on such terms and conditions and with or without security as the Board may think fit which, together with the moneys already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount of money/moneys so borrowed by the Board shall not at any point of time exceed the limit of Rs. 30,000 Crores (Rupees Thirty Thousand Crores only).

   RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, if any required, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

3. To consider and, if thought fit, to give assent or dissent to the following resolution as an **Ordinary Resolution**:

   "RESOLVED THAT pursuant to the provisions of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and in supercession of the Resolution passed by postal ballot on 21st May, 2009, the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include person(s) authorized and/or committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and are hereby authorized to transfer, sell, lease, assign, deliver or otherwise dispose off, mortgage, and/or charge all or any of the immovable and movable properties of the Company, wherever situate, both present and future or the whole or substantially the whole of the undertaking or undertakings of the Company, (save and except the current assets that are or may be hypothecated and/or pledged in favour of the Company's Bankers for securing the borrowings for Working Capital Requirements) in such form and in such manner and on such terms and conditions as the Board may think fit, together with the power to take over the management of the Company, in the course of business or for securing any loans and/or advances already obtained or that may be obtained by the Company or others, from any Financial Institutions/ Banks/ Insurance Companies/ Other Bodies Corporate or person or persons and/or to secure any debentures issued and/or that may be issued upto a sum not exceeding Rs. 30,000 Crores (Rupees Thirty Thousand Crores Only) at any point of time.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize the terms and conditions for such transfer, sell, lease, disposal or for creating the aforesaid mortgage and/or charge and to do all such acts, deeds and things as may be necessary, usual or expedient for giving effect to this Resolution and also to agree to any amendments thereto from time to time as it may think fit.

   RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, if any required, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution."

By order of the Board of

VIDEOCON INDUSTRIES LIMITED

Sd/-

VINOD KUMAR BOHRA
COMPANY SECRETARY

Date: 27th August, 2011
Place: Mumbai

NOTES:

1. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, setting out material facts is annexed hereto.
2. Mr. Sharad B. Palod, Advocate, has been appointed as a Scrutinizer for conducting the Postal Ballot process in fair and transparent manner and to receive and scrutinize the completed Ballot Papers from the members. The Postal Ballot Form and the self-addressed envelope (postage to be paid by addressee) are enclosed for use of the members.
3. The members are requested to carefully read the instructions printed in the Postal Ballot Form and return the said Postal Ballot Form (no other form or photocopy of the Postal Ballot Form is permitted) duly completed with the assent (for) or dissent (against), in the attached self-addressed envelope, so as to reach the Scrutinizer - Videocon Industries Limited, Post Box No. 559, Aurangabad - 431005, not later than the close of working hours on Thursday, 13th October, 2011. The Postal Ballot Form received after 13th October, 2011, shall be treated as not having been received and will not be valid.

4. The result of the Postal Ballot will be declared on Saturday, 15th October, 2011, at 3.00 p.m. at the Registered Office of the Company by any one of the Directors; Company Secretary or Deputy Company Secretary of the Company. The said date of declaration shall be the date of passing of the said Resolution(s).
5. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days between 12.00 Noon to 3.00 p.m. upto 13th October, 2011.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 [2] OF THE COMPANIES ACT, 1956

Item 1:

In terms of the provisions of Section 372A of the Companies Act, 1956, the Company may extend guarantee, make investment, give loan, provide security upto an amount not exceeding sixty per cent of its paid-up share capital and free reserves, or hundred per cent of its free reserves, whichever is more. Anything in excess of the aforesaid limit of sixty per cent of its paid-up share capital and free reserves, or hundred per cent of its free reserves, whichever is more, requires prior approval of the shareholders by way of passing a Special Resolution.

However, the Board may give guarantee, without being previously authorized by a Special Resolution, if there exists exceptional circumstances and the resolution passed by the Board is confirmed within 12 months, in a general meeting or annual general meeting held immediately after passing of the said Resolutions, whichever is earlier.

The shareholders of the Company have already accorded their approval to the Board of Directors of the Company to make loan, to make investment, give guarantee and provide security, upto an amount of Rs. 10,000 Crores by passing a Special Resolution by postal ballot on 11th November, 2005.

As a measure of achieving greater financial flexibility, it is proposed that the Board of Directors of the Company be authorized to make investment/ extend guarantee/ provide security/ give loan upto an amount of Rs. 25,000 Crores which, in the opinion of the Board, are directly or indirectly, beneficial to and is in the interest of the Company. Since, investment decisions are required to be made on a quick basis and within a limited time span, also keeping in view interests of the Company, securities/guarantees are required to be provided from time to time for the facilities availed either by the Company or any other entities whether associated or not. It may not be feasible for the Company to seek Shareholders' consent by postal ballot each and every time in view of the timings and the expenses involved. The Board proposes to make investment/ give loan out of internal accruals of the Company.

Hence, as per the provisions of Section 372A read with Section 192A of the Companies Act, 1956 and the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011, approval of the members is sought for enhancing the ceiling to Rs. 25,000 Crores upto which loans/investments can be made, security/guarantee may be provided by the Board of Directors of the Company. In accordance with the provisions of the Companies Act, 1956, the said limit may also be considered as an annual limit for extending guarantee till the time the same is fully utilized/exhausted.

The said Special Resolution is being recommended for the approval of members by Postal Ballot.

None of the directors of the Company is directly or indirectly concerned or interested in this Resolution.

Item 2:

Over the years, the Company has consolidated its position in the Consumer Electronics and Home Appliances business. Further, over the last decade and especially the last 5 years, it has aggressively nurtured the new ventures of Oil and Gas and has strengthened its portfolio in Oil and Gas business with continuing exploration activities in Australia, Brazil, Mozambique, East Timor and Indonesia. It has made foray into Power sector as well.

All this has opened up huge business opportunities domestically and also internationally, resulting in substantial increase in fund requirements. On this background, the Company is evaluating different proposals to mobilize the required funds as and when required including by way of issuance of debt instrument and instruments convertible into equity shares. To ensure adequate availability of working capital and additional fund requirement, it is necessary that the Board of Directors have sufficient borrowing powers.

As per the provisions of the Section 293(1)(d) of the Companies Act,1956, the approval of the shareholders is required for authorizing the Board of Directors to borrow money/moneys, where the amount to be borrowed together with the amount already borrowed by the company exceeds the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose. The shareholders of the Company have already accorded their approval to the Board of Directors of the Company to borrow money/moneys upto an amount of Rs. 20,000 Crores by passing an Ordinary Resolution at the extra-ordinary general meeting held on 26th June, 2006. It is proposed to enhance the said borrowing limit from Rs. 20,000 Crores to Rs. 30,000 Crores.

In terms of the provisions of Section 192A of the Companies Act, 1956, read with Companies (Passing of Resolution by Postal Ballot) Rules,2011, the Board of Directors are compulsorily required to obtain approval of the members, by passing an Ordinary Resolution by Postal Ballot, under Section 293(1)(a) of the Companies Act, 1956, as listed in Item No.3 hereunder, for authorizing the Board to sell, lease, mortgage or otherwise dispose off the whole or substantially the whole of undertaking of the Company upto an amount of Rs.30,000 Crores. Since, the proposed resolution under Section 293(1)(d) of the Companies Act, 1956, is interconnected with the resolution under Section 293(1)(a)of the Companies Act, 1956, the Board of Directors thought it appropriate to transact the resolution under Section 293(1)(d) also by postal ballot. This will also provide wider participation from the members.

The said Ordinary Resolution is being recommended for the approval of members by Postal Ballot.

None of the directors of the Company is directly or indirectly concerned or interested in this Resolution.

Item 3:

It is proposed to increase the borrowing limits of the Company upto an amount of Rs. 30,000 Crores, by passing an Ordinary Resolution. However, authorization to the Board in terms of provisions of Section 293(1)(a) of the Companies Act, 1956, to create charge on various assets of the Company is to the extent of Rs. 20,000 Crores only. In order to bring consistency between the two authorizations, it is proposed that the authorization under Section 293(1)(a) of the Companies Act, 1956, shall be increased so as to make it equal to the authorization under Section 293(1)(d) of the Companies Act, 1956.

In order to enable the Board to transfer, sell, lease, assign, deliver or otherwise dispose off, mortgage and/or charge to the extent of Rs. 30,000 Crores i.e., in line with the borrowing powers of the Company, the consent of the members by passing an Ordinary Resolution by postal ballot is sought under Section 293(1)(a) of the Companies Act, 1956.

In terms of the procedure laid under Section 192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the said Resolution specifically requires passing of resolution by Postal Ballot.

The said Ordinary Resolution is being recommended for the approval of members by Postal Ballot.

None of the directors of the Company is directly or indirectly concerned or interested in this Resolution.

By order of the Board of
VIDEOCON INDUSTRIES LIMITED

Sd/-
VINOD KUMAR BOHRA
COMPANY SECRETARY

Date: 27th August, 2011
Place: Mumbai