



## **BHARAT PETROLEUM CORPORATION LIMITED**

Registered Office: Bharat Bhavan, 4 & 6 Currimbhoy Road,  
Ballard Estate, Mumbai 400 001

### **NOTICE OF POSTAL BALLOT**

**(Pursuant to Section 192A of the Companies Act, 1956)**

To  
The Members of the Company

Notice is hereby given pursuant to Section 192A of the Companies Act, 1956, ("Act") read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 ("Postal Ballot Rules"), that the Company is seeking the Members' consent to pass the proposed Special / Ordinary Resolution/s set out below by way of Postal Ballot for the increase of authorised share capital, alteration of the memorandum and articles of association and issue of bonus shares by way of capitalisation of reserves. Accordingly, the said Resolutions and the Explanatory Statement with reference thereto are being sent to you along with a Postal Ballot Form for your consideration.

The Company has appointed Shri B.V.Dholakia, Practising Company Secretary, M/s. Dholakia & Associates, Mumbai as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

The Members are requested to read carefully the instructions printed on the enclosed Postal Ballot Form and return the Form duly completed, in the attached self addressed postage pre-paid envelop, so as to reach the Scrutinizer at the address of the Company on or before the close of working hours i.e. 1700 hrs on **Tuesday, 3<sup>rd</sup> July, 2012**. The Scrutinizer will submit his report to the Chairman & Managing Director or in his absence, to one of the Whole Time Directors authorized by the Chairman & Managing Director, after completion of scrutiny. The result of the Postal Ballot will be announced by the Chairman & Managing Director or in his absence by one of the Whole Time Directors authorised by the Chairman & Managing Director on **Thursday, 5<sup>th</sup> July, 2012** at 1500 hrs at the Registered Office of the Company at Bharat Bhavan, 4&6 Currimbhoy Road, Ballard Estate, Mumbai – 400 001.

The results shall also be announced to the Stock Exchanges and through newspaper advertisement. The results will also be put up on the Company's website at [www.bharatpetroleum.in](http://www.bharatpetroleum.in). The resolutions, if approved, will be taken as passed effectively on the date of declaration of results.

#### **Item 1 : Increase of Authorised Share Capital and Consequent Alteration of Memorandum of Association and Articles of Association**

To consider and, if thought fit, to pass the following resolution as a Special Resolution :

**RESOLVED THAT** pursuant to Sections 16, 31, 94 and all other applicable provisions, if any, under the Companies Act, 1956, the Authorised Capital of the Company be and is hereby approved to be enhanced from Rs. 450 Crores divided into 45 Crores equity shares of Rs. 10 each to Rs. 2500 Crores divided into 250 Crores equity shares of Rs. 10 each ranking pari passu with the existing Equity Shares of the Company.

**FURTHER RESOLVED THAT** consequent upon the increase in the Share Capital, the existing Clause 5 of the Memorandum of Association of the Company regarding Capital be and is hereby amended as under :

‘The capital of the Company is Rs. 2500 Crores divided into 250 Crores equity shares of Rs. 10 each.’

**FURTHER RESOLVED THAT** consequent upon the increase in the Share Capital, the existing Article 3 of the Articles of Association of the Company regarding Authorised Capital be and is hereby amended as under :

‘The capital of the Company is Rs. 2500 Crores divided into 250 Crores equity shares of Rs. 10 each.’

## **Item 2 : Issue of Bonus Shares by way of Capitalisation of Reserves**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

### **RESOLVED THAT**

- i. pursuant to the applicable provisions of the Companies Act, 1956 and Article 110 of the Articles of Association of the Company and in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the Regulations”) and subject to such consents and approvals as may be required from the appropriate authorities and subject to such terms and modifications as may be specified while according such approvals, the Board of Directors of the Company (“the Board which term shall be deemed to include any Committee which may be constituted to exercise powers conferred by this resolution”) be and is hereby authorised to capitalize a sum not exceeding Rs. 361,54,21,240 out of the Company’s General Reserves Account or such other accounts as are permissible to be utilized for the purpose, as per the audited accounts of the Company for the financial year ended March 31, 2012 and that the said amount be transferred to the Share Capital Account and be applied for issue and allotment of equity shares not exceeding 36,15,42,124 equity shares of Rs. 10 each as bonus shares credited as fully paid up, to the eligible Members of the Company holding equity shares of Rs. 10 each whose names appear in the Register of Members / Beneficial Owners’ position of the Company on such date (“Record Date”) as the Board may determine, in the proportion of One new equity share of Rs. 10 for every One equity share of Rs. 10 held as on the Record Date and that the new bonus shares so issued and allotted shall be treated for all purposes as an increase of the nominal amount of the equity share capital of the Company held by each such members and not as income.
- ii. the new equity shares of Rs.10 each to be issued and allotted as bonus shares shall be subject to the provisions of the Memorandum & Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing fully paid equity shares of the Company except that these Bonus Shares shall not be eligible for dividend for the year ended March 31, 2012 and shall be entitled to participate in full in any dividend/s to be declared thereafter.
- iii. No letter of allotment shall be issued in respect of the Bonus shares and the share certificate(s) for bonus shares be issued / dispatched to the shareholders who hold the existing shares in physical form and the respective beneficiary accounts be credited with the bonus shares, for such shareholders who hold the existing shares or opt to receive the bonus shares, in dematerialized form, within the prescribed period.
- iv. The allotment of the new equity bonus shares to the extent that they relate to non-resident members of the Company, shall be subject to the approval, if any, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999.
- v. The Board be and is hereby authorized to take necessary steps for listing of the bonus shares so allotted on the Stock Exchanges where the securities of the Company are listed as per the Listing Agreements with the Stock Exchanges concerned and other applicable laws and regulations.

vi. For the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may in its absolute discretion, deem necessary, expedient including settling any question, doubt or difficulties that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this resolution.

By order of the Board  
For **Bharat Petroleum Corporation Limited**

Place : Mumbai  
Date : 25<sup>th</sup> May, 2012

Sd/-  
**S V Kulkarni**  
Company Secretary

### **Explanatory statement pursuant to Section 173(2) and 192A(2) of the Companies Act, 1956**

#### **Item 1 : Increase of Authorised Share Capital and Consequent Alteration of Memorandum of Association and Articles of Association**

The present authorised capital of the Company is Rs. 450 Crores of which Rs. 361.54 Crores is fully subscribed and paid-up.

A separate proposal for issue of bonus shares by capitalisation of reserves of Rs. 361.54 Crores has been submitted for the approval of Shareholders under item no. 2 of this Notice. Keeping this in view as well as to meet the future need for expansion of capital base of the Company, it has been decided to increase the same in one go, rather than in stages.

To enable the issue of Bonus Shares, the Company would be required to increase the Authorised Share Capital which is presently 45 Crores Equity Shares of Rs. 10 each aggregating to Rs. 450 Crores to 250 Crores Equity Shares of Rs. 10 each aggregating to Rs. 2,500 Crores. Consequently, the capital clause as appearing in the Memorandum and Articles of Association of the Company would need to be altered to reflect the increased Authorised Share Capital.

As per the provisions of Sections 16, 31 and 94 of the Companies Act, 1956, a Company can increase the Share Capital, alter the Share Capital Clause of its Memorandum of Association and Articles of Association with the consent of Shareholders. Article 39 of the Articles of Association of the Company authorises the Directors to increase the Share Capital with the sanction of the Company in general meeting.

On increase of authorised capital, it would be necessary to amend Clause 5 of the Memorandum of Association and also Article 3 of Articles of Association. The Resolution seeks approval of Members to increase the Share Capital and to amend the said Clause and Article.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at the Registered Office between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

The Directors recommend the Resolution for your approval through postal ballot process. None of the Directors of the Company is interested in the Resolution.

## **Item 2 : Issue of Bonus Shares by way of Capitalisation of Reserves**

The Company had issued the bonus shares last time during the year 2000-01. The Company's paid-up capital has remained constant at Rs. 300 Crores since the last bonus issue, except for an increase on account of issue of 6,15,42,124 equity shares of Rs. 10 as fully paid up to the Shareholders of erstwhile Kochi Refineries Ltd as per the Scheme of Amalgamation in the year 2006 whereas the reserves has increased from Rs. 3,779 Crores during the year 2000-01 to Rs. 15,007 during the year 2011-2012, an increase of 297%.

The Directors at the meeting held on 25<sup>th</sup> May, 2012 have recommended to capitalise reserves to the extent of Rs. 361,54,21,240 for issue and allotment of Bonus equity shares in the proportion of One new Bonus equity share for every One equity share held by the Members on the record date to be hereafter fixed by the Board/ Committee of the Board.

The issued, subscribed and paid up capital of the Company presently is 36,15,42,124 Equity Shares of Rs. 10 each aggregating to Rs. 361,54,21,240. The Company proposes to issue Bonus Shares in the ratio of One Bonus Equity Share of Rs. 10 each fully paid up for every One Equity Share (1:1) held by the Members on the Record Date to be fixed in consultation with the Stock Exchange. Accordingly 36,15,42,124 Equity Shares of Rs. 10 would be issued as fully paid up Bonus Shares to the eligible Members of the Company. Consequently the paid up equity share capital of the Company would increase to Rs. 723,08,42,480 consisting of 72,30,84,248 equity shares of Rs. 10 each.

The issue of fully paid bonus shares by way of capitalisation of reserves is allowed under Section 205(3) of the Companies Act, 1956. The proposed issue of Bonus Shares also fulfills the SEBI Regulations. Applications will be made to the Stock Exchanges for permission to listing and dealing in such Bonus Shares.

Article 110 of the Articles of Association of the Company permits capitalisation of reserves by applying the same towards payment of unissued shares to be allotted to the Members.

To enable issuing the Bonus shares, a separate proposal for increase of the authorised capital has also been submitted for the Shareholders' approval under item no.1.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

The Directors recommend the adoption of the Resolution. None of the Directors of the Company is interested in the Resolution except to the extent that they would be entitled for bonus shares in relation to their respective holding of equity shares in the Company.

By order of the Board  
For **Bharat Petroleum Corporation Limited**

Place : Mumbai  
Date : 25<sup>th</sup> May, 2012

Sd/-  
**S V Kulkarni**  
Company Secretary