



## BHARAT PETROLEUM CORPORATION LIMITED

Regd 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 ("Rules"), that the Company is seeking the Shareholders' consent to pass the proposed Ordinary Resolution set out below by way of Postal Ballot, for increasing the borrowing powers and creation / providing security under Section 293 (1) (d) / (a) of the Act.

In terms of Section 192A of the Act read with the Rules, Shareholders' consent could be obtained for the above purpose by means of Postal Ballot. Accordingly, the Ordinary Resolution and the Explanatory Statement thereto are being sent to you along with a Postal Ballot Form for your consideration.

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

You 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 envelope, so as to reach the Scrutinizer at the address of the Company on or before the close of working hours on **Thursday, 19<sup>th</sup> January 2012**. The Scrutinizer will submit his report to the Chairman or in his absence, to one of the Whole Time Directors authorized by the Chairman, after completion of the scrutiny. The result of the Postal Ballot will be announced by the Chairman, or in his absence by one of the Whole Time Directors authorized by the Chairman, on **Wednesday, 25<sup>th</sup> January 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, besides putting up on the Company's website at [www.bharatpetroleum.in](http://www.bharatpetroleum.in). The resolution, if approved, will be taken as passed effectively on the date of declaration of results.

#### DRAFT ORDINARY RESOLUTION

##### **Increase in the borrowing powers of the Company and creation / providing of security**

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

**"RESOLVED THAT** the consent of the Company be and is hereby accorded to the Board of Directors under Section 293(1)(d) and all other applicable provisions of the Companies Act, 1956, (including any statutory modifications or re-enactment(s) thereof for the time being in force) read with Articles 45 and 46 of the Articles of Association of the Company, to borrow any sum or sums of money from time to time, for the business of the Company, from the Government of India and / or its agencies, any Bank(s) / Financial Institution(s) and / or any other Institution(s), firm(s), bodies corporate or other person(s), in India or abroad, whether unsecured or secured, in Indian or foreign currency or by way of debentures / bonds or any other security(ies), notwithstanding that the money or moneys so to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from and / or to be obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose) provided however that the total amount so borrowed and outstanding at any one time shall not exceed twice the net worth as per the latest available year end audited balance sheet of the Company.

**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded, in terms of Section 293(1)(a) and all other applicable provisions of the Companies Act, 1956 (including any statutory modifications or re-enactment(s) thereof for the time being in force) to the Board of Directors of the Company to create / provide security for the sums borrowed on such terms and conditions and in such form and manner and with such ranking

as to priority, as the Board in its absolute discretion thinks fit, on the asset of the Company, as may be agreed to between the Company and the Lenders so as to secure the borrowings by the Company to the concerned Lenders, under the respective arrangements entered into / to be entered into by the Company.

**RESOLVED FURTHER** that for the purpose of giving effect to this Resolution, the Board or any Committee or person(s) authorised by the Board, be and is / are hereby authorised to finalise, settle and execute such documents / deeds / writings / papers / agreements as may be required and to do all acts, deeds, matters and things as may in its / his / their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating security as aforesaid or otherwise considered to be in the best interests of the Company."

By order of the Board of Directors  
**For Bharat Petroleum Corporation Ltd**

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

Date: 7<sup>th</sup> December 2011.

**Registered Office:**

Bharat Bhavan, 4 & 6 Currimbhoy Road,  
Ballard Estate, Mumbai – 400 001.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) AND 192A(2) OF THE COMPANIES ACT, 1956**

**Increase in the borrowing powers of the Company and creation / providing of security**

In terms of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the consent of the Shareholders, borrow moneys apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and the free reserves of the Company that is to say, reserves not set apart for any specific purpose.

The Members of the Company at the Annual General Meeting held on 27.2.2006 had increased the borrowing powers of the Board from overall Rs. 2000 crores to Rs. 2000 crores over and above the paid up share capital and free reserves. There has been a continuous increase in crude oil prices and the Indian basket of crude oil is hovering around USD 110/bbl. But the prices of the petroleum products have not been increased commensurate to the increase in crude prices on account of which the under recoveries have increased substantially. There is a delay in receipt of cash compensation from the Government towards these under recoveries which is leading to a substantial increase in our borrowings. Hence the Company's fund requirements to meet the working capital and other capital expenditure has increased substantially. In view of the above, existing borrowing powers sanctioned by the Members will not be adequate. Hence, the Board of Directors of the Company has desired to seek approval from the Members for enhancement in the borrowing powers from Rs. 2000 crores over and above the paid up share capital and free reserves to overall borrowing limit of twice the net worth as per the latest available year end audited balance sheet of the Company. The net worth as per the last audited balance sheet as on 31<sup>st</sup> March, 2011 is Rs 14,058 crores. The same has been approved by the Board at its meeting held on 29.11.2011. As the Company will be required to create / provide security against the borrowings, the approval under Section 293(1)(a) of the Companies Act, 1956, to that extent is also sought from the Members. Accordingly, the Resolution is placed before the Members for their approval.

The Board of Directors of your Company recommends the resolution as set in the enclosed notice for approval. None of the Directors of the Company is concerned or interested in the Resolution except to extent of their respective holding of equity shares in the Company.

By order of the Board of Directors  
**For Bharat Petroleum Corporation Ltd**

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

Date : 7<sup>th</sup> December 2011.

**Registered Office**

Bharat Bhavan, 4 & 6 Currimbhoy Road,  
Ballard Estate, Mumbai 400001