



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, 19th 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, 25th 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. 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: 7th 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 31st 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 : 7th December 2011.

Registered Office

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

INSTRUCTIONS

- 1 A Member desiring to exercise a vote by postal ballot may complete this Postal Ballot form in all respects and send it to the Scrutinizer in the attached self addressed postage prepaid envelope. However, envelopes containing Postal Ballot Forms if deposited in person, or sent by courier at the expense of the Members, will also be accepted. Voting through any other form or photocopy of the Postal Ballot Form will not be considered valid.
- 2 The self addressed envelope bears the address of the Scrutinizer. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self addressed postage prepaid envelope, as all such envelopes will be sent to the Scrutinizer and if any extraneous paper is found in such envelope, the same would not be considered and would be destroyed by the Scrutinizer.
- 3 This form should be completed and signed by the Member/s. In case of joint holding, the Form should be completed and signed by the first named Member and in his absence by the next named Member. The signature of the Member on this Postal Ballot Form should be as per the specimen signature registered with the Company or furnished by National Securities Depository Limited / Central Depository Services (India) Limited, in respect of shares held in the physical form or dematerialized form, respectively.
- 4 In case of shares held by companies, trust, societies, etc. the duly completed Postal Ballot Form should be accompanied by certified copy of the Board Resolution / Authority together with attested specimen signature(s) of duly authorized signatory(ies). Postal Ballot Form signed by the holder of power of attorney for and on behalf of a Member of the Company must be accompanied by the copy of Power of Attorney duly certified by Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the Seal of his office. If the same is already registered with the Company, please quote the Registration Number beneath the signature.
- 5 A tick (✓) mark should be placed in the relevant box signifying assent / dissent for the resolution, as the case may be, before mailing the Postal Ballot Form. A Member may apply for a duplicate Postal Ballot Form, if so required.
- 6 There will be only one Postal Ballot Form for every Folio / Client ID irrespective of the number of joint Member(s). Members are entitled to cast their votes differently i.e all the votes either in favour or against or partly in favour or against. However, the number of votes cast must not exceed the number of shares held by the Members.
- 7 Duly completed Postal Ballot Form including duplicate if any should reach the Scrutinizer not later than the close of working hours on Thursday, 19th January, 2012. Postal Ballot Form received after this date will not be valid and will be strictly treated as if the reply from the Member has not been received.
- 8 Voting right shall be reckoned on the paid-up value of the shares registered in the name of the Members as on Friday, 2nd December, 2011.
- 9 Votes will be considered invalid on the following grounds :
 - a. If the Member's signature does not tally.
 - b. If the Member has marked all his shares both in favour and also against the ordinary resolution.
 - c. If the postal ballot is unsigned.
 - d. If the ballot paper is received torn or defaced or mutilated to an extent that it is difficult for the scrutinizer to identify either the Member or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or on one or more of the above grounds.
10. The Scrutinizer's decision on the validity of the Postal Ballot will be final.



BHARAT PETROLEUM CORPORATION LIMITED

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

POSTAL BALLOT FORM

Serial No.

1. Name(s) of Member(s) / :
Beneficial owner(s)
(including joint holders, if any)

2. Registered address of the Sole / :
First named Member /
Beneficial Owner

3. Registered Folio No./ :
DP ID No./ Client ID No.

4. Number of shares held :

5. I / We hereby exercise my / our vote in respect of the Ordinary Resolution to be passed through Postal Ballot for the business stated in the Notice of the Company dated 7.12.2011 by sending my / our assent or dissent to the said resolution by placing the-tick (✓) mark at the appropriate box below:

Description	No. of shares held	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
Ordinary Resolution Under Section 293 (1) (d)/(a) of the Companies Act 1956, for increase in the borrowing powers of the Company and creation / providing of security			

Place :

Date :

Signature of Member / Beneficial Owner

Note: Please read the instructions printed overleaf carefully before exercising your vote. Last date for receipt Postal Ballot Form by the scrutinizer is 19th January, 2012.