



TUBE INVESTMENTS OF INDIA LIMITED

Regd. Office: "Dare House", 234, N S C Bose Road, Chennai - 600 001

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the SIXTY-THIRD ANNUAL GENERAL MEETING of the Members of Tube Investments of India Limited will be held on **Monday, the 6th August, 2012** at **4.00 P.M.** at T.T.K. Auditorium, The Music Academy, 168 (Old no. 306), T.T.K. Road, Chennai - 600 014 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2012 and the Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare a final dividend.
3. To resolve not to fill, for the time being, the vacancy caused by the retirement of Mr. R Srinivasan, who retires by rotation and does not seek re-appointment.
4. To elect a Director in place of Mr. M M Murugappan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and if deemed fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

RESOLVED that Messrs. Deloitte Haskins & Sells, Chartered Accountants (Firm registration no.008072S), the retiring Auditors, be and are hereby re-appointed Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration of ₹30 lakhs in addition to reimbursement of out-of-pocket expenses.

SPECIAL BUSINESS

6. To consider and if deemed fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

RESOLVED that Mr. C K Sharma be and is hereby appointed as a Director of the Company, liable to retire by rotation.

7. To consider and if deemed fit, to pass, with or without modification, the following resolution as an ORDINARY RESOLUTION:

RESOLVED that consent of the Company be and is hereby accorded, in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors of the Company (which includes a duly constituted Committee thereof) for mortgaging and/or charging all the immoveable and moveable properties of the Company, present and future, wheresoever situate, and the whole of the undertaking of the Company in favour of the Holders/Trustees of the 9.90% Secured Redeemable Non-Convertible Debentures for ₹100 crores ("NCDs") issued by the Company, together with interest at the agreed rate, additional interest, liquidated damages, commitment charges, costs, charges, expenses and all other monies payable by the Company to the Holders/Trustees of the aforesaid NCDs with such ranking and at such time and on such terms as the Board may determine.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to finalise with the Holders/Trustees the documents for creating the aforesaid mortgage and/or charge and to do all such acts and things as may be necessary for giving effect to the above resolution.

8. To consider and if deemed fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION:

RESOLVED that in partial modification of the Special Resolution passed at the 58th Annual General Meeting of the Company held on 31st July, 2007 ("said Resolution") and pursuant to Section 81(1A) of the Companies Act, 1956 and Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and any other applicable regulatory requirement, approval of the Company be and is hereby

accorded for extending the Exercise Period of Options granted under the Employee Stock Option Scheme 2007 ("ESOP 2007") constituted pursuant to the said Resolution, from the earlier approved three years to six years.

RESOLVED FURTHER that the amendment to Clause 6 of the ESOP 2007, for extending the Exercise Period from three years to six years (with such exceptions as may be considered necessary or appropriate by the Board or any Committee thereof) be and is hereby approved.

RESOLVED FURTHER that the Board of Directors or any Committee thereof, be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, necessary or desirable for the purpose of giving effect to this Resolution with power to settle any issues, questions, difficulties or doubts that may arise in this regard.

9. To consider and if deemed fit, to pass, with or without modification, the following resolutions as SPECIAL RESOLUTIONS:

(a) RESOLVED that in accordance with the applicable provisions of the Companies Act, 1956, as amended from time to time ("the Act"), the Memorandum and Articles of Association of the Company and the applicable provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines") (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India, the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and/or such other approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee including the Compensation & Nomination Committee, which the Board may, at its discretion, authorise to exercise certain or all of its powers, including the powers conferred by this Resolution), the consent of the Members be and is hereby accorded to the Board to constitute at any time a Scheme called "Employee Stock Option Plan 2012" or "ESOP 2012" (hereinafter referred to as "the Plan/the Scheme"), to create, offer and grant such number of Stock Options to the permanent employees of the Company, including any Managing Director or Whole-time Director, existing and future, from time to time, as may be decided solely by the Board, exercisable into fully paid up equity share of ₹2/- each which shall be acquired from the secondary market through an ESOP Trust set up by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOP 2012 and the applicable laws and regulations, provided that such outstanding Options arising out of the proposed ESOP Scheme and/or the earlier ESOP Scheme(s), upon exercise shall, in the aggregate, not exceed 5% of the paid up equity capital of the Company as at 31st March, 2012, being 93,15,765 equity shares of ₹2/- each.

RESOLVED FURTHER that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any additional equity shares are issued by the Company, the above ceiling of 93,15,765 equity shares shall be deemed to be increased proportionately to the extent of such additional equity shares issued.

RESOLVED FURTHER that in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the Option grantees under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹2/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER that the Company be and is hereby authorised to constitute an Employee Welfare Trust, namely, "TII ESOP 2012 Trust" ("the Trust") for the purpose of giving effect to the Scheme, which shall hereby be authorised to acquire equity shares of the Company from the secondary market for the benefit of the employees in accordance with the Scheme/the Plan and hold the shares till the settlement of the Options.

RESOLVED FURTHER that the Company be and is hereby authorised to provide financial assistance to the Trust (including without any interest), as may be deemed fit, to enable the Trust to acquire or purchase the equity shares of the Company subject to compliance with the applicable provisions of the Act, including any statutory modification(s) or amendment(s) thereof.

RESOLVED FURTHER that the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in the Scheme, from time to time or to suspend, withdraw or revise the Scheme, from time to time and settle all questions, queries, difficulties or doubts that may arise in relation to the implementation of the Scheme and incur expenses in relation thereto, as it may deem fit, from time to time, in its sole and absolute discretion, in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.

(b) RESOLVED that in accordance with the applicable provisions of the Companies Act, 1956, as amended from time to time ("the Act"), the Memorandum and Articles of Association of the Company and the applicable provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("SEBI Guidelines") (including any statutory modification(s) or re-enactment of the Act or the Guidelines, for the time being in force) and subject to all other applicable rules, regulations and guidelines of the Securities and Exchange Board of India, the Listing Agreement entered into with the Stock Exchanges, where the securities of the Company are listed and/or such other approvals, consents, permissions and sanctions, as may be necessary and subject to such conditions and modifications, as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee including the Compensation & Nomination Committee, which the Board may, at its discretion, authorise to exercise certain or all of its powers, including the powers conferred by this Resolution), the consent of the Members be and is hereby accorded to the Board to extend the benefits of the said ESOP Scheme referred to in the Resolution under Item no.9(a) of this Notice to the benefit of such person(s) who are in permanent employment of the subsidiary companies, including any Managing Director or Whole-time Director, existing and future, by way of grant of Options exercisable into fully paid up equity share of ₹2/- each which shall be acquired from the secondary market through an ESOP Trust set up by the Company, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the ESOP 2012 and the applicable laws and regulations, provided that such outstanding Options arising out of the current ESOP Scheme and/or the earlier ESOP Scheme(s) upon exercise shall, in the aggregate, not exceed 5% of the paid up equity capital of the Company as at 31st March, 2012, being 93,15,765 equity shares of ₹2/- each.

RESOLVED FURTHER that the Board be and is hereby authorised to make modifications, changes, variations, alterations or revisions in the Scheme, from time to time or to suspend, withdraw or revise the Scheme, from time to time and settle all questions, queries, difficulties or doubts that may arise in relation to the implementation of the Scheme and incur expenses in relation thereto, as it may deem fit, from time to time, in its sole and absolute discretion, in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.

By Order of the Board

Chennai
30th April, 2012

S Suresh
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 the proxy need not be a Member. The proxy form is annexed herewith. The duly completed proxy form must be sent so as to reach the Company not less than 48 hours before the commencement of the meeting.**
2. Explanatory Statement of material facts pursuant to Section 173(2) of the Companies Act, 1956 read with Article 74 of the Articles of Association of the Company for Item nos.6 to 9 of the Notice is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 23rd July, 2012 to Monday, 6th August, 2012 (both days inclusive).
4. Members are requested to intimate the Registrar and Transfer Agent viz., **Karvy Computershare Private Ltd, Plot no. 17-24 Vittal Rao Nagar, Madhapur, Hyderabad - 500 081** (RTA), not later than 23rd July, 2012, of any change in their address/details about their Bank Account number, Name of the Bank, Bank's Branch name and address to enable the Company to make electronic remittance of dividend or alternatively, for incorporating in the dividend warrants. For shares held in dematerialised form, change in address/Bank account particulars may be intimated directly to the Member's Depository Participant(s).
5. As per the requirements of Section 205A of the Companies Act, 1956, the Company has transferred unclaimed dividends up to 2003-04 to the Investor Education and Protection Fund constituted by the Central Government.
6. Members holding shares in physical form are encouraged to nominate a person to whom their shareholding in the Company shall vest in the event of their demise. Nomination forms will be sent to the Members, on request, by the RTA.
7. As per SEBI directive, it is mandatory for the transferees to furnish self-attested copy of the PAN (Permanent Account Number) card to the Company/RTA for registration of transfer/transmission/transposition of shares in the physical form.

ANNEXURE TO THE NOTICE

Details of the Directors seeking re-election/appointment at the 63rd Annual General Meeting vide Item nos. 4 and 6 of the Notice dated 30th April, 2012

[Pursuant to Clause 49(IV)(G) of the Listing Agreement]

The resume in brief and other details of the Directors, whose re-election/appointment is for the consideration of the Members at the ensuing 63rd Annual General Meeting, are furnished hereunder:

Mr. M M Murugappan

Mr. M M Murugappan holds a Masters degree in Chemical Engineering from the University of Michigan. He is the Chairman of the Company.

Mr. Murugappan is also the Chairman of the Shareholders'/Investors' Grievance Committee of the Company.

Details of other Directorships and memberships in Audit and Shareholders'/Investors' Grievance Committee held by Mr. Murugappan are as follows:

<p>Chairman Carborundum Universal Ltd. Wendt India Ltd. Murugappa Morgan Thermal Ceramics Ltd. MEL Systems & Services Ltd. Volzhsky Abrasive Works., Russia Net Access (India) Ltd. Foskor Zirconia Ltd. (South Africa) CUMI Abrasives and Ceramics Company Ltd., China Cholamandalam MS Risk Services Ltd.</p> <p>Vice Chairman Murugappa Holdings Ltd.</p> <p>Director Mahindra and Mahindra Ltd. Infotech Enterprises Ltd. Ambadi Investments Private Ltd. M M Muthiah Research Foundation New Ambadi Estates Pvt. Ltd. iDea Lab (India) Pvt. Ltd.</p>	<p>Committee Membership</p> <p>Audit Committee</p> <p>Chairman Infotech Enterprises Ltd.</p> <p>Member Mahindra and Mahindra Ltd.</p> <p>Shareholders'/Investors' Grievance Committee</p> <p>Chairman Carborundum Universal Ltd. Wendt India Ltd.</p>
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Mr. M M Murugappan holds 13,07,275 equity shares of the Company.

Mr. C K Sharma

Mr. C K Sharma holds a degree in Chemical Engineering from the Indian Institute of Technology-Madras and a post graduate diploma in Management from the Indian Institute of Management, Ahmedabad. Mr. Sharma has a mix of industry, academic, entrepreneurial and consulting exposure in various countries. He has provided thought leadership on key client engagements which have included Citibank, the World Bank, VISA, the Work Force Development Agency of Singapore and OCBC Bank among others. For the period 2000 to 2005, Mr. Sharma was Gallup's Regional Director – Research and Consulting, Asia Pacific. From 1996 till April 2000, he was Managing Director of Gallup's joint venture in India.

Details of other Directorships held by Mr. Sharma are as follows:

<p>Director Magus Customer Dialog Private Ltd. Customer Service Excellence Foundation (Section 25 company) Public Affairs Foundation (Section 25 company)</p>	<p>Committee Membership Nil</p>
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Mr. Sharma does not hold any equity shares of the Company.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 read with Article 74 of the Articles of Association of the Company

Item no.6

Mr. C K Sharma was appointed as an Additional Director of the Company by the Board of Directors at the meeting held on 30th April, 2012.

As per the provisions of Section 260 of the Companies Act, 1956 read with Article 99 of the Articles of Association of the Company, Mr. C K Sharma will hold office up to the date of this Annual General Meeting. Notice proposing his candidature for appointment as Director under Section 257 of the Companies Act, 1956, together with the requisite deposit, has been received from a Member.

The Board commends the election of Mr. C K Sharma as Director for the approval of Members as his knowledge and experience will immensely benefit the Company.

Interest of Directors

Except Mr. C K Sharma, none of the Directors of the Company is interested in this resolution.

Item no.7

The Company has issued 9.90% Secured Redeemable Non-convertible Debentures for ₹100 crores, for general corporate purposes. As per the terms of the said issue, the Company has to create a mortgage/charge as set out in the resolution.

Creation of mortgage/charge, as stated above, may be deemed to be a disposal of the undertaking of the Company within the meaning of Section 293(1)(a) of the Companies Act, 1956. Accordingly, the Ordinary Resolution set out under Item no.7 of the Notice is submitted to the meeting.

Interest of Directors

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

Item no.8

Grant of Stock Options to employees of the Company under one or more Employee Stock Option Schemes was approved by the shareholders at their 58th Annual General Meeting held on 31st July, 2007.

Pursuant to the approval, the Company had introduced the 'Tube Investments of India - Employee Stock Option Scheme 2007' ("ESOP 2007") and granted Stock Options to eligible employees till November, 2011 thereunder. The Options so granted under ESOP 2007 vest after the expiry of one year from the date of grant, and over a period of four years, at a pre-determined percentage, depending on the performance of the individual eligible employee. The 'Exercise Period' of the Options so vested as per ESOP 2007 is three years from the date of vesting.

Employee Stock Option is a powerful tool which helps to foster employee motivation. Having a highly motivated team is one of the key essentials for superior performance. Keeping in mind the spirit of the Scheme and the interest of the long-serving employees and the current capital market trend, it is proposed to extend the 'Exercise Period' of the Options to six years, from the present three years, from the date of vest, in respect of all vesting for the original grant made on 24th March, 2008 for which the 'Exercise Period' has not lapsed. In respect of the Options granted to the new joiners and promotees, such extension in the 'Exercise Period' is being proposed only in respect of the second, third and fourth vests, as the case may be. It may be noted that keeping in view the parity with the original grants, the 'Exercise Period' for the first vesting will remain as three years.

In view of the above proposal, a variation by partial modification of the existing Clause 6 of the ESOP 2007 to provide for the said extension in the 'Exercise Period' has become necessary.

The beneficiaries of the variation, as proposed under the Special Resolution, are individual eligible employees of the Company in the cadres of General Managers and above, who have already been/may be granted Stock Options under the ESOP 2007. The proposed variation will not adversely or prejudicially affect the interests of the grantees and is meant for their benefit only.

As per the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999, approval of the shareholders by means of a Special Resolution is necessary to vary the terms of the Employees Stock Option Scheme(s) already approved by them. Accordingly, the Special Resolution set out under Item no.8 of the Notice is submitted to the meeting for the Members' approval.

Interest of Directors

None of the Directors of the Company is interested in the resolution except Mr. L Ramkumar, Managing Director, who is interested to the extent of the securities that have been/may be offered to him under the Scheme.

Item nos.9(a) & (b)

Stock Option is an effective instrument to align the interests of the employees with those of the Company. This also provides an opportunity to employees to participate in the growth of the Company, besides creating long-term wealth in their hands.

The Employee Stock Option Scheme represents a reward system for the employees. Such Schemes help companies to attract, retain and motivate the best available talent in an increasingly competitive environment.

With the above objectives in mind, it is proposed to introduce a new Employee Stock Option Plan 2012 or ESOP 2012 ("the Scheme/the Plan") for the benefit of eligible employees of the Company and employees of the subsidiary companies and such other persons as may be permitted from time to time under prevailing laws, rules and regulations and/or amendment thereto from time to time.

The main features of the new Employee Stock Option Scheme are as under:

(a) Employee Welfare Trust

The Company proposes to set up an Employee Welfare Trust, namely, "TII ESOP 2012 Trust" ("the Trust") to administer and implement the Scheme/the Plan in accordance with the provisions of the Scheme.

The Trust shall be authorised to acquire equity shares of the Company from the secondary market for the benefit of the employees in accordance with the Scheme/the Plan and hold the shares till the settlement of the Options. The Company may grant financial assistance to the Trust for this purpose on such terms and conditions, including with or without interest, as it deems fit, in accordance with the applicable provisions of the Companies Act, 1956 and such other Acts, as may be applicable.

Further, in accordance with the directions and the recommendations of the Compensation & Nomination Committee ("the Committee") of the Company, the Trust shall grant Options to the employees in respect of the equity shares so purchased by it.

(b) Total number of Options to be granted

A total of 93,15,765 Options would be available for being granted to eligible employees of the Company under the Employee Stock Option Scheme/s. Each Option when exercised would be converted into one equity share of ₹2/- each fully paid-up.

Vested Options that lapse due to non-exercise or unvested Options that get cancelled due to resignation of employees or otherwise, would be available for re-grant at a future date.

SEBI Guidelines require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, stock split/consolidation and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional equity shares are issued by the Company, the ceiling of 93,15,765 equity shares shall be deemed to be increased proportionately to the extent of such additional equity shares issued.

(c) Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s)

All eligible employees of the Company and its subsidiaries (including the Managing Director and Whole-time Director) but excluding the promoters, as may be decided by the Committee from time to time, would be entitled to be granted Stock Options under the ESOP Scheme(s).

(d) Transferability of Employee Stock Options

The Stock Options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of an employee Stock Option holder while in employment, the right to exercise all the Options granted to him till such date shall be transferred to his legal heirs or nominees.

(e) Requirements of vesting and period of vesting

The Options granted shall vest so long as the employee continues to be in the employment of the Company. The Committee may, at its discretion, lay down certain performance metrics on the achievement of which the granted Options would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which Options granted would vest (subject to the minimum and maximum vesting period as specified below).

The Options would vest not earlier than one year and not later than five years from the date of grant of Options. The exact proportion in which and the exact period over which the Options would vest would be determined by the Committee, subject to the minimum vesting period of one year from the date of grant of Options.

(f) Exercise Price

The Options would be granted at an Exercise Price equal to the latest available closing price of the equity shares on the Stock Exchange where the Company's shares are listed and where there is highest trading volume as on the date prior to the date of the Committee resolution approving the grant.

(g) Exercise Period and the process of exercise

The Exercise Period would commence from the date of vesting and will expire on completion of three years from the date of vesting of the Options.

The Options will be exercisable by the employees by a written application to the Trust to exercise the Options in such manner and on execution of such documents, as may be prescribed by the Committee from time to time. The Options will lapse if not exercised within the specified Exercise Period.

(h) Process for determining the eligibility of the employees to ESOP

The process for determining the eligibility of the employee will be specified by the Committee and will be based on criteria such as role/designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Committee at its sole discretion.

(i) Maximum number of Options to be issued per employee and in aggregate

The number of Options that may be granted to any specific employee under the Scheme, during any one year, shall not exceed 1% of the issued capital of the Company at the time of grant of the Options.

(j) Disclosure and accounting policies

The Company shall comply with the applicable disclosure and the accounting policies prescribed as per SEBI Guidelines and the Guidance Note issued by the Institute of Chartered Accountants of India.

(k) Lock-in

The shares transferred from the Trust, subsequent to exercise of vested Options will not be subject to any lock-in period.

(l) Method of Option valuation

To calculate the employee compensation cost, the Company shall use the intrinsic value method for valuation of the Options granted.

As the Company calculates the employee compensation cost using the intrinsic value of the Stock Options, the difference between the employee compensation cost so computed and the cost that shall have been recognised if it had used the fair value of the Options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS (Earnings Per Share) of the Company shall also be disclosed in the Directors' Report.

Consent of the Members is being sought pursuant to the applicable provisions of the Act, if any and as per SEBI Guidelines to give effect to the above proposal. The Board of Directors recommend passing of the Special Resolutions for the approval of the Members.

Interest of Directors

None of the Directors of the Company is interested in the above resolutions except Mr. L Ramkumar, Managing Director, who is interested to the extent of the securities that may be offered to him under the Scheme.

By Order of the Board

Chennai
30th April, 2012

S Suresh
Company Secretary