

India Globalization Capital, Inc.  
Form PRE 14A  
January 09, 2008

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A  
(RULE 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

India Globalization Capital, Inc.  
(Name of Registrant as Specified In Its Charter)

\_\_\_\_\_  
(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies: Common stock, par value \$0.0001 per share

(2) Aggregate number of securities to which transaction applies: 0 shares (cash transaction)

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined): Not applicable.

(4) Proposed maximum aggregate value of transaction: \$70,569,972(1)\*

(5) Total fee paid: \$2,166.50

Fee paid previously with preliminary materials: \$2,166.50

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

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(1) Amount previously paid: \_\_\_\_\_

(2) Form, Schedule or Registration Statement No.: \_\_\_\_\_

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined): Not applicable.

(4) Date Filed: \_\_\_\_\_

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\_\_\_\_\_  
\* Based on an exchange rate of \$1.00 = INR 39.23 on November 19, 2007. Pursuant to paragraphs (c), (f)(1) and (f)(3) of Rule 457 and estimated solely for the purpose of calculating the filing fee.

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India Globalization Capital, Inc.

4336 Montgomery Avenue  
Bethesda, MD, 20814  
(301) 983-0998

To the Stockholders of India Globalization Capital, Inc.:

You are cordially invited to attend a special meeting of the stockholders of India Globalization Capital, Inc. (“IGC”), with respect to the proposed transactions by IGC acting directly or indirectly through one or more newly formed affiliates (with IGC, the “IGC Group”). The special meeting will be held at 10.00 a.m. Eastern Time, on \_\_\_\_\_, 2008, at the offices of Seyfarth Shaw LLP, 815 Connecticut Ave, N.W., Suite 500, Washington, D.C. 20006.

At this important meeting, you will be asked to consider and vote upon the following proposals:

- to approve the “Acquisition Proposal” of IGC acting directly or indirectly through one or more newly formed affiliates, consisting of the following proposed acquisitions: a) acquisition of a 63% equity interest in Sricon Infrastructures, Limited (“Sricon”), b) the acquisition of convertible preference shares, and a direct equity interest in Techni Bharathi (“TBL”) and c) the acquisition from Odeon Limited of convertible preference shares of TBL, which when converted along with the convertible preference shares purchased directly from TBL would result in IGC owning a 77% equity interest in TBL,
- to elect Sudhakar Shenoy and Suhail Nathani to IGC’s board of directors to hold office as Class A directors for a period to expire at the fourth annual meeting of stockholders;
  - to adopt the IGC 2008 Omnibus Incentive Plan (“Stock Plan”); and
- to approve any adjournments or postponements of the special meeting to a later date or dates, if necessary, for the purpose of soliciting additional proxies.

The approval of the Acquisition Proposal, the approval of the proposal to elect the director-nominees and the approval of any adjournments or postponements of this meeting are not conditioned on the approval of the other proposals listed above. However, the approval of the proposal to adopt the Stock Plan is conditioned upon the approval of the Acquisition Proposal.

The affirmative vote of a majority of the shares of common stock, issued in our initial public offering, that are present in person, or by proxy, and entitled to vote at the meeting is required to approve the Acquisition Proposal. The affirmative vote of a majority of the outstanding shares of our common stock that are present in person or by proxy and entitled to vote at the meeting is required to approve adoption of the Stock Plan and the adjournment proposal. To be elected as a director a nominee must receive the affirmative vote of a plurality of the shares of our common stock present in person or represented by proxy and entitled to vote at the special meeting.

Each stockholder that holds shares of the common stock issued in our initial public offering or purchased following that offering in the open market has the right to vote against the acquisition proposal and, at the same time, demand that we convert that stockholder’s shares into cash equal to a pro rata portion, or approximately \$5.82 per share as of September 30, 2007 of the trust account in which a substantial portion of the net proceeds of our initial public offering is deposited. If the acquisition is not completed, then your shares will not be converted to cash at this time, even if you so elected. However, if holders of 2,260,900 or more shares of common stock issued in our initial public offering, an amount equal to 20% of the total number of shares of common stock issued in the initial public offering, vote

against the acquisition and demand conversion of their shares into a pro rata portion of the trust account, then we will not be able to consummate the acquisition. Our units, shares of common stock and warrants are listed on the American Stock Exchange under the symbols IGC.U, IGC, and IGC.WT, respectively. The securities of Sricon and TBL are not listed or quoted on any Indian or US securities exchange.

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After careful consideration of the terms and conditions of the Acquisition Proposal, our board of directors has determined that the acquisitions and the transactions contemplated thereby are fair to and in the best interests of IGC and its stockholders. Our board of directors unanimously recommends that you vote or give instruction to vote “FOR” the acquisition proposal, “FOR” the Stock Plan proposal, “FOR” the election of each of the nominees to our board of directors and “FOR” the adjournment proposal.

We are soliciting the enclosed proxy card on behalf of the board of directors, and we will pay all costs of preparing, assembling and mailing the proxy materials. In addition to mailing out proxy materials, our officers may solicit proxies by telephone or fax, without receiving any additional compensation for their services. We have requested brokers, banks and other fiduciaries to forward proxy materials to the beneficial owners of our stock.

Enclosed is a notice of special meeting and proxy statement containing detailed information concerning the acquisitions and the other proposals listed above. Whether or not you plan to attend the special meeting, we urge you to read this material carefully. In particular, you should carefully consider the discussion in the section entitled “Risk Factors” beginning on page \_\_\_ of the proxy statement.

**YOUR VOTE IS IMPORTANT. WHETHER YOU PLAN TO ATTEND THE SPECIAL MEETING OR NOT, PLEASE SIGN, DATE AND RETURN THE ENCLOSED PROXY CARD AS SOON AS POSSIBLE IN THE ENVELOPE PROVIDED.**

This proxy statement is dated \_\_\_\_\_, 2008, and is first being mailed to IGC stockholders on or about \_\_\_\_\_, 2008.

I look forward to seeing you at the meeting.

Sincerely,

Ram Mukunda  
Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of this transaction, or passed upon the fairness or merits of this transaction or the adequacy or accuracy of the enclosed proxy statement. Any contrary representation is a criminal offense.

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India Globalization Capital, Inc.

4336 Montgomery Avenue

Bethesda, MD 20814

(301) 983-0998

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON \_\_\_\_\_, 2008

TO THE STOCKHOLDERS OF INDIA GLOBALIZATION CAPITAL, INC.:

NOTICE IS HEREBY GIVEN that a special meeting of stockholders of India Globalization Capital, Inc. a Maryland corporation, will be held at 10:00 a.m., Eastern Time, on \_\_\_\_\_, 2008, at the offices of Seyfarth Shaw, LLP 815 Connecticut Ave, N.W., Suite 500, Washington, D.C. 20006 for the following purposes:

- to approve the “Acquisition Proposal” of IGC acting directly or indirectly through the IGC Group, consisting of the following proposed acquisitions: a) acquisition of a 63% equity interest in Sricon Infrastructures, Limited (“Sricon”), b) the acquisition of convertible preference shares, and a direct equity interest in Techni Bharathi (“TBL”) and c) the acquisition from Odeon Limited of convertible preference shares of TBL, which when converted along with the convertible preference shares purchased directly from TBL would result in IGC owning a 77% equity interest in TBL;
- to elect Sudhakar Shenoy and Suhail Nathani to IGC’s board of directors to hold office as Class A directors for a period to expire at the fourth annual meeting of stockholders;
  - to adopt the IGC 2008 Omnibus Incentive Plan; and
- to approve any adjournments or postponements of the special meeting to a later date or dates, if necessary, for the purpose of soliciting additional proxies.

Our board of directors has fixed the close of business on \_\_\_\_\_, 2008 as the date for which our stockholders are entitled to receive notice of, and to vote at, our special meeting and any adjournments or postponements thereof. Only the holders of record of our common stock on that date are entitled to have their votes counted at our special meeting and any adjournments or postponements thereof.

We will not transact any other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement by our board of directors.

Your vote is important. Please sign, date and return your proxy card as soon as possible to make sure that your shares are represented at the special meeting. If you are a stockholder of record of our common stock, you may also cast your vote in person at the special meeting. If your shares are held in an account at a brokerage firm or bank, you must instruct your broker or bank on how to vote your shares.

Our board of directors unanimously recommends that you vote “FOR” the Acquisition Proposal, “FOR” the Stock Plan proposal, “FOR” the election of each of the nominees to our board of directors and “FOR” the adjournment proposal.

By Order of the Board of Directors,

Ram Mukunda  
Chief Executive Officer

Date : \_\_\_\_\_

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India Globalization Capital, Inc.

PROXY STATEMENT FOR SPECIAL MEETING OF  
STOCKHOLDERS OF  
India Globalization Capital, Inc.

The board of directors of India Globalization Capital, Inc., which we call IGC, acting directly or indirectly through one or more newly formed affiliates (“IGC Group”), has unanimously approved the following proposed acquisitions: a) acquisition of a 63% equity interest in Sricon Infrastructures, Limited (“Sricon”), b) the acquisition of convertible preference shares, and a direct equity interest in Techni Bharathi (“TBL”), and c) the acquisition from Odeon Limited of convertible preference shares of TBL, which when converted along with the convertible preference shares purchased directly from TBL would result in IGC owning a 77% equity interest in TBL.

If approved by our stockholders, we will make the Sricon and TBL related purchases pursuant to the laws of India through a wholly owned subsidiary in Mauritius. We refer to the proposed acquisitions collectively as the Acquisition Proposal.

Furthermore, our board of directors has unanimously approved the adoption of the IGC 2008 Omnibus Incentive Plan, which we refer to as the Stock Plan, the nomination of two individuals to serve on our board of directors, and a proposal to authorize the adjournment or postponement of the special meeting to a later date, if necessary to permit further solicitation of proxies.

If the Acquisition Proposal is approved, you will continue to hold the IGC securities that you currently own, unless you vote against the Acquisition Proposal and elect a cash conversion of your common stock, as described below.

IGC was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition or other similar business combination with an unidentified operating business with operations in India. Sricon and TBL are infrastructure companies that specialize in road maintenance and road building, in India. Sricon also has a contract to Build Operate and Transfer (BOT) one of the highways in India. In addition, IGC, if the Acquisition Proposal is approved, will purchase a 24-megawatt wind energy farm to be built by CWEL. It is expected that CWEL will take between 9 and 12 months to build out the wind energy farm. The wind energy farm will serve as a platform for future growth and acquisitions in the alternative energy sector in India.

We believe that these acquisitions will provide you with an opportunity to participate in a company with significant growth potential in the infrastructure and alternative energy sectors in India.

IGC’s units, shares of common stock and warrants are listed under the symbols IGC.U, IGC, and IGC.WT on the American Stock Exchange, respectively. The securities of Sricon and TBL are not listed or quoted on any securities exchange.

As the stockholders of IGC are not receiving any consideration or exchanging any of their outstanding securities in connection with the Acquisition Proposal, and are simply being asked to vote on the matter, it is not expected that the IGC stockholders will have any tax-related issues as a result of voting on these matters. However, if you vote against the Acquisition Proposal and elect a cash conversion of your common stock into your pro-rata portion of the trust account and as a result receive cash in exchange for your common stock, there may be certain adverse tax consequences, such as realizing a gain or loss on your investment in IGC shares. **WE URGE YOU TO CONSULT YOUR OWN TAX ADVISORS REGARDING YOUR PARTICULAR TAX CONSEQUENCES.**



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This proxy statement provides you with detailed information about the Acquisition Proposal, the proposed Stock Plan, the proposed nominees for election to our board of directors, the proposed adjournment proposal and the special meeting of stockholders. We encourage you to carefully read this entire document and the documents incorporated by reference. YOU SHOULD ALSO CAREFULLY CONSIDER THE RISK FACTORS BEGINNING ON PAGE \_\_.

The Acquisition Proposal cannot be completed unless: (1) at least a majority of the shares of the common stock issued in our initial public offering, present in person or by proxy and entitled to vote at the special meeting as of \_\_\_\_\_, 2008, approve the Acquisition Proposal and (2) holders of no more than 19.99% of our publicly traded shares of common stock can vote against the transactions and exercise their right to convert their shares into a pro rata portion of the trust fund that contains substantially all of the net proceeds from both our initial public offering and our private placement. The affirmative vote of a majority of the outstanding shares of our common stock that are present in person or by proxy and entitled to vote at the meeting is required to approve adoption of the 2008 Stock Plan and the adjournment proposal. To be elected as a director a nominee must receive the affirmative vote of a plurality of the shares of our common stock present in person or represented by proxy and entitled to vote at the special meeting.

IMPORTANT NOTES

As used in this proxy statement,

- “IGC,” “we,” “our,” and “us” refers to India Globalization Capital, Inc. or its wholly owned subsidiaries;
- “IGC-M” refers to the IGC wholly owned subsidiary incorporated in Mauritius.
  - “Sricon” refers to Sricon Infrastructures Limited;
  - “TBL” refers to Techni Bharathi Limited;
  - “Odeon” refers to Odeon Limited;
- “CWEL” refers to Chiranjeevi Wind Energy Limited;
- “IGC-Power” refers to a wholly-owned subsidiary of IGC that will hold the wind energy farm being acquired from CWEL; and
- “Transaction Documents” means the documents appended as Annexes A-G and such other documents as may be required in order to consummate the Acquisition Proposal.

All references to “\$” or “dollars” or USD in this proxy statement refer to United States dollars, unless otherwise indicated. The following table sets forth the average exchange rate for one U.S. dollar expressed in Indian Rupees (INR, or Rs.) for each period indicated and the exchange rate at the end of such period based upon the exchange rates for the applicable dates as reported by the website [www.x-rates.com](http://www.x-rates.com).

	March 31, 2007	March 31, 2006	March 31, 2005	March 31, 2004	March 31, 2003	March 31, 2002
INR Rate at end of period	43.1	44.48	43.62	43.40	47.53	48.83

On September 5, 2007, the last trading day prior to the announcement of IGC’s proposed acquisitions, the exchange rate for one U.S. dollar expressed in Indian Rupees based upon the inter-bank market rates for the applicable date as reported by the website [www.x-rates.com](http://www.x-rates.com) was INR 40.81.

The U.S. dollar costs of the Acquisition Proposal as set forth herein are based on upon the inter-bank market rates of one U.S. dollar per INR 40.00.

All statements herein with respect to the percentage of the securities of a target company to be acquired are calculated based on the capitalization of the target after giving effect to the Acquisition Proposal.

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SUMMARY TERM SHEET

While this summary term sheet describes the material terms that you should consider when evaluating the Acquisition Proposal, the proxy statement contains a more detailed description of these terms. We encourage you to read the proxy statement and the documents to which we refer in this entire proxy statement before voting your shares of IGC common stock.

India Globalization Capital, Inc. (IGC)

India Globalization, Inc., or IGC, organized under the laws of the State of Maryland on April 29, 2005, was formed to be a publicly traded “blank check” vehicle for the acquisition of one or more operating businesses with operations primarily in India through a merger, capital stock exchange, asset acquisition or other similar business combination.

IGC has identified two sectors that it believes are fundamental to the development of India’s infrastructure:

- 1) the building of high quality road, airport, seaport, railroad and other basic infrastructure, and
- 2) the production of adequate sustainable energy, and in particular renewable clean energy, to power the anticipated growth in the Indian economy.

IGC’s management believes that in order for India to become one of the leading global economies of the world, as predicted, India will have to vastly improve its basic infrastructure. For example, according to the World Bank (WB) 40% of India’s villages has no access to all weather roads and are often cut off during the monsoon season. In addition, according to a report by Ernst and Young (E&Y), 60% of India’s population has no electricity and even major cities face power cuts. IGC has identified companies in both road building and renewable energy that provide investors with:

- 1) high projected growth rates,
- 2) valuations that management believes provide an arbitrage comparable to similar public companies in the Indian markets, and
- 3) a potential “early well-funded mover” advantage for these companies to become sector leaders, with U.S. level of corporate governance and reporting.

Pursuant to our amended and restated certificate of incorporation, if we do not effect a business combination by March 8, 2008, then, pursuant to our certificate of incorporation, our officers and directors must take all actions necessary to promptly dissolve and liquidate IGC.

The mailing address of our principal executive office is 4336 Montgomery Avenue, Bethesda, MD 20814 and our telephone number is 301-983-0998. See, “Information about IGC.”

IGC-M

India Globalization Capital, Mauritius, Limited (IGC-M) is a wholly-owned subsidiary of IGC. It was formed on February 19, 2007 under the laws of Mauritius as a company that will hold assets in India. The governments of India and Mauritius have a tax treaty that treats investments routed through Mauritius favorably, including favorable treatment of corporate, dividend and capital gain taxes. India also has a Bilateral Investment Protection Agreement with Mauritius (June 2000). It is expected that IGC-M will hold the shares of the companies incorporated in India. The

financial statements of IGC-M will be reflected in the financial statements of the holding company IGC.

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### Industry of the Companies in the Proposals, Road Building

#### India's road network:

According to the World Bank, India's roads face major challenges:

- Lane capacity is insufficient and most highways are still two lanes or less.
- The national highway system in India currently carries 40% of the total traffic, but constitutes only two percent of the total road network.
- Seventy percent of India's population lives in rural areas and forty percent of villages do not have access to all weather roads and remain cut off during the monsoon season.
- Currently, only one third of routine road maintenance needs are being met.
- By the year 2011, the state and national highways will need to be widened and maintained at a cost of around \$39 billion.

The road building industry is broadly divided into three areas: maintenance, road building and Build Operate and Transfer, an approach taken by the government using a mechanism that can attract private investment as well as rapidly build out world-class roads.

The total funding gap in creating and maintaining an adequate highway system is estimated at around \$24 billion over a decade (WB). To fill the funding gap, the government has begun to encourage private investments in the form of Build Operate and Transfer of highways. BOT may also include design services to the extent that the proposed roadway requires more elaborate structures such as tunnels or bypasses. The government of India has already created a list of roads requiring an aggregate investment of between \$23 and \$24 billion that it expects to put out for bids as BOTs through the National Highway Authority India (NHAI), an organization charged with building out the national network of roads.

#### Sricon Infrastructure Private Limited

Sricon Infrastructure Private Limited ("Sricon"), was incorporated as a private limited company on March 3, 1997 in Nagpur, India. Its registered office is at Pragati Layout, Rajeev Nagar, Nagpur 440025. Sricon is an engineering and construction company that is engaged in the execution of civil construction and structural engineering projects, inter alia, in the design building and maintenance of roads, highways, toll booths, over passes, as well as industrial infrastructure development such as power plants, water supply systems and mining. Sricon is accredited with ISO 9001:2000 certification and its present and past clients include various Indian government organizations that are responsible for the construction and maintenance of the network of Indian roads. For more on Sricon please see "Information about Sricon."

#### Techni Bharathi Limited

Techni Bharathi Limited ("TBL") was incorporated as a public (but not listed on the stock market) limited company on June 19, 1982 in Cochin, India. Its registered office is at 34/136A Edappally Bypass Road, Cochin, 682024, Kerala, India. TBL is an engineering and construction company that is engaged in the execution of civil construction and structural engineering projects, such as in the design and building of roads, highways, bridges, tunnels, airport runways, rail roads and dams. TBL has a regional focus in the states of Andhra Pradesh, Karnataka and Tamil Nadu.

Its present and past clients include various Indian government organizations that are responsible for the construction and maintenance of the network of Indian roads. For more on TBL please see “Information about TBL.”

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The Acquisition Proposal

Sricon: IGC proposes to acquire an aggregate 63% equity interest in Sricon on a fully diluted basis for a total price of approximately \$29 million (the “Sricon Acquisition”) by purchasing an approximate 5% equity interest from the promoters of Sricon for about \$3 million and the remaining 58% equity interest directly from Sricon for around \$26 million, through the issuance of new Sricon shares.

Summary of Sricon Agreements:

Share Subscription cum Purchase Agreement (SSPA)

The Sricon SSPA sets out the terms and conditions for IGC’s purchase of the common stock of Sricon. The agreement is incorporated by reference and summarized here:

- Sricon currently has 2,932,159 shares of issued, fully diluted common stock.
- IGC will purchase 351,840 shares from the Promoters (present owners) of Sricon for a total consideration of Indian Rupees 120,000,000 (approximately \$3.0 million and approximately \$8.53 per share).
- IGC will concurrently purchase 4,041,676 of newly issued shares from Sricon for Indian Rupees 1,030,000,000 (approximately \$25.75 million and approximately \$6.37 per share).
- At the end of the transaction Sricon will have approximately 6,973,835 shares issued and outstanding on a fully diluted basis. Of this, IGC will own about 63% or 4,393,516 shares. The promoters and management of Sricon will own the remaining shares.
  - Under the terms of the SSPA, IGC has the right to execute the purchase agreement or assign the SSPA to a subsidiary. IGC expects to purchase the shares through its Mauritius subsidiary IGC-M.
- The promoters of Sricon and the management of IGC will provide customary representations and warranties to each other.

The SSPA further provides that IGC and the other stockholders of Sricon will become parties to a Share Holders Agreement (SHA). The SHA is incorporated by reference and summarized here.

- Mr. R. L. Srivastava will be the Chairman of the board for a period of five years renewable through mutual consent.
- The SHA provides for deferred contingent consideration payable to the Promoters of Sricon in the form of shares of common stock (“Earn Out Shares”) based on Sricon meeting certain earnings targets. The targets and the number of Earn Out shares are set out as follows:

FY ending March 31,	2008	2009	2010
Revenue	\$32 m	\$95 m	\$175 m
Earnings	\$5.25 m	\$15.5 m	\$25.0 m
Earn Out shares	139,477	139,477	139,477

- If Sricon’s earnings for a given fiscal year are equal to at least 85% of such target, but are less than 100% of the target for that year, the Promoters shall receive a pro rated portion of the maximum share award for that fiscal year. If the earnings achieved in a fiscal year are less than 85% of the target, then no Earn Out Shares will be awarded.



Pursuant to an Amendment to the Share Subscription Cum Purchase Agreement, IGC has agreed to advance Indian Rupees 128,342,500 (approximately \$3,250,000 and approximately \$6.45 per share) to Sricon towards the purchase of 503,620 of the 4,041,676 Sricon shares constituting approximately 14.66% of the post issued paid up share capital of Sricon) offered pursuant to the Original Sricon SSPA.

The obligations of IGC to fund the deposit is subject to the fulfillment of certain conditions , including the following:

- The representations and warranties as provided in the Sricon SSPA remaining true and correct as of the closing of the transactions contemplated by the Amended Sricon SSPA (the “Sricon Completion”);
- Receipt of approvals of the Sricon Board of Directors of the Amended Sricon SSPA and the transactions contemplated thereunder;
- The performance and completion of certain agreements, obligations and conditions to be performed by Sricon and the Promoters under the Amended Sricon SSPA;
- Amendment of Sricon’s Memorandum and Articles of Association;
- The appointment of one nominee of IGC as a member of the Board of Director of Sricon by the shareholders of Sricon effective upon the completion of the funding;
- Sricon opening a new bank account with Citibank N.A.;
- Written evidence from the Promoters that Ram Mukunda has become an authorized signatory on certain existing Sricon bank accounts subject to certain undertakings by Sricon. Mr. Mukunda is to be the sole signatory on the Citibank N.A. bank account subject to certain undertakings by Sricon;
- The Promoters and Sricon providing written confirmation that (i) they have given written instructions to the banks with whom certain existing Sricon bank accounts are maintained for automatic transfer into the Citibank N.A. bank account, every month, effective April 1, 2008, of 20% of the receivables paid into certain existing Sricon bank accounts, including without limitation, the receivables due to Sricon pursuant to the Joint Venture Agreement entered into by Sricon with Hindustan Steel Works Constructions Limited; (ii) no lender or third party has any rights over funds lying to the credit of the existing Sricon bank accounts; (iii) Sricon has not entered into any agreement whereby any party other than IGC has priority over the funds in the certain existing Sricon bank accounts or the Citibank N.A. bank account; and
- Sricon obtaining a certificate from an independent accountant indicating the fair value of the Sricon shares subject to the deposit.
  - The Amended Sricon Subscription Agreement provides for certain covenants of the Promoters and Sricon to take effect upon funding, including the following:
    - The Promoters and Sricon shall not propose any resolution at a Sricon shareholders meeting if such resolution is not approved by the IGC nominated Director at a meeting of the Sricon Board of Directors;
    - Until the Sricon Completion, the Promoters shall not transfer all or any part of their shareholdings in Sricon to any person;
    - Approval of the director nominated by IGC shall be required for passing any resolution which will have the effect of changing the signatories to the existing bank accounts and the Citibank N.A. account and for opening any account with any bank;

- Where a resolution for allotment of shares in favor of IGC is proposed by an IGC nominated Sricon Director, the Promoters (if they are also Sricon Directors) shall cause the Directors nominated by them to vote in favor of the resolution;
- The Sricon shareholders shall vote to approve an amendment to the Sricon Articles of Association; and
- The Promoters shall deliver to IGC certain documents creating a pledge (the “Pledge”) on 53.88% (1,579,711 shares) of Sricon’s existing share capital in favor of IGC to ensure that the Promoters will fulfill their obligations under the Amended Sricon Subscription Agreement.

TBL: IGC proposes to acquire an approximately 77% equity interest in TBL for a total price of around \$12 million (the “TBL Acquisition”). IGC proposes to purchase an approximately 38.7% equity interest directly from TBL for around \$6.9 million, purchase directly from TBL a new convertible debenture that may be converted to approximately 11.3% equity interest in TBL for about \$3.13 million, and purchase a convertible preferred debenture from Odeon Limited that may be converted to an approximately 27% equity interest in TBL for \$2 million. The preceding percentages are calculated on a fully-diluted basis after giving effect to the TBL Acquisition.

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Summary of TBL and Odeon Agreements:

- TBL and Odeon Share Purchase Agreement (SPA): The TBL and Odeon SPAs set out the terms and conditions for IGC's purchase of the common stock of TBL and the preferred convertible debenture from Odeon. The agreements are incorporated by reference and summarized here:
  - TBL currently has 4,287,500 shares of common stock issued and outstanding.
  - Odeon owns a preferred convertible debenture, which may be converted to 5,000,000 shares of common stock.
    - At closing, IGC will purchase the following:
      - 7,150,000 shares of common stock from TBL for INR 275,000,000 (approximately \$6.9 million);
      - the preferred convertible debenture from Odeon for \$2.0 million; and
      - new convertible preferred shares (CPS) from TBL for INR 125,000,000 (approximately \$3.13 million). The instrument will carry a dividend of 6% and may be converted to 2,100,000 shares of common stock.
- In summary, at closing, there will be 18,537,500 shares issued and outstanding on a fully diluted basis. Of these, IGC will own approximately 14,250,000 shares, or approximately 77%, under the assumption that IGC elects to convert both convertible instruments.
- Under the terms of the SPAs, IGC has the right to execute the purchase agreement or assign the SPA to a subsidiary. IGC expects to execute the purchases through its Mauritius subsidiary, IGC-M.
- The promoters of TBL and the management of IGC will provide customary representations and warranties to each other.
- The promoters of Odeon will not provide any representations or warranties about TBL, but will provide customary warranties relating to Odeon. The agreement with Odeon has a deadline of January 31, 2008, unless extended by mutual consent.
  - TBL Share Holders Agreement (SHA): The agreements are incorporated by reference and summarized here.
    - Mr. V.C. Antony will be the Chairman of the board.
    - Mr. Jortin Antony (son of V. C. Antony) will be the managing director.
- The TBL SHA provides for deferred contingent consideration payable to the Promoters of TBL in the form of shares of common stock ("TBL Earn Out Shares") based on TBL meeting certain earnings targets. The targets and the number of TBL Earn Out shares are set out as follows:

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FY ending March 31,	2008	2009	2010	2011	2012
	(In millions of US dollars, except share data)				
Revenue	\$ 18.8	\$ 35.0	\$ 56.3	\$ 81.3	\$ 125.0
Earnings	\$ 2.6	\$ 4.0	\$ 5.6	\$ 8.1	\$ 12.5
TBL Earn Out shares	140,800	265,800	265,800	265,800	265,800

- If TBL’s earnings for a given fiscal year are equal to at least 85% of such target, but are less than 100% of the target for that year, the Promoters shall receive a pro rated portion of the maximum share award for that fiscal year. If the earnings achieved in a fiscal year are less than 85% of the target, then no TBL Earn Out Shares will be awarded.

Pursuant to an Amendment to the TBL SPA (the “Amended TBL SPA”), IGC has agreed to advance (the “TBL Advance”) Indian Rupees 105,598,500 (approximately \$2,670,000 and approximately \$6.45 per share) to TBL towards the purchase of 2,745,671 of the 7,150,000 TBL shares constituting approximately 39.04% of the post issued paid up share capital of TBL) offered pursuant to the Original TBL SSPA.

The obligations of IGC to fund the deposit is subject to the fulfillment of certain conditions , including the following:

- The representations and warranties as provided in the TBL SPA remaining true and correct as of the consummation of the transactions contemplated by the Amended TBL SPA (the “TBL Completion”);
- Receipt of approvals of the TBL Board of Directors of the Amended TBL SPA and the transactions contemplated thereunder;
- The performance and completion of certain agreements, obligations and conditions to be performed by TBL and the Promoters under the Amended TBL SPA;
- Amendment of TBL’s Articles of Association;
- The appointment of one nominee of IGC as a member of the Board of Director of TBL by the shareholders of TBL effective upon the completion of the funding;
- TBL opening a new bank account with Citibank N.A.;
- Written evidence from the Promoters that Ram Mukunda and an IGC nominee have become, in addition to the existing signatories, authorized signatories on certain existing TBL bank accounts subject to certain undertakings by TBL. Mr. Mukunda and the IGC nominee are to be the exclusive signatories on the Citibank N.A. account subject to certain undertakings by TBL;
- The Promoters and TBL providing written confirmation that that (i) TBL receivables are free of encumbrances; (ii) no lender or third party has any rights over the TBL receivables, (iii) TBL receivables are credited to the Citibank N.A. bank account; (iv) TBL receivables are free to be utilized as contemplated under the Amended TBL Subscription Agreement; (v) TBL receivables are not subject to any agreement whereby any party other than IGC has priority over the receivables; and (vi) except for certain existing TBL bank accounts, TBL does not maintain any other bank accounts;
- TBL obtaining a certificate from an independent accountant indicating the fair value of the TBL shares subject to the deposit.

- Promoters obtaining receipt of certain consents and certificates on behalf of TBL;
- Promoters and TBL undertaking to utilize the deposit for certain purposes as set forth in the Amended TBL Subscription Agreement and to provide details at weekly intervals;
- Promoters and TBL confirming that except for SAAG RR Infra Limited (“SAAG”) and Odeon, the TBL Board of Directors does not recognize any other “investors” (as identified in the TBL Articles of Association) and no persons other than SAAG and Odeon have been granted special rights or privileges at meetings of the TBL Board of Directors or the TBL shareholders;
- Promoters causing TBL to recognize IGC as an “investor” under its Articles of Association;

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- Promoters causing TBL to execute the necessary forms to enable the refund of the TBL Advance to IGC if the conditions precedent to the Original TBL Subscription Agreement are not satisfied;
- Promoters transferring 10 equity shares of TBL to Mr. Sujain Talwar or any other person nominated by IGC at a price to be determined by IGC;
- Promoters and TBL obtaining a letter from SAAG confirming that SAAG will not exercise its right to subscribe for TBL securities and will release TBL from all claims upon receipt of repayment of a certain loan; and
- Promoters delivering to IGC a non-objection certificate.

The Amended TBL Subscription Agreement provides for certain covenants of the Promoters and TBL to take effect upon funding, including the following:

- The Promoters and TBL shall not propose any resolution at a TBL shareholders meeting if such resolution is not approved by the IGC nominated Director at a meeting of the TBL Board of Directors;
- Until the TBL Completion, the Promoters shall not transfer all or any part of their shareholdings in TBL to any person;
- Where a resolution for allotment of shares in favor of IGC is proposed by an IGC nominated TBL Director, the Promoters (if they are also TBL Directors) shall cause the Directors nominated by them to vote in favor of the resolution;
- The TBL shareholders shall vote to approve an amendment to the TBL Articles of Association; and;
- The Promoters shall deliver to IGC certain documents creating a pledge (the “Pledge”) on 100% (4,287,500 shares) of TBL’s share capital in favor of IGC to ensure that the Promoters will fulfill their obligations under the Amended TBL Subscription Agreement.

#### Satisfaction of 80% Test

Our initial target business or businesses must have an aggregate fair market value equal to at least 80% of our net assets at the time of the business combination. As the fair market value of the equity shares of Sricon acquired in the Sricon Acquisition and the fair market value of the equity shares of Sricon acquired in the Sricon Acquisition will individually constitute less than 80% of the net assets of IGC at the time of the Sricon Acquisition and the TBL Acquisition, IGC will be required to simultaneously close on both the Sricon Acquisition and the TBL Acquisition because the fair market value of what is acquired in the Sricon Acquisition and the TBL Acquisition, is, in the aggregate at least 80% of the net assets of IGC at the time of the acquisitions.



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THE SPECIAL MEETING

Special Meeting of IGC's Stockholders – The special meeting of the stockholders of IGC will be held at 10:00 a.m., Eastern Time, on \_\_\_\_\_, 2008, at the offices of Seyfarth Shaw, LLP, 815 Connecticut Avenue, N.W., Suite 500, Washington, D.C. 20006-4004. There will be a vote on the 1) Acquisition Proposal, 2) the 2008 Stock Plan and 3) the election of two directors to the board of IGC and 4) the Adjournment Proposal.

Voting Power; Record Date– You will be entitled to vote or direct votes to be cast at the special meeting if you owned shares of IGC common stock at the close of business on \_\_\_\_\_, 2007, which is the record date for the special meeting. You will have one vote for each share of IGC common stock you owned at the close of business on the record date. At the close of business on the record date, there were 13,974,500 shares of IGC common stock outstanding and entitled to vote at the special meeting, of which 2,500,000 shares are held by insiders of IGC. The shares of common stock held by the insiders will automatically vote with the majority of votes cast by the public stockholders at the meeting.

Vote Required to Approve the Acquisition Proposal

The approval of the Acquisition Proposal will require the affirmative vote of a majority of the shares of our common stock issued in our initial public offering that are present in person or by proxy and entitled to vote at the meeting. However, we will not be able to complete the Acquisition if the holders of 2,260,900 or more shares of common stock issued in our initial public offering, an amount equal to 20% of those shares, vote against the Acquisition and demand that we convert their shares into a pro rata portion of the trust account in which a substantial portion of the net proceeds of our initial public offering are held. Approval of the Acquisition Proposal is not conditioned upon the approval of the Employee Stock Option Plan Proposal, the Election of Directors Proposal or the Adjournment Proposal.

Vote Required To Approve the 2008 Employee Stock Option Plan Proposal

The approval of the 2008 Stock Option Plan Proposal will require the affirmative vote of a majority of the outstanding shares of our common stock that are present in person or by proxy and entitled to vote at the meeting. Approval of the Stock Plan Proposal is conditioned upon the approval of the Acquisition Proposal, but is not conditioned upon the approval of any other proposal.

Vote Required to Approve the Election of Directors

The election of the proposed directors will require the affirmative vote of a plurality of the outstanding shares of our common stock that are present in person or by proxy and entitled to vote at the meeting. Election of the directors is not conditioned upon the approval of the Acquisition Proposal, the Stock Plan or the Adjournment Proposal.

Vote Required to Approve the Adjournment Proposal

The approval of the Adjournment Proposal will require the affirmative vote of a majority of the outstanding shares of our common stock that are present in person or by proxy and entitled to vote at the meeting. Approval of the Adjournment Proposal is not conditioned upon the approval of the Acquisition Proposal, the Stock Plan Proposal or the Election of Directors Proposal.

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Conversion Rights

Pursuant to our certificate of incorporation, a holder of shares of IGC's common stock issued in our initial public offering may, if the stockholder votes against the Acquisition Proposal, demand that we convert such shares into cash. This demand must be made in writing to IGC or its proxy solicitor and must be received by IGC or its proxy solicitor prior to or at the special meeting. If properly demanded, we will convert each share of common stock into a pro rata portion of the trust account in which a substantial portion of the net proceeds of our initial public offering are held (approximately \$5.82 per share), plus all interest earned thereon. If you exercise your conversion rights, then you will be exchanging your shares of IGC common stock for cash and will no longer own these shares. You will only be entitled to receive cash for these shares if you continue to hold these shares through the effective time of the Acquisition and then tender your stock certificate to IGC. If the transactions contemplated by the Acquisition Proposal are not completed, then these shares will not be converted into cash at this time. Shares that are not voted or are broker non-voted or where the stockholder abstains from voting shall not in any event be eligible to be converted into cash upon completion of the transactions contemplated by the Acquisition Proposal. The transactions contemplated by the Acquisition Proposal will not be consummated if the holders of 20% or more of the shares of common stock issued in IGC's initial public offering exercise their conversion rights.

Appraisal or Dissenters Rights

No appraisal rights are available under the Maryland General Corporation Law for our stockholders in connection with the Acquisition Proposal.

Proxies

Proxies may be solicited by mail, telephone or in person. We do not plan to pay any one to solicit proxies on our behalf.

If you grant a proxy, you may still vote your shares in person if you revoke your proxy before the special meeting.

Beneficial Ownership of Securities.

The following table sets forth information regarding the beneficial ownership of our common stock as of November 19, 2007 by:

- each person known by us to be the beneficial owner of more than 5% of our outstanding shares of common stock;
  - each of our executive officers, directors and our special advisors; and
    - all of our officers and directors as a group.

Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and does not necessarily indicate beneficial ownership for any other purpose. Under these rules, beneficial ownership includes those shares of common stock over which the stockholder has sole or shared voting or investment power. It also includes shares of common stock that the stockholder has a right to acquire within 60 days through the exercise of any option, warrant or other right. The percentage ownership of the outstanding common stock, which is based upon 13,974,500 shares of common stock outstanding as of October 15, 2007, is based on the assumption, expressly required by the rules of the Securities and Exchange Commission, that only the person or entity whose ownership is being reported has converted options or warrants into shares of our common stock.



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Unless otherwise indicated, we believe that all persons named in the table have sole voting and investment power with respect to all shares of common stock beneficially owned by them.

Name and Address of Beneficial Owner (1)	Number of Shares of Common Stock Owned (2)	Percent of Common Stock Owned
Ranga Krishna	350,000(3)	2.5%
Ram Mukunda	1,675,000(4)	11.99%
Sudhakar Shenoy	50,000	*
Suhail Nathani	50,000	*
Larry Pressler	25,000	*
P.G. Kakodkar	12,500	*
Shakti Sinha	12,500	*
Dr. Prabuddha Ganguli	12,500	*
Dr. Anil K. Gupta	25,000	*
The Baupost Group, L.L.C.	1,066,800(5)	7.6%
Fir Tree, Inc.	1,383,000(6)	9.9%
HBK Investments L.P.	1,075,695(7)	7.7%
D.B. Zwirn & Co., L.P	1,485,404(8)	10.63%
Andrew M. Weiss, Ph.D	1,031,100(9)	7.38%
Executive officers and directors (4 persons)	2,125,000	15.21%

\*Less than 1%

- (1) Unless otherwise noted, the business address of each of the following is 4336 Montgomery Avenue, Bethesda, Maryland, 20814.
- (2) Unless otherwise noted, the nature of the ownership is common stock of the Company.
- (3) Excludes 446,226.42 shares issuable to Dr. Krishna within 10 days after the consummation of the Acquisition Proposal pursuant to the terms of a loan from Dr. Krishna to the Company described below.
- (4) Includes 425,000 shares owned by Mr. Mukunda's wife, Parveen Mukunda.
- (5) Based on a Schedule 13G jointly filed with the SEC on February 13, 2007 by The Baupost Group, L.L.C. ("Baupost"), SAK Corporation and Seth A. Klarman. SAK Corporation is the Manager of Baupost, a registered investment adviser. Seth A. Klarman, as the sole Director of SAK Corporation and a controlling person of Baupost, may be deemed to have beneficial ownership of the securities beneficially owned by Baupost. The securities reported as being beneficially owned by Baupost include securities purchased on behalf of various investment limited partnerships. The address for each of the foregoing parties is 10 St. James Avenue, Suite 2000, Boston, Massachusetts 02116.
- (6) Based on an amended Schedule 13G jointly filed with the SEC on February 14, 2007 by Sapling, LLC ("Sapling"), Fir Tree Recovery Master Fund, L.P ("Fir Tree Recovery") and Fir Tree, Inc. ("Fir Tree"). Fir Tree is the investment manager of Sapling and Fir Tree Recovery. As disclosed in the amended Schedule 13G, Sapling and Fir Tree Recovery are the beneficial owners of 969,378 shares of common stock (6.9%) and 413,622 shares of common stock (3%), respectively. Fir Tree may be deemed to beneficially own all of the shares held by Sapling and Fir Tree Recovery (1,383,000 shares) as a result of being the investment manager of Sapling and Fir Tree Recovery. The address for each of the foregoing parties is 4336 Montgomery Avenue, Bethesda, Maryland 20814.



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- (7) Based on a Schedule 13G jointly filed with the SEC on June 15, 2007 by HBK Investments L.P., HBK Services LLC, HBK Partners II L.P., HBK Management LLC, and HBK Master Fund L.P. (collectively, "HBK"). The address for HBK is 300 Crescent Court, Suite 799, Dallas, Texas 75201.
- (8) Based on an amended Schedule 13G jointly filed with the SEC on October 15, 2007 by D.B. Zwirn & Co., L.P., D.B. Zwirn Special Opportunities Fund, Ltd., D.B. Zwirn Special Opportunities Fund, L.P., DBZ GP, LLC, Zwirn Holdings, LLC, and Daniel B. Zwirn, each of which may be deemed the beneficial owner of (i) 582,286 shares of common stock (4.17%) owned by D.B. Zwirn Special Opportunities Fund, L.P. and (ii) 903,118 shares of common stock (6.46%) owned by D.B. Zwirn Special Opportunities Fund, Ltd. (each entity referred to in (i) through (iii) is herein referred to as a "Fund" and, collectively, as the "Funds"). D.B. Zwirn & Co., L.P. is the manager of each of the Funds, and consequently has voting control and investment discretion over the common stock held by each of the Funds. Daniel B. Zwirn is the managing member of and thereby controls, Zwirn Holdings, LLC, which in turn is the managing member of and thereby controls D.B. Zwirn & Co., L.P. The address of each of D.B. Zwirn & Co., L.P., DBZ GP, LLC, Zwirn Holdings, LLC, and Daniel B. Zwirn is 745 Fifth Avenue, 18th Floor, New York, NY 10151.
- (9) Based on a Schedule 13G jointly filed with the SEC on August 20, 2007 by Weiss Asset Management LLC, Weiss Capital, LLC and Andrew M. Weiss Ph. D., each of which may be deemed the beneficial owner of (i) 299,668 shares of common stock (2.14%) owned by Weiss Capital, LLC and (ii) 731,432 shares of common stock (5.23%) owned by Weiss Asset Management LLC (each entity referred to in (i) through (ii) is herein referred to as a "Fund" and, collectively, as the "Funds"). Andrew M. Weiss Ph. D. is the managing member of each of the Funds, and consequently has voting control and investment discretion over the common stock held by each of the Funds. The address of each of Weiss Asset Management LLC, Weiss Capital, LLC and Andrew M. Weiss Ph. D. is 29 Commonwealth Avenue, 10th Floor, Boston, Massachusetts 02116.

Messrs. Mukunda and Krishna may be deemed our "parent," "founder" and "promoter," as these terms are defined under the Federal securities laws.

Our Board of Directors' Recommendation

After careful consideration, our board of directors has determined unanimously that the Acquisition Proposal is fair to, and in the best interests of, our stockholders and us. Our board of directors did not obtain a fairness opinion in making this determination. The board determined that, in light of the likely cost, IGC's existing cash resources and the board's belief that the extensive resources devoted to evaluating and conducting due diligence of all our acquisition candidates, including IGC's directors, personnel at Ferris, Baker Watts, Incorporated and other professionals that IGC hired for due diligence, including investment banks and India-based legal and accounting professionals had the skill and experience to properly evaluate the fairness of the Acquisition Proposal and that IGC's assets should not be used to pay for a formal fairness opinion.

Our board of directors has unanimously approved the Acquisition, the adoption of the Employee Stock Option Plan, the nominations of Mr. Sudhakar Shenoy and Mr. Suhail Nathani and the proposal to allow the adjournment of the special meeting, and unanimously recommends that you vote or instruct your vote to be cast "FOR" the approval of the Acquisition Proposal, "FOR" the approval of the Employee Stock Option Plan Proposal, and "FOR" the election of Mr. Shenoy and Mr. Nathani and "FOR" the approval of the Adjournment Proposal.

Interests of Our Directors and Officers in the Acquisition

When you consider the recommendation of our board of directors that you vote in favor of adoption of the Acquisition Proposal, you should keep in mind that certain of our directors and officers have interests in the Acquisition that are different from, or in addition to, your interest as a stockholder. These interests include, among other things, that if the

Acquisition is not approved, and we are required to liquidate, the stock held by our executives and directors will be worthless as will the nominal number of units they acquired prior to our initial public offering, because these shares will not participate in any distribution of the assets held in our trust fund. As of the record date, our executives and directors owned a total of 2,125,000 shares of our common stock and 170,000 of our Units. Ranga Krishna, our Chairman of the Board, is further entitled to receive 446,226.42 shares of our common stock if we consummate the Acquisition under the terms of a \$4,300,000 loan made by Dr. Krishna to us, which loan shall be due and payable 10 days after the completion of the Acquisition. In addition, we anticipate that following the completion of the Acquisition, Dr. Krishna will continue to serve as the chairman of our board of directors, Ram Mukunda will 446,226.42 serve as the executive chairman, president and chief executive officer, Richard Prins will remain on our board of directors and Sudhakar Shenoy and Suhail Nathani will serve as directors, if elected.

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Conditions to the Completion of the Acquisition

The following are the conditions to each party's obligation from the agreements:

- No governmental entity shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, executive order, decree, injunction or other order (whether temporary, preliminary or permanent) that is in effect and that has the effect of making the acquisition illegal or otherwise prohibiting consummation of the acquisition substantially on the terms contemplated by the Share Holders and Purchase Agreement.
- The IGC stockholders shall have approved the transactions outlined in the Acquisition Proposal and holders of 20% or more of the shares common stock of IGC issued in IGC's initial public offering and outstanding immediately before the closing shall not have exercised their rights to convert their shares into a pro rata share of the trust fund.
- Sricon and TBL and their stockholders must have performed in all material respects all obligations that are to be performed by each of them under the Share Holders and Purchase Agreements.
- IGC, Sricon, TBL and Odeon's respective representations and warranties must be true and correct in all material respects as of the date of completion of the acquisition.
- No action, suit or proceeding shall exist that is reasonably likely to prevent the acquisition or cause rescission of the acquisition following closing.
- IGC shall have obtained all consents, waivers, permits and approvals required in connection with the consummation of the acquisition if failure to obtain the same would be reasonably expected to cause a material adverse effect.
- There must not have occurred, since the date of the respective SPAs, any material adverse effect on IGC, Sricon or TBL .
- Sricon and TBL must have provided to IGC (i) the stockholder list of Sricon and TBL (indicating the category of equity participation of residents and non-resident Indians) after the proposed acquisition of Shares by IGC; and (ii) a certificate from a chartered accountant indicating the "fair value" of the Shares calculated in accordance with the Guidelines for Valuation of Shares and Fixation of Premia ("Indian Pricing Guidelines").
- The current stockholders of Sricon and TBL must have obtained written consents from all banks, financial institutions, lenders to Sricon and TBL as may be required for change in shareholding of Sricon and TBL in form and substance satisfactory to IGC.
- Sricon and TBL must have provided details of the bank accounts of Sricon and TBL maintained with the authorized dealer to IGC.
- Each of IGC's, Sricon's and TBL's obligations to effect the acquisition is subject to the satisfaction or waiver of specified conditions before completion of the Acquisition.
- Each of IGC's and CWEL's obligations to effect the acquisition is subject to the satisfaction or waiver of specified conditions before completion of the Acquisition.



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Termination

- All or part of each of the SSPA and SPAs may be terminated at any time prior to the consummation of the Acquisition, whether before or after receipt of the IGC stockholder approval, by mutual written consent of IGC on the one hand and each of Sricon, TBL, Odeon, and Promoters, as the case may be on the other hand.
- The Odeon SPA will terminate on January 31, 2008 unless extended by mutual agreement between IGC and Odeon.
- The agreements between IGC and CWEL will terminate on March 31, 2008 unless extended by mutual agreement between IGC and CWEL.

Officers and Directors after the Acquisition

IGC

- Ranga Krishna, our chairman, will remain as the chairman of IGC.
- Ram Mukunda will be the executive chairman, chief executive officer and president.
  - Richard Prins will remain as a director on the board.
- Sudhakar Shenoy and Suhail Nathani, if elected, will remain as directors on the board.

Sricon

- Ravindra Lal Srivastava will remain as the chairman and managing director.
- Sankataprasad Srivastava (brother of R. L. Srivastava) will remain as a director.
- Indravatidevi Srivastava (wife of R.L. Srivastava) will remain as a director.
- Ram Mukunda, who is currently the chief executive officer of IGC, will be elected to the board of Sricon.
  - Richard Prins, who is a director on the board of IGC, will be elected to the board of Sricon.

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TBL

- Velankalathil Chandy Antony will remain as the chairman.
- Jortin Antony (son of V.C. Antony) will remain as the managing director.
  - George Thomas will remain as a director.
- Ram Mukunda, who is currently the chief executive officer of IGC, will be elected to the board of TBL.
  - Richard Prins, who is a director on the board of IGC, will be elected to the board of TBL.

Regulatory Matters:

The Acquisition and related transactions are not subject to any federal or state regulatory requirements or approvals, including the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (HSR Act).

Material United States Federal Income Tax Consequences of the Acquisition

It is expected that IGC and its stockholders will not recognize any gain or loss as a result of the approval of the Acquisition Proposal for U.S. federal income tax purposes.

Enforceability of Civil Liabilities Against Non-U.S. Persons

Odeon is incorporated in Mauritius. Sricon and TBL are incorporated under the laws of India and operate only in India. Substantially all of the assets of Sricon and TBL will be located in India and the majority of its officers and directors and the experts named in this proxy statement are outside the United States. Although India and the United States are signatories to the 1965 Hague Convention on the Service Abroad of Judicial and Extra Judicial Documents in Civil and Commercial Matters, service under this treaty is cumbersome and time consuming, and may result in inadequate notice, so that any judgment based on that service may be reopened, re-litigated and overturned. It is therefore unlikely that service of process upon Sricon and TBL, their officers and directors, assets and experts will be obtainable within the United States, and it may be difficult to enforce outside the United States a judgment obtained in the United States in an action against one or more of them. These difficulties stem from the lack of official judicial arrangements between the United States and India, which means that judgments of United States courts may not be enforced in India without review and re-litigation of the merits of their claims.

There is doubt as to the enforceability in India of actions to enforce judgments of United States courts arising out of or based on ownership of the securities of Sricon and TBL, including judgments arising out of or based on civil liability provisions of United States federal or state securities laws. There is also doubt whether the Indian courts would enforce, in original actions, judgments against Sricon, TBL or the persons mentioned above predicated solely based upon United States securities laws.

Original actions may be brought in India against these parties only if the actions are not required to be arbitrated by Indian law and only if the facts alleged in the complaint give rise to a cause of action under Indian law, in which event, an Indian court may award monetary damages.

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## Selected Summary Historical Financial Information

All three companies IGC, Sricon and TBL, have fiscal years that end at March 31. The following financial information is provided to assist you in your analysis of the financial aspects of the proposed acquisition transactions. IGC's historical information is derived from (i) its audited financial statements as of March 31, 2007 and for the period from its inception (April 29, 2005) to March 31, 2007, and (ii) its unaudited condensed financial statements as of September 30, 2007 and for the six months ended September 30, 2007 and 2006. Sricon's historical information is derived from (i) its audited financial statements as at March 31, 2006 and 2007 and for the years ended March 31, 2005, 2006 and 2007, and (ii) its unaudited condensed financial statements as of September 30, 2007 and for the six months ended September 30, 2007 and 2006. TBL's historical information is derived from (i) its audited financial statements as at March 31, 2006 and 2007, and for the years ended March 31, 2005, 2006 and 2007, and (ii) its unaudited condensed financial statements as of September 30, 2007 and for the six months ended September 30, 2007 and 2006. The information is only a summary and should be read in conjunction with each of IGC's, Sricon's and TBL's historical financial statements and related notes and IGC's, Sricon's and TBL's respective Management's Discussion and Analysis of Financial Condition and Results of Operations contained elsewhere herein. The historical results included below and elsewhere herein are not indicative of the future performance of IGC, Sricon and TBL.

India Globalization Capital, Inc.  
Selected Summary Statement of Income Data

(Amounts in US Dollars, except share data and as stated otherwise)	From Inception (April 29, 2005) to March 31, 2006	Year Ended March 31, 2007	Six Months Ended September 30, 2006	Six Months Ended September 30, 2007
Interest income	\$ 210,584	\$ 3,171,818	\$ 1,580,124	\$ 1,298,063
Income (loss) before income taxes	(398,840)	2,302,855	1,284,755	71,935
Provision for Income taxes	(45,000)	(784,858)	(437,600)	(24,604)
Net income (loss)	(443,840)	1,517,997	847,155	47,331
Weighted average shares outstanding – basic and diluted	3,191,000	13,974,500	13,974,500	13,974,500
Net income (loss) per share – basic and diluted	\$ (0.14)	\$ 0.11	\$ 0.06	\$ 0.00

India Globalization Capital, Inc.  
Selected Summary Balance Sheet Data

	March 31, 2006	March 31, 2007	September 30, 2007
<b>ASSETS</b>			
Investments held in trust fund	\$ 65,825,016	\$ 66,104,275	\$ 67,091,690
<b>LIABILITES</b>			
Common stock subject to possible conversion	12,762,785	12,762,785	12,762,785
Total stockholders' equity	\$ 50,170,702	\$ 52,923,699	\$ 52,971,030

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Sricon Infrastructure Private Limited  
Selected Summary Statement of Income Data

(Amounts in Thousand US Dollars except share data and as stated otherwise)	Year Ended				Six months ended		
	March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006	Mar31, 2007	September 30, 2006	September 30, 2007
Revenue	\$ 4,580	\$ 15,298	\$ 11,477	\$ 11,011	\$ 10,604	\$ 4,422	\$ 7,251
Income before income taxes	320	646	907	668	778	232	1,059
Income taxes	(69)	(199)	(363)	(186)	(368)	(58)	(328)
Net Income	251	446	544	482	410	174	731
Earning per share - basic and diluted	\$ 0.12	\$ 0.11	\$ 0.19	\$ 0.16	\$ 0.14	\$ 0.06	\$ 0.25
Weighted average number of shares outstanding	95,200	183,259	2,932,159	2,932,159	2,932,159	2,932,159	2,932,159

Sricon Infrastructure Private Limited  
Selected Summary Balance Sheet Data

(Amounts in Thousand US Dollars)	As of					
	March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007	September 30, 2007
<b>ASSETS</b>						
Accounts receivables	\$ 234	\$ 2,223	\$ 2,128	\$ 2,083	\$ 2,751	\$ 6,574
Unbilled receivables	357	984	974	2,980	2,866	2,442
Inventories	43	71	154	248	71	146
Property and equipment, net	1,461	3,098	3,424	4,347	4,903	4,977
BOT Project under progress	-	0	0	1,584	3,080	-
<b>LIABILITES</b>						
Short-term borrowings and current portion of long-term debt	-	359	5,103	3,868	3,646	3,570
Due to related parties	217	1,553	1,724	1,604	2,264	1,744
Long-term debt, net of current portion	404	1,089	1,278	1,855	2,182	2,479
Other liabilities	462	1,267	1,307	697	1,913	896
Total stockholders' equity	\$ 1,189	\$ 2,822	\$ 2,760	\$ 3,740	\$ 4,289	\$ 5,400



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Techni Bharathi Limited  
Selected Summary Statement of Operations Data

(Amounts in Thousand US Dollars, except share data and as stated otherwise)	Year Ended					Six months ended	
	March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007	September 30, 2006	September 30, 2007
Revenue	\$ 13,145	\$ 8,773	\$ 8,954	\$ 2,285	\$ 4,318	\$ 316	\$ 2,855
Income (loss) before income taxes	722	(2,609)	(3,823)	(2,369)	401	(867)	2,812
Income taxes	322	(63)	515	62	135	12	(83)
Net (loss)/income	400	(2,672)	(3,308)	(2,307)	536	(855)	2,729
Earnings (loss) per share							
Basic	\$ 0.09	\$ (0.62)	\$ (0.77)	\$ (0.54)	\$ 0.13	\$ (0.20)	\$ 0.62
Diluted	\$ 0.09	\$ (0.62)	\$ (0.77)	\$ (0.54)	\$ 0.13	\$ (0.20)	\$ 0.34
Weighted average number of shares outstanding							
Basic	4,287,500	4,287,500	4,287,500	4,287,500	4,287,500	4,287,500	4,287,500
Diluted	4,287,500	4,287,500	4,287,500	4,287,500	4,287,500	4,287,500	8,037,500

Techni Bharathi Limited  
Selected Summary Balance Sheet Data

(Amounts in Thousand US Dollars)	As of						
	March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006	March 31, 2007	September 30, 2007	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 200	\$ 107	\$ 83	\$ 69	\$ 1,208	\$ 100	
Inventories	4,728	4,922	4,459	4,182	1,284	1,784	
Prepaid and other assets	1,777	2,070	1,765	1,275	1,231	798	
Property, plant and equipment (net)	3,622	3,985	3,463	2,417	2,265	2,352	
<b>LIABILITIES</b>							
Short term borrowings and current portion of long-term loan	1,495	6,614	6,291	8,125	6,079	-	
Trade payable	3,348	2,738	3,341	987	1,502	3,168	
Long term debts, net of current portion	4,883	2,892	3,897	3,656	2,333	3,870	

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Advance from customers	1,488	2,755	3,057	2,997	1,877	884
Total Stockholders' equity	\$ 2,927	\$ 320	\$ (3,032)	\$ (5,438)	\$ (4,895)	\$ (1,504)

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## QUESTIONS AND ANSWERS

The following briefly address some commonly asked questions about the Acquisition Proposal, the special meeting of the stockholders of IGC and the effect of the Acquisition Proposal on the holders of common stock of IGC. These questions and answers may not include all of the information that is important to you. We urge you to read carefully this entire document, including the annexes and the other documents to which we have referred you.

Q. What is being voted on?

There are four proposals being voted on:

1. To approve the “Acquisition Proposal” of IGC acting directly or indirectly through the IGC Group, consisting of the following proposed acquisitions: a) acquisition of a 63% equity interest in Sricon, b) the acquisition of convertible preference shares, and a direct equity interest in Techni Bharathi (“TBL”), and c) the acquisition from Odeon Limited of convertible preference shares of TBL, which when converted along with the convertible preference shares purchased directly from TBL would result in IGC owning a 77% equity interest in TBL.
2. To elect Sudhakar Shenoy and Suhail Nathani to IGC’s board of directors to hold office as Class A directors for a period to expire at the fourth annual meeting of stockholders.
3. To adopt the IGC 2008 Omnibus Incentive Plan.
4. To approve any adjournments or postponements of the special meeting to a later date or dates, if necessary, for the purpose of soliciting additional proxies.

Q. Why is IGC proposing the Acquisition Proposal?

IGC was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition or other similar business combination in an unspecified industry, with an unidentified business or businesses with operations primarily in India. We are making acquisitions in the infrastructure and clean technology sectors in India. Sricon and TBL are infrastructure companies with contracts for the building and maintenance of roads in India. Sricon also has a contract to Build Operate and Transfer (“BOT”) one of the highways in India. In addition, TBL has experience in the building of tunnels, bridges, airport runways and roads. We believe that these acquisitions will provide you with an opportunity to participate in a company with significant growth potential, in one of the fastest growing economies in the world.

Q. Why are we proposing to adopt the 2008 Omnibus Incentive Plan?

We are proposing the Stock Plan, which would be adopted only upon the consummation of the Acquisition, to:

1. Attract and retain qualified executives and other employees, and to provide such persons with an opportunity to acquire an equity interest in us.
2. Create incentives designed to motivate our employees and employees of our subsidiaries to significantly contribute to our growth and profitability.
3. Provide our executives, directors, advisors and other employees and persons who, by their position, ability and diligence, are able to make important contributions to our growth and profitability with an incentive to assist us in



achieving our long-term objectives.

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Q. What vote is required in order to approve the Acquisition Proposal?

The approval of the Acquisition Proposal will require the affirmative vote of a majority of the shares of our common stock issued in our initial public offering that are present in person or by proxy and entitled to vote at the meeting. In addition, each stockholder who holds shares of our common stock issued in our initial public offering or purchased our shares following such offering in the open market has the right to vote against the Acquisition Proposal and, at the same time, demand that we convert that stockholder's shares into cash equal to a pro rata portion of the trust account in which a substantial portion of the net proceeds of our initial public offering is deposited. However, if holders of 2,260,900 or more shares of common stock issued in our initial public offering, an amount equal to 20% of the total number of shares of common stock issued in the initial public offering, vote against the acquisition and demand conversion of their shares into a pro rata portion of the trust account, then we will not be able to consummate the acquisition. These shares will be converted into cash only if the Acquisition is completed. Based on the amount of cash held in the trust account as of September 30, 2007, including interest accrued as of that date, you will be entitled to convert each share of common stock that you hold into approximately \$5.82.

Q. What vote is required in order to approve the Stock Plan Proposal?

The approval of the Stock Plan Proposal will require the affirmative vote of a majority of the outstanding shares of our common stock that are present in person or by proxy and entitled to vote at the meeting.

Q. What vote is required in order to approve the Adjournment Proposal?

The approval of the Adjournment Proposal will require the affirmative vote of a majority of the outstanding shares of our common stock that are present in person or by proxy and entitled to vote at the meeting.

Q. What vote is required in order to elect the board members?

The election of a nominee to the board requires the affirmative vote of a plurality of the outstanding shares of our common stock that are present in person or by proxy and entitled to vote at the meeting. Plurality means that the individuals who receive the largest number of votes cast are elected as directors. Consequently, votes that are withheld and broker shares that are not voted in the election of directors will not be included in determining the number of votes cast.

Q. What will I receive in the Acquisition?

Holders of our securities will continue to hold the securities of IGC that they currently own, and will not receive any of the cash paid in connection with the Acquisition Proposal, unless a holder elects to demand conversion of his shares after voting against the Acquisition Proposal.

Q. How are we paying for the Acquisition?

We will use the proceeds from the initial public offering that we completed last year to pay the cash portion of the purchase price for the Acquisition of stock and convertible preference shares. We do not anticipate that we will require additional financing to consummate the Acquisition. However, we are in the process of obtaining additional financing to provide bridge financing to the two target companies prior to consummation of the Acquisition. If we enter into a definitive agreement to obtain financing after the date of this proxy statement but prior to the special meeting, we will file a current report on Form 8-K with the Securities and Exchange Commission, describing the material terms of the financing.

Q. Do I have conversion rights in connection with the Acquisition?

If you hold shares of common stock issued in our initial public offering, whether you purchased them in the offering or in secondary trading following the offering, then you have the right to vote against the Acquisition Proposal and demand that we convert your shares of common stock into a pro rata portion of the trust account in which a substantial portion of the net proceeds of our initial public offering are held. These rights to vote against the Acquisition and demand conversion of the shares into a pro rata portion of the trust account are sometimes referred to in this proxy statement as conversion rights.

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Q. If I have conversion rights, how do I exercise them?

If you wish to exercise your conversion rights, you must vote against the Acquisition Proposal and, at the same time, demand that we convert your shares into cash. If, notwithstanding your vote, the Acquisition is completed, then you will be entitled to receive a pro rata share of the trust account in which a substantial portion of the net proceeds of our initial public offering are held, including any interest earned thereon through the date of the special meeting. Based on the amount of cash held in the trust account as of September 30, 2007, including interest accrued as of that date, you will be entitled to convert each share of common stock that you hold into approximately \$5.82. If you exercise your conversion rights, then you will be exchanging your shares of our common stock for cash and will no longer own these shares of common stock. You will only be entitled to receive cash for these shares of common stock if you continue to hold these shares through the closing date of the Acquisition and then tender your stock certificate to us. If you convert your shares of common stock, you will still have the right to exercise any warrants you may hold. If, however the Acquisition is not completed, then your shares will not be converted to cash at this time, even if you so elected.

Q. Do I have dissenter or appraisal rights in connection with the proposals?

No dissenter or appraisal rights are available under the Maryland General Corporation Law for our stockholders in connection with the Acquisition Proposal.

Q. What happens to the funds deposited in the trust account after completion of the Acquisition?

Upon the consummation of the Acquisition, any funds remaining in the trust account after payment of amounts, if any, to stockholders exercising their conversion rights will no longer be subject to the trust account and will be used to fund the Acquisition Proposal, provide working capital and fund future acquisitions and expansions.

Q. Who will manage the company upon completion of the Acquisition?

Upon the completion of the Acquisition, we anticipate that Ranga Krishna will continue to serve as the chairman of our board of directors; Ram Mukunda will continue to serve as our executive chairman, chief executive officer and president. Richard Prins, will continue to serve on our board of directors and, if elected, Suhail Nathani and Sudhakar Shenoy will continue to serve on our board of directors. Ravindra Lal Srivastava will continue to serve as the chairman and managing director of Sricon, and Jortin Antony will continue to serve as managing director of TBL. All of our Advisors will continue to serve, and we expect some of them to serve as board directors and advisors for our Indian and Mauritius subsidiaries.

Q. What happens if the Acquisition is not consummated?

We will dissolve and promptly distribute only to our public stockholders the amount in our trust account inclusive of the \$1,769,400 attributable to the underwriters' non-accountable expense allowance, plus any remaining net assets, if we do not effect a business combination by March 8, 2008. If we are unable to consummate the Acquisition, we do not believe that we will be able to effect another business combination by March 8, 2008.

Q. When do you expect the Acquisition to be completed?

It is currently anticipated that the Acquisition will be completed promptly following our special meeting of stockholders on \_\_\_\_\_, 2008.

Q. If I am not going to attend the special meeting of stockholders in person, should I return my proxy card instead?

Yes. After carefully reading and considering the information contained in this proxy statement, please complete and sign your proxy card. Then return the enclosed proxy card in the return envelope provided herewith as soon as possible, so that your shares may be represented at our special meeting.

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Q. What will happen if I abstain from voting or fail to vote?

An abstention will have the same effect as a vote AGAINST the Acquisition Proposal, and a failure to vote will have no effect on the outcome of the Acquisition Proposal. Only stockholders who vote against the Acquisition Proposal may elect to convert their shares into a pro rata portion of the trust account in which a substantial portion of the net proceeds of our initial public offering are held. An abstention will have the same effect as a vote AGAINST the Stock Plan Proposal and the Adjournment Proposal, and a failure to vote will have no effect on the outcome of those proposals.

Q. What do I do if I want to change my vote?

If you wish to change your vote, please send a later-dated, signed proxy card prior to the date of the special meeting or attend the special meeting and vote in person. You may revoke your proxy by sending a notice of revocation to our CEO, Ram Mukunda, at the address of our corporate headquarters prior to the special meeting.

Q. If my shares are held in “street name” by my broker, will my broker vote my shares for me?

No. Your broker cannot vote your shares unless you provide instructions on how to vote in accordance with the information and procedures provided to you by your broker. Broker non-votes, while considered present for the purposes of establishing a quorum, will have no effect on the proposals.

Q. Do I need to turn in my certificates?

No. You do not need to turn in your certificates. However, if you elect to exercise your conversion rights, you will need to deliver your certificates to us at the address below.

Q. Will IGC’s securities still be traded on the American Stock Exchange (AMEX) after the Acquisition is completed?

Yes, they will continue to trade on AMEX.

Q. Who can help answer my questions?

If you have questions about the Acquisition, you may write, fax, email or call Ram Mukunda, India Globalization Capital, 4336 Montgomery Avenue, Bethesda, MD 20817. Telephone: (301) 983-0998. Fax (240) 465-0273. Email. Ram@indiaglobalcap.com.

## RISK FACTORS

You should carefully consider the following risk factors, together with all of the other information included in this proxy statement, before you decide whether to vote or instruct your vote to be cast on the proposals described in this proxy statement. We make various statements in this section, which constitute “forward-looking statements.” See “Forward-Looking Statements. We refer to Sricon Infrastructure Private Limited as Sricon and Techni Bharathi Limited as TBL.

### Risks associated with our industry and doing business in India

Any downgrading of India’s debt rating by an international rating agency, or an increase in interest rates in India, could have a negative impact on our ability to borrow in India.

Both our road building and power business are leveraged businesses. Any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies as well as an increase in Indian interest rates may adversely impact our ability to finance growth through debt and could lead to a tightening of our margins, adversely affecting our business.

A change in government policy, a down turn in the Indian economy or a natural disaster could adversely affect our business, financial condition, results of operations and future prospects.

Our business is road building and alternative energy in India. Sricon and TBL, our road builders, and CWEL, our energy sector, presently conduct all their operations in India. Sricon and TBL are dependent on the government of India as well as the state governments for contracts to maintain and build roads. Their operations and financial results may be affected by changes in the government’s policy towards road maintenance and road building. In addition, a slow down in the Indian economy or its growth rate, social unrest, natural disasters, or a change in government could cause the government to slow down the pace of road building which could adversely affect our future performance.

Political, economic, social and other factors in India may adversely affect business.

Our ability to grow our business may be adversely affected by political, economic, social and religious factors, changes in Indian law or regulations and the status of India’s relations with other countries. In addition, the economy of India may differ favorably or unfavorably from the U.S. economy in such respects as the rate of growth of gross domestic product, the rate of inflation, capital reinvestment, resource self-sufficiency and balance of payments position. According to the World Factbook published by the United States Central Intelligence Agency, the Indian government has exercised and continues to exercise significant influence over many aspects of the economy, and privatization of government-owned industries proceeds at a slow pace. Accordingly, Indian government actions in the future could have a significant effect on the Indian economy, which could have a material adverse affect on our ability to achieve our business objective.

Since mid-1991, the Indian government has committed itself to implementing an economic structural reform program with the objective of liberalizing India’s exchange and trade policies, reducing the fiscal deficit, controlling inflation, promoting a sound monetary policy, reforming the financial sector, and placing greater reliance on market mechanisms to direct economic activity. A significant component of the program is the promotion of foreign investment in key areas of the economy and the further development of, and the relaxation of restrictions in, the private sector. These policies have been coupled with the express intention to redirect the government’s central planning function away from the allocation of resources and toward the issuance of indicative guidelines. While the government’s policies have resulted in improved economic performance, there can be no assurance that the economic improvement will be sustained. Moreover, there can be no assurance that these economic reforms will persist, and that any newly elected government will continue the program of economic liberalization of previous governments. Any change may adversely affect Indian laws and policies with respect to foreign investment and currency exchange. Such

changes in economic policies could negatively affect the general business and economic conditions in India, which could in turn adversely affect our business.



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Terrorist attacks and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence could have the direct effect of destroying our plant and property causing a loss and interruption of business. According to the World Factbook, religious and border disputes persist in India and remain pressing problems. For example, India has from time to time experienced civil unrest and hostilities with neighboring countries such as Pakistan. The longstanding dispute with Pakistan over the border Indian state of Jammu and Kashmir, a majority of whose population is Muslim, remains unresolved. If the Indian government is unable to control the violence and disruption associated with these tensions, the results could destabilize the economy and, consequently, adversely affect our business.

Since early 2003, there have also been military hostilities and civil unrest in Afghanistan, Iraq and other Asian countries. These events could adversely influence the Indian economy and, as a result, negatively affect our business.

While we will have insurance to cover these risks there can be no guarantee that we will be able to collect in a timely manner. Terrorist attacks, or the threat of violence could slow down road building activity adversely affecting our road building business.

Exchange controls that exist in India may limit our ability to utilize our cash flow effectively following a business combination.

Following the consummation of the Acquisition Proposal, we will be subject to India's rules and regulations on currency conversion. In India, the Foreign Exchange Regulation Act or FERA, regulates the conversion of the Indian rupee into foreign currencies. FERA provisions previously imposed restrictions on locally incorporated companies with foreign equity holdings in excess of 40%, known as FERA companies. However, comprehensive amendments have been made to FERA to support the economic liberalization. Such companies are now permitted to operate in India without any special restrictions, effectively placing them on par with wholly Indian owned companies. In addition, foreign exchange controls have been substantially relaxed. Notwithstanding these changes, the Indian foreign exchange market is not yet fully developed and we cannot assure you that the Indian authorities will not revert back to regulating FERA companies and impose new restrictions on the convertibility of the Indian rupee. Any future restrictions on currency exchanges may limit our ability to use our cash flow for the distribution of dividends to our stockholders or to fund operations we may have outside of India.

Returns on investment in Indian companies may be decreased by withholding and other taxes.

Our investments in India will incur tax risk unique to investment in India and in developing economies in general. Income that might otherwise not be subject to withholding of local income tax under normal international conventions may be subject to withholding of Indian income tax. Under treaties with India and under local Indian income tax law, income is generally sourced in India and subject to Indian tax if paid from India. This is true whether or not the services or the earning of the income would normally be considered as from sources outside India in other contexts. Additionally, proof of payment of withholding taxes may be required as part of the remittance procedure. Any withholding taxes paid by us on income from our investments in India may or may not be creditable on our income tax returns.

We intend to avail ourselves of income tax treaties with India and minimize any Indian withholding tax or local taxes. However, there is no assurance that the Indian tax authorities will always recognize such treaties and its applications. We have also created a foreign subsidiary in Mauritius, in order to limit the potential tax exposure.

Our industry depends on the stability of policies and the political situation in India and a change in policy could adversely affect our business.

The role of the Indian central and state governments in the Indian economy on producers, consumers and regulators has remained significant over the years. Since 1991, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. We cannot assure you that these liberalization policies will continue under the present or under newly elected governments. Protests against privatization could slowdown the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the infrastructure sector in India, foreign investment, currency exchange rates and other matters affecting our business could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

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Because the Indian judiciary will determine the scope and enforcement under Indian law of almost all of Sricon and TBL's material agreements, we may be unable to enforce our rights inside and outside of India.

Sricon and TBL will operate under the laws of India. Substantially all of the assets of Sricon and TBL are located in India and the majority of its officers and directors and the experts named in this proxy statement/prospectus are outside the United States. Although India and the United States are signatories to the 1965 Hague Convention on the Service Abroad of Judicial and Extra Judicial Documents in Civil and Commercial Matters, service under this treaty is cumbersome and time consuming, and may result in inadequate notice so that any judgment based on that service may be reopened, re-litigated and overturned. It is therefore unlikely that service of process on Sricon and TBL or their officers and directors can be obtained within the United States. Further, it may be difficult to enforce in India a judgment obtained in the United States. These difficulties stem from the lack of official judicial arrangements between the United States and India, which means that judgments of United States courts will not be enforced in India without review and re-litigation of the merits of their claims.

There is doubt as to the enforceability in India of actions to enforce judgments of United States courts arising out of or based on ownership of the securities of Sricon and TBL, including judgments arising out of or based on civil liability provisions of United States federal or state securities laws. There is also doubt whether the Indian courts would enforce, in original actions, judgments against Sricon, TBL or the persons mentioned above predicated solely based upon United States securities laws.

Original actions may be brought in India against these parties only if the actions are not required to be arbitrated by Indian law and only if the facts alleged in the complaint give rise to a cause of action under Indian law, in which event, an Indian court may award monetary damages.

Risks associated with the acquisitions and our business

The cost of obtaining bank financing may reduce TBL's income.

TBL has restructured some of its bank debt and may, in the future, face higher interest rates or will require higher collateral with the banks. This increases the cost of money for TBL and could decrease its margins. While IGC expects to provide collateral support for two to three years, by which time we expect the credit worthiness of TBL to increase to adequate levels, there can be no assurance that TBL will not have to pay higher interest rates in the future, which could reduce its income.

We may not be able to obtain necessary raw materials at competitive prices.

Construction contracts are primarily dependent on adequate and timely supply of raw materials, such as cement, steel and aggregates, at competitive prices. As competition from larger and well-established players increases for procuring raw materials, we could face an increase in the price of raw materials that negatively impacts our profitability.

Our business is dependent on contracts awarded by the Government and its agencies.

The businesses of Sricon and TBL are dependent on the implementation of the central and state budget allocations to the infrastructure sector. Sricon and TBL derive the bulk of their revenue from contracts awarded by the central and state governments of India and their agencies. If there are delays in the payment of invoices by the government, our working capital requirements could increase. The BOT industry is a competitive one, and Sricon and TBL may be outbid for government contracts. In addition, to the extent that Sricon and TBL fail to perform in accordance with the criteria of existing contracts, the governments may be more inclined to seek alternative sources of BOT services.

We may face penalties for time overruns.

Sricon and TBL execute construction contracts primarily in the roads and infrastructure development sectors. Sricon and TBL typically enter into high value contracts for these activities, which provide for penalties if contracts are not executed in a timely manner. If Sricon and TBL are unable to meet the performance criteria as prescribed by the respective contracts and if penalties are levied, the financial performance of these companies could be adversely affected.

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Our business is dependent on continuing relationships with clients and strategic partners.

Our business is dependent on developing and maintaining strategic alliances with contractors that undertake turnkey contracts for infrastructure development projects as well as government organizations.

The business and our results could be adversely affected if we are unable to maintain a continuing relationship and pre-qualified status with key clients and strategic partners.

Our business relies heavily on our management team and any unexpected loss of key officers may adversely affect our operations.

The continued success of our business is largely dependent on the continued services of key employees in IGC, Sricon, and TBL as well as all our subsidiaries. The loss of the services of certain key personnel, without adequate replacement, could have an adverse effect on our performance. Our senior management as well as the senior management of our subsidiaries have played a significant role in developing and executing the overall business plan, maintaining client relationships, proprietary processes and technology. While none is irreplaceable, the loss of the services of any would be disruptive to our business.

Our quarterly revenue, operating results and profitability will vary.

Factors that may contribute to the variability of quarterly revenue, operating results or profitability include:

- Fluctuations in revenue due to seasonality: For example, during the monsoon season, the heavy rains slow down road building and during the summer months the winds are not strong enough to power the wind turbines. This results in uneven revenue and operating results over the year.
  - Commencement, completion and termination of contracts during any particular quarter.
    - Additions and departures of key personnel.
- Claims filed against the contractee for delays and changes in scope, among others, can sometimes enter arbitration and take time to settle. This could result in a tightening of working capital.
- Strategic decisions made by us and our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments and changes in business strategy.

The revenue recognition policy records contract revenue for those stages of a project that we complete, after we receive certification from the client that such stage has been successfully completed. Since revenue is not recognized until we receive a certification from our clients, revenue recognition can be uneven.

Our subsidiaries may become involved in litigation in the future.

Our subsidiaries are fairly large companies and may have to initiate actions in the Indian Courts to enforce their rights and may also be drawn into legal litigation. The expenses of litigation and any judgments against us could have a material adverse effect on us.

We face intense competition in the Indian infrastructure industry.

The Indian real estate and infrastructure industries are increasingly attracting foreign capital. We currently have competition from international as well as domestic companies that operate at the national level. Smaller localized

contractors / companies are also competing in their respective regions. If we are unable to offer competitive prices and obtain contracts, there could be a significant reduction in our revenue.

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Our operations are sensitive to weather conditions.

Our business activities in India could be materially and adversely affected by severe weather conditions. Severe weather conditions may require Sricon and TBL to evacuate personnel or curtail services and may result in damage to a portion of Sricon and TBL's fleet of equipment or to our facilities, resulting in the suspension of operations, and may further prevent Sricon and TBL from delivering materials to project sites in accordance with contract schedules or generally reduce our productivity. Difficult working conditions and extremely high temperatures also adversely affect the operations of Sricon and TBL during summer months and during monsoon season, which restrict our ability to carry on construction activities and fully utilize our resources.

The revenue recorded in the first half of our fiscal year between April and September is traditionally lower than revenue recorded during the second half of our fiscal year due to the weather conditions. During periods of curtailed activity due to adverse weather conditions, Sricon and TBL may continue to incur operating expenses, reducing profitability.

If we are unable to provide interim financing to Sricon and TBL, they may have difficulty meeting their projected revenue targets.

We believe that Sricon and TBL will require financing prior to the consummation of the Acquisitions in order to maintain their operations at a level necessary to give them the opportunity to meet their financial projections for 2008 and 2009. We estimate that Sricon will require between \$ 3,250,000 to \$4,000,000 and TBL between \$ 2,500,000 to \$3,000,000. On December 19, 2007 we entered into an agreement with Sricon and subsequently funded Sricon with \$3,250,000. On December 21, 2007 we entered into an agreement with TBL under which we agreed to fund TBL up to \$2,670,000. While we intend to raise funds in a private placement to provide such interim financing, there is no guarantee that we will be able to do so or that Sricon and TBL could obtain alternative sources of such financing at reasonable rates. While we believe that the interim funding is sufficient for these companies to meet their projected FYE 2009 revenue targets, the timing of the interim funding may put pressure on their ability to meet the projections for FYE March 31, 2008.

Risks Related to the Acquisition Proposal

Changes in the conversion rate between the U.S. dollar and Indian rupee, may adversely affect our purchase price.

We plan to make all payments in respect to the Acquisition Proposal in Indian rupees and therefore exchange rate fluctuations may directly affect the purchase price.

The exchange rate between the Indian rupee and the U.S. dollar has changed substantially in the last two decades and may fluctuate substantially in the future. Between October 1, 2006 and December 28, 2007, the noon buying rate of the Federal Reserve Bank of New York has fluctuated from a high of 45.97 rupees per dollar on October 2, 2006 to a low of 38.48 rupees per dollar on October 9, 2007. As of December 27, 2007, the rate was 39.40 rupees per dollar. Any decline in value of the U.S. dollar against the Indian rupee will render the Acquisition more expensive. Furthermore, we may incur additional costs in connection with conversions between U.S. dollars and Indian rupees.

We may issue equity securities in a private placement which would dilute your equity interest in us.

Prior to the consummation of the Acquisitions we anticipate requiring additional funds to provide short-term capital infusions to Sricon and TBL. We are currently raising such financing in the form of debt coupled with a grant of common stock. Based on the anticipated levels of such financing, we may issue up to 754,953 shares of our common stock in connection with such financing. The issuance of such stock would dilute your equity position in us.





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If the Acquisition's benefits do not meet the expectations of financial or industry analysts, the market price of our common stock may decline.

The market price of our common stock may decline as a result of the Acquisition if:

- we do not achieve the perceived benefits of the Acquisition as rapidly as, or to the extent anticipated by, financial or industry analysts; or
- the effect of the Acquisition on our financial statements is not consistent with the expectations of financial or industry analysts.

Accordingly, investors may experience a loss as a result of a decreasing stock price.

If we are unable to consummate the Acquisition Proposal by January 31, 2008, there is no guarantee that Odeon will extend the deadline.

We have a deadline of January 31, 2008 by which we must consummate the transaction and fund TBL in the Odeon SPA. While the promoters of TBL have agreed to assist us in attempting to persuade Odeon to extend the deadline to April 30, 2008, if we do not complete the Acquisition by that date there is no guarantee that Odeon, the holder of certain TBL securities, will agree to extend the deadline.

If we are unable to consummate the Acquisition Proposal by March 8, 2008 we will be forced to liquidate.

If we do not effect a business combination by March 8, 2008, we will dissolve and promptly distribute only to our public stockholders the amount in our trust account inclusive of the \$1,769,400 attributable to the underwriters' non-accountable expense allowance, plus any remaining net assets. If we are unable to consummate the Acquisition, we do not believe that we will be able to effect another business combination by March 8, 2008.

Our directors may have certain conflicts in determining to recommend the Acquisition Proposal, since certain of their interests, and certain interests of their affiliates and associates, are different from, or in addition to, your interests as a stockholder.

IGC's management and directors have interests in and arising from the Acquisition Proposal that are different from, or in addition to, your interests as a stockholder, which could result in a real or perceived conflict of interest. These interests include the fact that certain of the shares of common stock owned by our management and directors, or their affiliates and associates, would become worthless if the Acquisition Proposal is not approved and we otherwise fail to consummate a business combination prior to our liquidation date and that our chairman of the board is entitled to receive additional shares of common stock if we consummate a business combination prior to our liquidation date under the terms of a loan he made to us.

We have not had operations, and Sricon and TBL have not operated as a US public company. Fulfilling our obligations incident to being a US public company after completing the Acquisition Proposal will be expensive and time consuming.

Although, we have maintained disclosure controls and procedures and internal control over financial reporting as required under the Federal securities laws with respect to our very limited activities, we have not been required to maintain and establish such disclosure controls and procedures and internal control as will be required with respect to operating Sricon or TBL, each with potentially substantial operations. Under the Sarbanes-Oxley Act of 2002 and the related rules and regulations of the SEC, we will need to implement additional corporate governance practices and adhere to a variety of reporting requirements and complex accounting rules. Compliance with these obligations will require increased management and could result in delays if we cannot recruit individuals with the requisite experience

and technical accounting knowledge in India.

Compliance with Foreign Corrupt Practices Act could adversely impact our competitive position. Failure to comply could subject us to penalties and other adverse consequences.

We will be subject to the United States Foreign Corrupt Practices Act, which generally prohibits United States public companies from engaging in bribery or other prohibited payments to foreign officials to obtain or retain business. While we will take precautions to educate the employees of our subsidiaries of the Foreign Corrupt Practices Act, there can be no assurance that we or the employees or agents of our subsidiaries will not engage in such conduct, for which we might be held responsible. We could suffer penalties that may have a material adverse effect on our business, financial condition and results of operations.

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FORWARD-LOOKING STATEMENTS

We believe that some of the information in this proxy statement constitutes forward-looking statements within the definition of the Private Securities Litigation Reform Act of 1995. You can identify these statements by forward-looking words such as “may,” “will,” “should,” “believes,” “expects,” “intends,” “anticipates,” “thinks,” “plans,” “seeks,” “predicts,” “potential” or similar words or the negative of these words or other variations on these words or comparable terminology. You should read statements that contain these words carefully because they discuss future expectations, contain projections of future results of operations or financial conditions or state or other forward looking information.

While we believe it is important to communicate our expectations to our stockholders, there may be events in the future that we are not able to accurately predict or over which we have no control. The risk factors and cautionary language discussed in this proxy statement provide examples of risks, uncertainties and events that may cause actual results to differ materially from the expectations described by us in our forward-looking statements, including among other things:

- The number of our stockholders voting against the Acquisition Proposal.
  - Competition in the road building sector.
  - Legislation by the government of India.
- General economic conditions and the Indian growth rates.
  - Our ability to win licenses, contracts and execute.

You should be aware that the occurrence of the events described in these risk factors and elsewhere in this proxy statement could have a material adverse effect on our business, financial condition and results of operations.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement.

All forward-looking statements included herein attributable to us or any person acting on either party’s behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable laws and regulations, we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this proxy statement or to reflect the occurrence of unanticipated events.

Before you grant your proxy or instruct how your vote should be cast or vote on the proposals described in this proxy statement, you should be aware that the occurrence of the events described in the “Risk Factors” section and elsewhere in this proxy statement could have a material adverse effect on us.

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OUR SPECIAL MEETING

Our Special Meeting

We are furnishing this proxy statement to you as part of the solicitation of proxies by our board of directors for use at the special meeting in connection with the Acquisition Proposal and related matters. This proxy statement provides you with the information you need to know to be able to vote or instruct your vote to be cast at the special meeting.

Date, Time and Place

We will hold the special meeting at 10:00 a.m., Eastern Time on \_\_\_\_\_, 2008 at the offices of Seyfarth Shaw, LLP, 815 Connecticut Avenue, N.W., Washington, D.C. 20006 to vote on the Acquisition Proposal.

Purpose of the Special Meeting

At the special meeting, we are asking holders of IGC common stock to:

- approve the Acquisition Proposal,
- adopt the IGC 2008 Employee, Directors and Consultant Stock Option Plan,
- elect two members to the board of IGC, and
- adopt the Adjournment Proposal for adjourning or postponing the special meeting to a later date.

Recommendation of the IGC Board of Directors

The IGC board of directors:

- has unanimously determined that the Acquisition Proposal is fair to and in the best interests of IGC and its stockholders;
- has unanimously determined that the aggregate fair market value of the Acquisition Proposal will exceed 80% of our net assets at the time of the Acquisition;
- has unanimously approved and declared advisable the Acquisition Proposal, the election of two individuals to the board of IGC, the 2008 Stock Option Plan Proposal, and the Adjournment Proposal;
  - unanimously recommends that IGC common stockholders vote “FOR“ the Acquisition Proposal;
  - unanimously recommends that IGC common stockholders vote “FOR” the Stock Plan Proposal;
- unanimously recommends that IGC common stock holders vote “FOR” the election of Messrs. Shenoy and Nathani to the board of IGC ; and
  - unanimously recommends that IGC common stockholders vote “FOR“ the adjournment proposal.

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### Record Date

The record date for the special meeting is \_\_\_\_\_, 2008. Record holders of our common stock at the close of business on the record date are entitled to vote or have their votes cast at the special meeting. On the record date, there were 13,974,500 shares of our common stock outstanding.

When voting on the Acquisition Proposal and all other proposals at the special meeting, you will have one vote for each share of our common stock that you owned at the close of business on the record date.

Our issued and outstanding warrants do not have voting rights and record holders of our warrants will not be entitled to vote at the special meeting.

### Voting Your Shares

Each share of our common stock that you owned at the close of business on the record date entitles you to one vote. Your proxy card shows the number of shares of our common stock that you own.

There are three ways to vote your shares of our common stock at the special meeting:

- You can vote by signing and returning the enclosed proxy card. If you vote by proxy card, your “proxy,” whose name is listed on the proxy card, will vote your shares as you instruct on the proxy card. If you sign and return the proxy card, but do not give instructions on how to vote your shares, your shares will be voted, as recommended by our board, “FOR” the approval of the Acquisition Proposal, “FOR” the 2008 Stock Option Plan Proposal, “FOR” the election of the proposed nominees to the board of IGC and “FOR” the Adjournment Proposal.
- You can vote by telephone or the Internet by following the telephone or Internet voting instructions that are included with your proxy card. If you vote by telephone or the Internet, you should not return the proxy card. The deadline for voting by telephone or electronically is 9:30 a.m. Eastern Time on \_\_\_\_\_, 2008.
- You can attend the special meeting and vote in person. We will give you a ballot when you arrive. However, if your shares are held in the name of your broker, bank or another nominee, you must get a proxy from the broker, bank or other nominee. That is the only way we can be sure that the broker, bank or nominee has not already voted your shares.

IF YOU DO NOT VOTE YOUR SHARES OF OUR COMMON STOCK IN ANY OF THE WAYS DESCRIBED ABOVE, IT WILL HAVE (1) NO EFFECT ON THE ACQUISITION PROPOSAL, BUT YOU WILL NOT BE ELIGIBLE TO DEMAND THE CONVERSION OF YOUR COMMON SHARES INTO A PRO RATA SHARE OF THE TRUST ACCOUNT IN WHICH A SUBSTANTIAL PORTION OF THE PROCEEDS OF OUR INITIAL PUBLIC OFFERING ARE HELD, AND (2) NO EFFECT ON THE STOCK PLAN PROPOSAL AND THE ADJOURNMENT PROPOSAL.

### Who Can Answer Your Questions About Voting Your Shares

If you have any questions about how to vote or direct a vote in respect of your shares of our common stock, you may call Ram Mukunda at (301) 983-0998, or write him at our address.

### No Additional Matters May Be Presented at the Special Meeting

This special meeting has been called only to consider the approval of the Acquisition Proposal, the 2008 Stock Option Plan Proposal, the election of the proposed nominees and the Adjournment Proposal.



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### Revoking Your Proxy

If you give a proxy, you may revoke it at any time before it is exercised by doing any one of the following:

- You may send another proxy card with a later date,
- You may notify Ram Mukunda, our CEO, in writing before the special meeting that you have revoked your proxy, with such written notification addressed to us at India Globalization Capital, Inc. 4336 Montgomery Avenue, Bethesda, Maryland, 20814, or
- You may attend the special meeting, revoke your proxy and vote in person.

### Vote Required

The approval of the Acquisition Proposal will require the affirmative vote of a majority of the shares of our common stock issued in our initial public offering that are present in person or by proxy and entitled to vote at the meeting.

The approval of our Stock Plan and of the Adjournment Proposal will require the affirmative vote of a majority of the outstanding shares of our common stock that are present in person or by proxy and entitled to vote at the meeting.

The election of the proposed nominees to our board, will require a plurality of the outstanding shares of our common stock that are present in person or by proxy and entitled to vote at the meeting.

### Abstentions and Broker Non-Votes

If you abstain from voting, either in person or by proxy or by voting instruction, it will have the same effect as a vote “against” the Acquisition Proposal, the 2008 Stock Option Plan Proposal, the election of the proposed nominees and the Adjournment Proposal, but not as a demand of conversion of your shares into a pro rata portion of the trust account.

If your broker holds your shares in its name and you do not give the broker voting instructions, your broker may not vote your shares. If you do not give your broker voting instructions and the broker does not vote your shares, this is referred to as a “broker non-vote.” Broker non-voting shall be treated as shares not entitled to vote at the special meeting, and, therefore, shall have no impact on the Acquisition Proposal, the 2008 Stock Option Plan Proposal, the election of the proposed nominees or the Adjournment Proposal. A broker non-vote will not entitle you to demand conversion of your shares into a pro rata portion of the trust account if the Acquisition Proposal is approved.

To exercise your conversion rights as a stockholder, you must affirmatively elect to convert your shares by checking the appropriate box, or directing your broker to check the appropriate box, on the proxy card and ensure that the proxy card is delivered prior to the special meeting.

### Conversion Rights

Any stockholder holding shares of common stock issued in our initial public offering who votes against the Acquisition Proposal may, at the same time or at any time before the special meeting, demand that we convert his shares into a pro rata portion of the trust account. If so demanded, we will convert these shares into a pro rata portion of funds held in a trust account, if the Acquisition is consummated. If the holders of 20% or more of the shares of common stock issued in our initial public offering, or at least 2,260,900 shares, vote against the Acquisition Proposal and demand conversion of their shares into a pro rata portion of the trust account, we will not be able to consummate the Acquisition.





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Based on the amount of cash held in the trust account as of September 30, 2007, including interest accrued as of that date, you will be entitled to convert each share of common stock that you hold into approximately \$5.82.

If you exercise your conversion rights, then you will be exchanging your shares of our common stock for cash and will no longer own these shares. You will only be entitled to receive cash for these shares of common stock if you continue to hold these shares through the closing date of the Acquisition and then tender your stock certificate to us. The closing price of our common stock on January 2, 2008, the most recent trading day practicable before the printing of this proxy statement, was \$5.90. Prior to exercising conversion rights, our stockholders should verify the market price of our common stock as they may receive higher proceeds from the sale of their common stock in the public market than from exercising their conversion rights.

### Solicitation Costs

We are soliciting proxies on behalf of our board of directors. This solicitation is being made by mail but also may be made by telephone or in person. We and our directors and officers may also solicit proxies in person, by telephone or by other electronic means. These persons will not be paid for doing this, other than the salaries they might otherwise receive.

We have not hired a firm to assist in the proxy solicitation process but may do so if we deem this assistance necessary. We will pay all fees and expenses related to the retention of any proxy solicitation firm.

We will ask banks, brokers and other institutions, nominees and fiduciaries to forward our proxy statement materials to their principals and to obtain their authority to execute proxies and voting instructions. We will reimburse them for their reasonable expenses.

### Stock Ownership

At the close of business on the record date, our founders, past and present executive officers, directors and advisors beneficially owned and were entitled to vote, in the aggregate, 2,670,000 shares of our common stock, representing around 20% of the then outstanding shares of common stock. As of January 2, 2008, these shares had a market value of approximately \$15,753,000 based on our common stock price of \$5.90 per share.

For information on beneficial ownership of our common stock by executive officers, directors and 5% stockholders, see "Beneficial Ownership of Securities."

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THE ACQUISITION PROPOSAL

General Description of the Acquisition

IGC, through its wholly-owned subsidiary in Mauritius (IGC-M), will:

1. acquire a total of 63% of the issued and outstanding securities of Sricon Infrastructure for around \$29m in cash, this transaction will be in two parts:
  - we will purchase a 58% equity interest in Sricon, on a fully diluted basis, directly from Sricon for about \$26m and
  - we will purchase an additional 5% equity interest in Sricon, on a fully diluted basis, from the promoters of Sricon for about \$3m;
2. acquire a total of 77% of the issued and outstanding securities of Techni Bharathi (TBL) for around \$12m. This transaction will be in three parts:
  - for approximately \$6.9 m, we will purchase a 38.7% equity interest directly from TBL,
  - for \$2 m, we will purchase from Odeon Limited, a holder of TBL securities, a convertible preferred debenture, which may be converted to approximately a 26.9% equity interest in TBL (IGC intends to exercise the conversion of this instrument),
  - for approximately \$3.13 m, we will purchase directly from TBL a new convertible preferred stock, which may be converted to 11.3% equity interest of TBL.

Both acquisitions are collectively referred to as the “Acquisition Proposal.” It is anticipated that all three transactions will close simultaneously.

Background of the Acquisition

The terms of each of the Share Subscription and Purchase Agreement (SSPA) with Sricon and the Share Purchase Agreement (SPA) with TBL were the result of arm’s-length separate negotiations between representatives of the respective companies. The following is a brief discussion of the background of these negotiations.

India Globalization Capital, Inc. was incorporated in the State of Maryland on April 29, 2005. We were formed to serve as a vehicle for the acquisition of an operating business in an unspecified industry located in India through a merger, capital stock exchange, asset acquisition, or other similar business combination.

A registration statement for our initial public offering was declared effective on March 2, 2006. On March 8, 2006, we consummated an initial public offering of 11,304,500 units at a price of \$6 per unit. In addition, management of IGC bought 170,000 additional units in a private placement, just prior to the IPO, for the same price as that offered to the public. Each unit consists of one share of common stock and two warrants. Each warrant entitles the holder to purchase one share of our common stock at a price of \$5.00. Each warrant will be exercisable on the later of our completion of a business combination or March 3, 2007 and will expire on March 3, 2011, or earlier upon redemption. The units sold in the private placement are identical to the units sold in the IPO with the exception that the individuals who bought the units in the private placement will have no right to any liquidation distributions with

respect to the shares included in the private placement units, in the event we fail to consummate a business combination. Further, the private placement units may not be sold, assigned or transferred until we consummate a business combination. The purchasers in the private placement further agreed to waive their right to any liquidation distributions with respect to such shares in the event we fail to consummate a business combination.

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