

India Globalization Capital, Inc.  
Form DEF 14A  
December 09, 2011

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 14A

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

Filed by the Registrant  x

Filed by a Party other than the Registrant  o

Check the appropriate box:

- o Preliminary Proxy Statement
- o Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- x Definitive Proxy Statement
- o Definitive Additional Materials
- o 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):

- o No fee required.
- x 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 the transaction applies: Common stock
- (2) Aggregate number of securities to which the transaction applies: 34,650,000 shares
- (3) Per unit price or other underlying value of the 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): \$0.28 per share as per the closing price of our common stock on December 7, 2011, the last trading date before the filing of this proxy.
- (4) Proposed maximum aggregate value of the transaction: \$9,702,000

(5) Total fee paid: \$1111.85 (calculated as  $\$0.28 \times 34,650,000 \text{ shares} = \$9,702,000$  \*\$ .00011460 fee = \$1111.85 total fee)

- o Fee paid previously with preliminary materials.
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- o 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.

(1) Amount Previously Paid:

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

(3) Filing Party:

(4) Date Filed:

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India Globalization Capital, Inc.  
4336 Montgomery Avenue  
Bethesda, MD, 20814  
(301) 983-0998

December 8, 2011

To the Stockholders of India Globalization Capital, Inc.:

The board of directors of India Globalization Capital, Inc. (“IGC”) has unanimously approved the acquisition of a 95% equity interest in Linxi HeFei Economic and Trade Co. aka Linxi H&F Economic and Trade Co. a People’s Republic of China-based company (“PRC Ironman”) by acquiring 100% of the equity of H&F Ironman Limited, a Hong Kong company and its stockholders (“HK Ironman”) pursuant to a stock purchase agreement dated October 14, 2011 (“Stock Purchase Agreement”). Upon completion of the acquisition (the “Acquisition”), which is subject to customary closing conditions including approval of the IGC stockholders, IGC will issue 31,500,000 shares of IGC common stock (the “Exchange Shares”) in exchange for 95% of the equity in PRC Ironman through HK Ironman (the “Share Issuance Proposal”). In addition, the Stock Purchase Agreement provides for the issuance of 3,150,000 shares of IGC common stock (the “Compensation Shares”) to the officers and directors of IGC and HK Ironman, which is subject to a 12-month vesting schedule for continued service with their respective companies for 12 months following the closing (the “Compensation Proposal”).

The number of Exchange Shares is fixed and will not be adjusted to reflect stock price changes prior to completion of the Acquisition. The issuance of the Exchange Shares in connection with the Acquisition would result in the issuance of more than 20% of its pre-issuance outstanding shares. As of December 8, 2011 (the “Record Date”), we had 20,960,433 shares of common stock outstanding. Therefore, under NYSE Amex rules, the issuance of the 31,500,000 Exchange Shares requires stockholder approval prior to their issuance. In addition, NYSE Amex rules require stockholders approval prior to the issuance of the Compensation Shares.

You are cordially invited to attend a special meeting of the stockholders of IGC to be held at 10:00 a.m. Eastern Time, on December 28, 2011, at the offices of Shulman, Rogers, Gandal, Pordy & Ecker, P.A., 12505 Park Potomac Avenue, 6th Floor, Potomac, Maryland 20854 (“Special Meeting”). At this important Special Meeting, we are asking IGC stockholders to: (1) authorize and approve the issuance of Exchange Shares to the HK Ironman stockholders (the “Share Issuance Proposal”), (2) elect Danny Qing Chang to IGC’s board of directors to hold office as a Class A director to serve until the annual meeting of stockholders in 2014 and when his successor is duly elected and qualified (the “Election Proposal”); (3) approve the issuance of Compensation Shares to the current officers and directors of IGC and HK Ironman (the “Compensation Proposal”) which Compensation Shares are subject to vesting upon the officers and directors’ completion of 12 months of service following the closing of the Acquisition; and (4) approve the adjournment of the Special Meeting to another time or place, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the Special Meeting to authorize and approve the Share Issuance Proposal, the Election Proposal or the Compensation Proposal (the “Adjournment Proposal”).

The approval of the Share Issuance Proposal require the affirmative vote of the holders of at least a majority of the outstanding shares of IGC common stock entitled to vote on each of the proposals. The approval of the Compensation Proposal and Election Proposal requires the affirmative vote of the holders of a majority of the shares represented in person or by proxy at the IGC Special Meeting where a quorum is present. The approval of the Adjournment Proposal

requires a majority of all the votes cast at a meeting at which a quorum is present.

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Accordingly, as discussed in detail in the attached proxy statement, our Board of Directors unanimously recommends that you vote, or give instruction to vote, “FOR” the Share Issuance Proposal, “FOR” the Election Proposal to elect Mr. Danny Qing Chang to the Board of Directors, “FOR” the Compensation Proposal and “FOR” the Adjournment Proposal, as each are described in full in the proxy statement. We cannot complete the Acquisition of HK Ironman unless the Share Issuance Proposal is approved by the IGC stockholders.

A copy of the Stock Purchase Agreement is attached as Annex A. Our shares of common stock, units and warrants are listed on the NYSE Amex under the symbols IGC, IGC.U and IGC.WT, respectively. The securities of HK Ironman are not listed or quoted on any securities exchange.

The attached proxy statement contains a detailed discussion of the background of, and the reasons for, the Acquisition, as well as the terms of the Stock Purchase Agreement. 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 our 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 Acquisition 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 15 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 December 8, 2011, and is first being mailed to IGC stockholders on or about December 9, 2011.

I look forward to seeing you at the meeting. On behalf of your Board of Directors, thank you for your continued support.

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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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS  
To Be Held On December 28, 2011

To the Stockholders of India Globalization Capital, Inc.:

NOTICE IS HEREBY GIVEN of a Special Meeting of stockholders of India Globalization Capital, Inc., a Maryland corporation, will be held at 10:00 a.m., Eastern Time, on December 28, 2011, at the offices of Shulman, Rogers, Gandal, Pordy & Ecker, P.A., 12505 Park Potomac Avenue, Sixth Floor, Potomac, MD, for the following purposes:

- to consider and vote on a proposal to approve the issuance of 31,500,000 shares of IGC common stock (the “Exchange Shares”) pursuant to the Stock Purchase Agreement, dated as of October 14, 2011 in exchange for the acquisition of a 100% equity interest in H&F Ironman Limited (“HK Ironman”) (the “Share Issuance Proposal”);
- to elect Danny Qing Chang to IGC’s board of directors to hold office as a Class A director to serve until IGC’s annual meeting of stockholders in 2014 and when his successor is duly elected and qualified (the “Election Proposal”);
- to consider and vote on a proposal to approve the issuance of 3,150,000 shares of IGC common stock (the “Compensation Shares”) to the current officers and directors of IGC and HK Ironman (the “Compensation Proposal”) which Compensation Shares are subject to vesting upon the officers and directors’ completion of 12 months of service following the closing of the Acquisition; and
- to consider and vote on any proposal to adjourn the Special Meeting to a later date, if necessary, to solicit additional proxies in favor of the proposals contained herein if there are insufficient votes to adopt the proposals at the time of the Special Meeting (the “Adjournment Proposal”).

Our Board of Directors has fixed the close of business on December 8, 2011, 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 VERY IMPORTANT

Our Board of Directors unanimously recommends that you vote “FOR” the Share Issuance Proposal, “FOR” the Election Proposal, “FOR” the Compensation Proposal, and “FOR” the Adjournment Proposal.

Whether or not you plan to attend the Special Meeting, please submit a proxy as soon as possible. Even if you plan to attend the Special Meeting in person, we request that you complete, sign, date and return the enclosed proxy or submit your proxy by telephone prior to the Special Meeting to ensure that your shares will be represented at the Special Meeting if you are unable to attend. If you are a stockholder of record, voting in person at the Special Meeting will revoke any proxy previously submitted.

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After careful consideration, our Board of Directors has unanimously determined that the Stock Purchase Agreement, the performance by IGC of its obligations thereunder and the consummation of the transactions contemplated thereby, including the Acquisition, is advisable and fair to and in the best interests of IGC and our stockholders. Our Board of Directors has unanimously approved the Stock Purchase Agreement, the performance by IGC of our obligations thereunder and the consummation of the transactions contemplated thereby.

If your shares are held in the name of a bank, broker or other nominee, you will receive instructions from the holder of record that you must follow for your shares to be voted. Please follow their instructions carefully. Also, please note that if the holder of record of your shares is a broker, bank or other nominee and you wish to vote in person at the IGC Special Meeting, you must request a legal proxy from your bank, broker or other nominee that holds your shares, and in addition to proof of identification, present that legal proxy identifying you as the beneficial owner of your shares of IGC common stock and authorizing you to vote those shares at the IGC Special Meeting.

You may revoke your proxy or change your vote at any time before the vote is taken by following the procedures set forth in the section entitled “Revocability of Proxy” in the “Summary of Terms” section and see “What do I do if I want to change my vote” in the “Questions and Answers” section of the proxy statement that accompanies this notice.

By Order of the Board of Directors,

Ram Mukunda  
Chief Executive Officer

Bethesda, Maryland  
Date: December 8, 2011

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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, has unanimously approved the Acquisition of 100% of the equity interests of H&F Ironman Limited (“HK Ironman”).

One of IGC’s areas of focus is the export of iron ore to China. HK Ironman through its subsidiary, Linxi HeFei Economic and Trade Co., aka Linxi H&F Economic and Trade Co. (“PRC Ironman”), operates a beneficiation plant in China, which converts low-grade ore to high-grade ore through a dry and wet separation process. Beneficiation is the process of crushing and separating ore into valuable substances from waste by any of a variety of techniques. This Acquisition is intended to provide IGC with a platform in China to expand its business and ship low-grade iron ore, which is available for export in India, to China and convert the ore to higher-grade ore before selling it to customers in China.

PRC Ironman has contracts to process iron ore that it receives from Mongolia and other sources. This Acquisition would provide PRC Ironman a larger steady supply of low-grade ore that it can process through its plant. We believe this Acquisition will provide you with an opportunity to participate in a company with significant growth potential in the infrastructure and materials sector in India and China. It further establishes seasoned management teams in China who can help IGC expand both organically and through other Acquisitions.

IGC’s units, shares of common stock and warrants are listed under the symbols IGC.U, IGC and IGC.WT on NYSE AMEX, respectively. The securities of HK Ironman and its subsidiary are not listed or quoted on any securities exchange.

As the stockholders of IGC are not receiving any consideration and are not exchanging any of their outstanding securities in connection with the Share Issuance Proposal, and instead, are asked only to vote on the proposals contained in the proxy statement, it is not expected that the IGC stockholders will have any tax-related issues as a result of voting on these matters.

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SUMMARY TERM SHEET

The following summary highlights selected information in this proxy statement and may not contain all the information that may be important to you. Accordingly, we encourage you to read carefully this entire proxy statement, its annexes and the documents referred to or incorporated by reference in this proxy statement. References to “IGC,” the “Company,” “we,” “our” or “us” in this proxy statement refer to India Globalization Capital, Inc. and its subsidiaries, and references to “the Board,” “the Board of Directors” or “our Board of Directors” refer to the Board of Directors of India Globalization Capital Inc., unless, in each case, otherwise indicated or the context otherwise requires.

The Parties to the Stock Purchase Agreement

India Globalization Capital, Inc. (IGC)

India Globalization Capital, Inc. (“IGC” or the “Company”), organized under the laws of the State of Maryland on April 29, 2005, was originally formed as a publicly traded “blank check” vehicle for the acquisition of one or more operating businesses through a merger, capital stock exchange, asset acquisition or other similar business combination. In March 2008, IGC completed the acquisition of interests in two companies in India, Sricon Infrastructure Private Limited (“Sricon”) and Techni Bharathi Limited (“TBL”). Both companies are focused on the infrastructure industry. Currently, IGC owns 77% of TBL and 22% of Sricon. IGC operates rock aggregate quarries and exports iron ore to China. IGC has identified the infrastructure materials business as a high growth business in both India and China as this is fundamental to the long-term development of Chinese and Indian infrastructure.

Based on the past several years of purchasing and projected need in the near future for infrastructure projects, IGC’s management believes that strong demand for iron ore in India and in China will continue over the medium and long term, as both countries become leading global economies. IGC’s management believes that though China’s appetite for iron ore will continue to be strong, other countries, including countries that have iron ore to export, especially India will eventually restrict the export of high-grade iron ore, as it will be required for internal use. However, IGC believes that this restriction will not likely be made on low-grade iron ore, as restricting both would mean a substantial curtailment of much needed foreign exchange and export revenue. IGC’s proposed Acquisition would allow IGC to adopt an aggressive strategy of shipping low-grade ore to China and processing it there into high-grade ore. IGC’s management believes the Acquisition will add substantial synergies to IGC’s iron ore business, as well as develop a strong base in China. The mailing address of our principal executive office is 4336 Montgomery Avenue, Bethesda, MD 20814 and our telephone number is 301-983-0998.

HK Ironman

HK Ironman is a Hong Kong-based company incorporated on December 20, 2010 to acquire PRC Ironman. Prior to the formation of HK Ironman, PRC Ironman was owned by Danny Qing Chang and is now owned by him through HK Ironman. PRC Ironman is 95% owned by HK Ironman and 5% of the ownership resides with its local legal representative in China, but under the control of the board of PRC Ironman. After the Acquisition, IGC would own 100% of HK Ironman and, through HK Ironman, 95% of its operating company in China, PRC Ironman. We refer to HK Ironman and its subsidiary PRC Ironman in the following discussion collectively, as Ironman.

Ironman is currently an iron processing plant with operations in the Inner Mongolia Autonomous Region of China. Ironman processes low-grade iron ore (3% Fe content) mixed with sand that it obtains from the hills of Inner and from Outer Mongolia and produces high-grade iron powder. The processing technique used by Ironman is a

magnetic separation process that consists of two parts: dry magnetic separation and wet separation. Ironman uses 19 magnets in the dry separation production line and two magnets in the wet separation process. Ironman has cultivated close relations with the local government and has a respected position in the local area. Danny Qing Chang, the principal of HI Ironman, is a partner at a private equity fund called Jasmine Capital located in Beijing, which is a public-private partnership with the Government of China. In addition, his family owns sheep farms and constructs real estate in and around Chifeng, the capital of Inner Mongolia.

#### PRC Ironman

PRC Ironman was incorporated as Linxi HeFei Economic & Trade Co., Ltd. in China on January 8, 2008. PRC Ironman is engaged in the processing and extraction of iron ore from sand and dirt at its beneficiation plant on 2.2 square kilometers of hills, with iron ore deposits of more than three million tons in southwest LinXi in the autonomous region of eastern Inner Mongolia, under the administration of Chifeng City, Inner Mongolia, which is located 250 miles from Beijing, 185 miles from Tianjin Port and 125 miles from Jinzhou Port and well connected by roads, planes and railroad. PRC Ironman is a Sino-foreign equity joint venture (“EJV”) established by both foreign and Chinese investors (i.e., Sino means “China” herein). HK Ironman, a Hong Kong based company owns 95% of PRC Ironman, and Mr. Zhang Hua, a Chinese citizen owns the remaining 5%. An EJV is a joint venture between a Chinese and a foreign company within the territory of China. See “The Equity Joint Venture Structure” below for additional discussion of the EJV.

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PRC Ironman's technique for extracting ore consists of two processes. First, naturally occurring sand mixed with sparse amounts of iron ore is processed through a magnetic separator where magnets attracts the iron dust; the separation of iron from the sand is called a dry separation process. This is followed by mixing the material with water and processing the slurry through a wet magnetic separator, further purifying the material until it extracts ore that is 65-67% iron content. PRC Ironman currently mines the ore from the surrounding hills or buys sand and low-grade ore from Mongolia, processes the material to produce 66% Fe ore, and then sells the high-grade ore to steel mills and other traders in China. Its customers are mostly traders and steel mills located mostly around the port of Tianjin, China.

PRC Ironman has received a license to operate the beneficiation plant on a specific acreage of land in Inner Mongolia through August 2018. In addition, PRC Ironman has a business license, which was amended on November 28, 2011, to reflect HK Ironman's new ownership of PRC Ironman, effective January 2011. PRC Ironman's business objective is to operate and grow an environmentally friendly company that extracts and processes ore from barren hills and leaves in its place green acreage. PRC Ironman is located in southwest LinXi in the autonomous region of Inner Mongolia. PRC Ironman's office is in the capital city of Chifeng. It has access via highways to Tianjin port, which gives us access to steel mills in the northeastern part of China. PRC Ironman customers come to its site to pick up the refined and processed high-grade ore.

Chinese foreign investment policies classify various industries into four groups with respect to the propriety of foreign investments: encouraged, permitted, restricted and prohibited for foreign investment. Mining and processing of ferruginous sandstone and sale of refined iron powder is not in either the encouraged, restricted or prohibited groups explicitly stipulated by the Catalogue of Industries Guiding Foreign Investment. Consequently, foreign investment is permitted into PRC Ironman.

## The Equity Joint Venture Structure

Following the closing of the Acquisition, IGC will own 100% of HK Ironman and HK Ironman will continue to own 95% of PRC Ironman. IGC will conduct business thereafter in China through PRC Ironman. Under People's Republic of China law, PRC Ironman is considered an EJV, which is a company with limited liability and legal person status, established based on a Sino-foreign joint venture contract between foreign (non-Chinese) and Chinese investment partners within the territory of China. The articles of association of both the investment partners and the PRC company are subject to the approval of the Chinese government, which approval is pending and expected to be received within two to three months. The EJV form of foreign investment is the most widely used form in China. PRC Ironman has the status of Chinese legal person, which is desirable because an EJV is capable of buying land, hiring Chinese employees, constructing buildings, etc.

Generally, the management of an EJV is in the hands of a board of directors, consisting of at least three members, with each party either appointing the chairman or the vice-chairman. The board of directors is the highest authority of the EJV. The standard length of time for an EJV is between thirty and fifty years, however, approval for an unlimited period of operation is possible. PRC law requires that the profit-sharing ratio among the EJV's equity owners is in line with the actual equity ownership held by each owner. An EJV's activities in China must comply with Chinese laws and regulations, which, in addition to generally applicable laws such as the PRC Company Law and the general legal regime regulating foreign direct investment in China, an EJV is also regulated by EJV-specific laws and implementation regulations. Currently, the primary governing laws for EJV's are the PRC laws on Sino-foreign equity joint ventures and its implementation regulations, as amended. The boards of directors are elected by the stockholders and voting must be in proportion to the ownership. The minority partner has no special rights.

## Iron Ore Industry & China's Demand for Iron Ore

The world's most commonly used metal is steel; the key ingredient in steel is iron ore representing almost 95% of all metals used per year worldwide. Iron ore is the most abundant rock-forming element and composes about 5% of the earth's crust. Iron ore is the primary material from which iron and steel products are made. These products are widely used around the world for structural engineering applications and in maritime purposes, automobiles and general industrial applications. Consumption of iron ore is constantly growing. China is currently the largest consumer of iron ore, which translates to be the world's largest steel producing country, and is the largest importer of iron ore and steel. China imports almost half of the iron ore mined worldwide. Supply of iron ore comes from China, India, Australia, Brazil and several other parts of the world. Iron ore is mined from the earth and is the raw material used to make pig iron, which is one of the main raw materials to make steel. According to an October 26, 2009, Financial Times article, iron ore is "more integral to the global economy than any other commodity, except perhaps oil."

Industry reports indicate that Chinese steel consumption has continued to grow even through the global economic downturn, as China's economy only modestly decelerated from its previous multi-year growth trajectory. Industry experts predict that growth in Chinese consumption is expected to remain a key driver for the global steel industry for a number of years to come. According to the World Steel Association, world crude steel production was 119 million metric tons (mmt) in January 2011, an increase of 5.3% from January 2010. In 2010, world crude steel production reached a record 1,414 mmt, up 15% year over year. China's crude steel production for January 2011 was 52.8 mmt, up 0.5% year over year.



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The iron ore industry is broadly divided into mining and processing. The companies that hold mining licenses mine ore and sell it to steel mills directly or to processing plants. The processing plants convert ore into high-grade ore, like PRC Ironman, or into pellets that are then sold to steel mills. Typically, low-grade ore is ore that has an iron (Fe) content of less than 52% and high-grade ore is ore with a Fe content of over 52%. The processing involves the extraction of iron ore from sand and dirt at beneficiation plants. The beneficiation process involves crushing and separating ore into valuable substances or waste by any of a variety of techniques. PRC Ironman's beneficiation plant extracts iron ore from a dry magnetic separation process followed by a wet separation process. PRC Ironman currently either mines ore from the hills of Inner Mongolia in their designated acreage or it buys sand and low-grade ore from Mongolia, processes the material to produce 66% Fe ore, and then sells the high-grade ore to steel mills and other traders in China. Its customers are mostly traders and steel mills located mostly around the port of Tianjin, China.

## The Stock Purchase Agreement

**The Acquisition.** IGC proposes to acquire a 100% equity interest in HK Ironman on a fully diluted basis by purchasing all of the shares beneficially held by the principal of HK Ironman, Danny Qing Chang, for 31,500,000 common shares of IGC (the "Exchange Shares"), which would represent approximately 60% of IGC's outstanding shares of common stock, as of December 8, plus up to \$4 million in contingent cash payments or additional shares, as discussed below. HK Ironman holds 95% of PRC Ironman, the iron ore processing company in China. For the years ended March 31, 2010 and 2011, PRC Ironman generated approximately (audited) USD \$5,223,422 and (audited) USD \$13,525,890, respectively, in revenues from its operations. The Stock Purchase Agreement follows a strategic partnership agreement entered into between IGC and HK Ironman in August 2011 to allow IGC to export low-grade ore from India and to provide high-grade ore to Chinese steel mills. Under the strategic partnership agreement, IGC intended to source ore from India and ship the ore to PRC Ironman and their customers in China. As the parties moved quickly toward an acquisition, no business under the strategic partnership agreement occurred to date.

**The Consideration.** The Stock Purchase Agreement contains several contingencies to closing including, for both parties, satisfactory completion of due diligence, which the parties have substantially completed, and approval of the IGC and HK Ironman stockholders, among others. The Stock Purchase Agreement provides that at closing, IGC will issue the Exchange Shares in exchange for all of the HK Ironman issued and outstanding shares. In addition, the Stock Purchase Agreement provides for a contingent payment by IGC to Mr. Chang of \$1 million payable within 30 days of closing and upon satisfaction of certain post-closing covenants. In addition, the consideration under the Stock Purchase Agreement includes certain contingent payments by IGC to PRC Ironman stockholders, as follows (i) \$1.5 million in cash or stock, which is contingent on IGC achieving earnings growth of at least 30% from the previous year's closing audit (i.e., March 31, 2011); and (ii) \$1.5 million in cash or stock, which is contingent on IGC achieving earnings growth of at least 30% from the previous year's closing audit (i.e., March 31, 2012). If either of the foregoing annual targets were missed, there would still be a payout of \$3 million provided IGC achieves a cumulative earnings growth of 69% between fiscal years 2011 and 2013. In addition, under the Stock Purchase Agreement, IGC has agreed to file a registration statement to register the Exchange Shares for resale within 60 days of the closing of the Acquisition.

As discussed under Proposal 3 below, the Stock Purchase Agreement provides that 3,150,000 shares of IGC common stock (the "Compensation Shares") will be reserved for issuance, in equal parts (50:50), to the management of IGC and PRC Ironman. The Compensation Shares will be issued to the officers and directors of IGC and HK Ironman, subject to the discretion of the boards of directors of both companies, which Compensation Shares are subject to a 12-month vesting schedule for continued service with their respective companies for 12 months following the closing of the Acquisition.

IGC's Board of Directors. Following the closing, the Stock Purchase Agreement provides that IGC's Board of Directors will continue to comprise five seats subject to the staggered terms of the Class A, Class B and Class C directors. IGC stockholders will nominate three directors and Mr. Chang will nominate two directors. Pursuant to Proposal 2 of this proxy statement, as discussed below, Mr. Chang's election to the Board of Directors, conditioned upon the approval of the Share Issuance Proposal only, would satisfy one of the two seats. Mr. Chang has agreed to vote his shares in favor of the IGC nominated directors for a period of three years, as those seats come up for election under the Board of Directors' three-year staggered regime. Mr. Chang's will be entitled to nominate a candidate for the second seat beginning with the election of the Class B directors at the 2013 annual meeting.

HK Ironman and PRC Ironman Boards of Directors. The Stock Purchase Agreement provides further that following the closing of the Acquisition, IGC will henceforth nominate the directors to the boards of HK Ironman and PRC Ironman. The quorum for board meetings will be in accordance with the respective companies' bylaws and applicable local laws. Further, for the first three years following this closing, IGC will supervise and manage U.S. GAAP and SEC financial reporting, bank accounts in China as well nominating auditors. The parties have agreed further that IGC will nominate the person responsible for control over financial reporting and disclosure for each of HK Ironman and PRC Ironman.

Representations and Warranties. The Stock Purchase Agreement also includes customary representations and warranties and indemnification obligations. The representations and warranties of the parties to the Stock Purchase Agreement were made only for purposes of that agreement and as of specific dates and were solely for the benefit of the other applicable parties thereto. The Stock Purchase Agreement is a contractual document that establishes and governs the legal relations among the parties thereto and is not intended to be a source of factual, business or operational information about IGC and its subsidiaries. The representations and warranties made by the parties in the Stock Purchase Agreement may be (i) qualified by disclosure schedules containing information that modifies, qualifies or creates exceptions to such representations and warranties and (ii) subject to standards of materiality applicable to the contracting parties that differ from those applicable to investors. Accordingly, investors and security holders should not rely on such representations and warranties, as any characterization of the actual state of facts or circumstances.

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The Special Meeting

**Date, Time and Place.** The Special Meeting of the stockholders of IGC will be held at 10:00 a.m., Eastern Time, on December 28, 2011, at the offices of Shulman, Rogers, Gandal, Pordy & Ecker, P.A., 12505 Park Potomac Avenue, 6th Floor, Potomac, Maryland 20854.

**Purpose.** You will be asked to (i) to approve the Share Issuance Proposal; (ii) to approve the Election Proposal; (iii) to approve the Compensation Proposal; and (iv) to approve the Adjournment Proposal.

**Voting Power, Record Date.** You are 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 December 8, 2011, which is the record date for the Special Meeting. You 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 20,960,433 shares of IGC common stock outstanding and entitled to vote at the Special Meeting. A majority of the shares of our common stock issued, outstanding and entitled to vote at the Special Meeting present in person or by proxy constitutes a quorum for the purpose of considering the proposals.

**Broker Non-Votes.** A broker non-vote occurs when a broker submits a proxy card with respect to shares held in a fiduciary capacity (typically referred to as being held in “street name”) but declines to vote on a particular matter because the broker has not received voting instructions from the beneficial owner. Under the rules that govern brokers who are voting with respect to shares held in street name, brokers have the discretion to vote such shares on routine matters, but not on non-routine matters. Non-routine matters include the Share Issuance Proposal, the Compensation Proposal and the Election Proposal. The Adjournment Proposal is deemed a routine matter.

Accordingly, if you hold your shares in street name, in order for your shares to be voted for the Share Issuance Proposal, the Compensation Proposal and the Election Proposal, you must provide voting instructions to your broker in accordance with the voting instruction card that you will receive from your broker. Proxies received but marked as abstentions or treated as broker non-votes will be included in the calculation of the number of shares considered present at the Special Meeting for quorum purposes only.

**Vote Required to Approve the Share Issuance Proposal.** The approval of the Share Issuance Proposal will require the affirmative vote of a majority of the voting power of all outstanding shares of our common stock entitled to vote at the meeting. Approval of the Share Issuance Proposal is not conditioned upon the approval of any other proposals in this proxy.

**Vote Required to Approve the Election Proposal.** The approval of the Election 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 Mr. Chang for director under the Election Proposal is conditioned upon the approval of the Share Issuance Proposal only.

**Vote Required to Approve the Compensation Proposal.** The approval of the Compensation Proposal will require the affirmative vote of a majority of the shares of our common stock that are present in person or by proxy and entitled to vote at the meeting. Approval of the Compensation Proposal is conditioned upon the approval of the Share Issuance Proposal only.

**Vote Required to Approve the Adjournment Proposal.** The approval of the Adjournment Proposal requires a majority of all the votes cast at a meeting at which a quorum is present. Approval of the Adjournment Proposal is not conditioned upon the approval of any other proposals in this proxy.

Other Matters. The Board of Directors knows of no matters other than those described in this proxy that are likely to come before the Special Meeting.

Appraisal or Dissenters Rights. No appraisal rights are available under the Maryland General Corporation Law for our stockholders in connection with the Share Issuance Proposal.

Soliciting Proxies. We will bear the cost of soliciting proxies. In addition to soliciting stockholders by mail through our employees, we will request banks, brokers and other custodians, nominees and fiduciaries to solicit clients for whom they hold our stock and will reimburse them for their reasonable, out-of-pocket costs. We may use the services of our officers, directors and others to solicit proxies, personally or by telephone, without additional compensation. We have also engaged InvestorCom to solicit proxies on our behalf. We anticipate that the fees to InvestorCom will be approximately \$10,000. In addition, we have incurred accounting, audit and legal fees in connection with the Acquisition and preparation of the Proxy. If you grant a proxy, you may still vote your shares in person if you revoke your proxy before the Special Meeting.

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**Voting and Proxies.** Any stockholder of record entitled to vote at the Special Meeting may submit a proxy by telephone, by returning the enclosed proxy card by mail, or by voting in person by appearing at the Special Meeting. If your shares of our common stock are held in “street name” by your broker, bank or other nominee, please instruct your broker, bank or other nominee on how to vote such shares of common stock or use the instructions provided by your broker. If you do not provide your broker, bank or other nominee with instructions, your shares of our common stock will not be voted. The persons named in the accompanying proxy will also have discretionary authority to vote on any adjournments or postponements of the Special Meeting.

**Revocability of Proxy.** Any stockholder of record who executes and returns a proxy card (or submits a proxy via telephone may revoke the proxy at any time before it is voted at the Special Meeting in any one of the following ways:

- if you hold your shares in your name as a stockholder of record, by written notice to our Secretary, at 4336 Montgomery Avenue, Bethesda, MD, 20814;
- by attending the Special Meeting and voting in person (your attendance at the Special Meeting will not, by itself, revoke your proxy; you must vote in person at the Special Meeting);
  - by submitting a later-dated proxy card;
  - by re-voting by telephone; or
- if you have instructed a broker, bank or other nominee to vote your shares of our common stock, by following the directions received from your broker, bank or other nominee to change those instructions.

## Accounting Treatment

IGC prepares its financial statements in accordance with accounting principles generally accepted in the United States, which we refer to as U.S. GAAP or GAAP. The Acquisition will be accounted for by applying the acquisition method with IGC treated as the acquiror.

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### Our Board of Directors' Recommendation

After careful consideration, our Board of Directors unanimously approved the Share Issuance Proposal, as contemplated by the Stock Purchase Agreement, the performance by IGC of its obligations thereunder and the consummation of the transactions contemplated thereby, and resolved to recommend that the stockholders approve the Share Issuance Proposal and directed that such matter be submitted for consideration of the stockholders of IGC at the Special Meeting. Our Board of Directors did not obtain a fairness opinion in making this determination. The Board of Directors determined that, in light of the likely cost and the Board's belief that the extensive resources devoted to evaluating and conducting due diligence of our Acquisition, including IGC's directors and other professionals that IGC hired for due diligence, including India and China-based legal and accounting professionals, had the skill and experience to properly evaluate the fairness of the Share Issuance Proposal and that IGC's assets should not be used to pay for a formal fairness opinion.

Our Board of Directors has unanimously approved and unanimously recommends that you vote or instruct your vote to be cast "FOR" the following proposals: (i) the Share Issuance Proposal, (ii) the Compensation Proposal, (iii) the Election Proposal and (iv) 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 the proposals herein, you should keep in mind that certain of our directors and officers have interests in the Share Issuance Proposal and the Compensation Proposal that are different from, or in addition to, your interest as a stockholder. These interests include, among other things, that if the Share Issuance Proposal is approved, the possibility of an appreciation in the value of stock, warrants and options held by them. In addition, all officers and members of the Board of Directors of IGC will participate in the Compensation Shares awards entitling them to share in 50% of the 3,150,000 Compensation Shares. In addition, we anticipate that following the closing of the Acquisition, all of IGC's directors will continue to serve on the Board of Directors. Each of our directors and officers who remain with IGC for 12 months following the closing of the Acquisition, will receive the Compensation Shares and such other amounts and in such manner, as our Board of Directors may determine to be appropriate, subject in the case of our officers to the requirements of any employment agreements entered into with them. No such other compensation is contemplated at this time.

### Conditions to the Stock Exchange

Conditions to Each Party's Obligations. Each party's obligation to close the Acquisition is subject to the satisfaction (or waiver if permissible under applicable law) of the following conditions:

- 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 Stock Purchase Agreement;
- Completion of a business, financial, accounting tax, technical, legal and regulatory due diligence to the reasonable satisfaction of both parties, which due diligence process has been completed by all parties;
- Since the date of the Stock Purchase Agreement, among each of the parties, there must not have been any change, event, occurrence, circumstance or effect which would, individually or in the aggregate, reasonably be expected to have a material adverse effect including no action, suit or proceeding shall exist that is reasonably likely to prevent the Acquisition or cause rescission of the Acquisition following closing;

- The stockholders and boards of directors of both parties shall have approved the transactions outlined in the Stock Purchase Agreement; and
- None of the transactions contemplated hereby are disapproved by any regulatory authority whose approval is required to consummate such transactions.

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Conditions to IGC's Obligations. The obligation of IGC to close the Acquisition is subject to the satisfaction (or waiver if permissible under applicable law) of the following conditions:

- HK Ironman, PRC Ironman and their stockholders must have performed in all material respects all obligations that are to be performed by each of them under the Stock Purchase Agreement;
- HK Ironman and PRC Ironman must have provided details of the bank accounts maintained by the companies in PRC and Hong Kong;
- Each of the representations and warranties made by HK Ironman, PRC Ironman and Mr. Chang, as set forth in the Stock Purchase Agreement, disregarding all qualifications and exceptions contained therein relating to materiality or material adverse effect being true and correct as of the date of the Stock Purchase Agreement and as of the effective time of the transaction (except to the extent made as of a specific date), except where the failure to be true and correct would not, individually or in the aggregate, have or reasonably be expected to have a material adverse effect;
- HK Ironman, PRC Ironman and Mr. Chang must have performed in all material respects all of its covenants and agreements required to be performed by them under the Stock Purchase Agreement at or prior to the closing date; and
- HK Ironman and PRC Ironman shall have been furnished an IGC officer's certificate with certain representations and warranties.

Conditions to HK Ironman's Obligations. The obligation of HK Ironman to close the Acquisition is subject to the satisfaction (or waiver if permissible under applicable law) of the following conditions:

- 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;
- IGC shall have been furnished an HK Ironman and PRC Ironman's officer's certificate with certain representation and warranties;
- Each of the representations and warranties made by IGC, as set forth in the Stock Purchase Agreement, disregarding all qualifications and exceptions contained in the Stock Purchase Agreement relating to materiality or material adverse effect being true and correct as of the date of the Stock Purchase Agreement and as of the effective time of the transaction (except to the extent made as of a specific date), except where the failure to be true and correct would not, individually or in the aggregate, have or reasonably be expected to have a material adverse effect;
  - IGC shall have been furnished an IGC officer's certificate with certain representations and warranties; and
  - IGC have performed in all material respects all of its covenants and agreements required to be performed by them under the Stock Purchase Agreement at or prior to the closing date.



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### Termination of the Stock Purchase Agreement

The Stock Purchase Agreement may be terminated at any time prior to the close of the Acquisition, whether before or after stockholder approval has been obtained:

- by mutual written consent of IGC and HK Ironman;
- by either IGC or HK Ironman if:
  - o any order, decree or ruling permanently restraining, enjoining or otherwise prohibiting consummation of the Stock Purchase Agreement shall become final and non-appealable; provided, that the party seeking to terminate the Stock Purchase Agreement has not breached in any material respect its obligations to use reasonable best efforts to cause the Stock Purchase Agreement to be consummated;
  - o the IGC stockholders do not approve the Share Issuance Proposal at the Special Meeting or any adjournment or postponement thereof; and
  - o other party is not satisfied with its due diligence review of the other parties, which due diligence process has been completed by both parties.
- by HK Ironman, if:
  - o IGC has breached or failed to perform any of its representations, warranties, covenants or agreements under the Stock Purchase Agreement;
- by IGC, if:
  - o either HK Ironman, PRC Ironman or Danny Chang has breached or failed to perform any of its representations, warranties, covenants or agreements under the Stock Purchase Agreement; and
  - o by IGC, if the transaction is disapproved by any regulatory authority whose approval is required to close the Acquisition.

### Officers and Directors after the Acquisition

IGC. Our Board of Directors is divided into three classes (Class A, Class B and Class C) with only one class of directors being elected in each year and each class serving a three-year term. The term of office of the Class A directors, consisting solely of Mr. Shenoy currently, will expire at the 2014 annual meeting of stockholders. The term of office of the Class B directors, currently consisting of Mr. Prins and Dr. Krishna, will expire at the 2012 annual meeting of stockholders. The term of office of the Class C director, currently consisting of Mr. Mukunda, will expire at the 2013 annual meeting of stockholders.

The NYSE Amex, upon which the Company is listed, has rules mandating that the majority of the Board be independent. Our Board of Directors will consult with counsel to ensure that the Board's determinations are consistent with those rules and all relevant securities laws and regulations regarding the independence of directors. The NYSE Amex listing standards define an "independent director" generally as a person, other than an officer or an employee of a company, who does not have a relationship with the company that would interfere with the director's exercise of independent judgment. Consistent with these standards, the Board of Directors has determined that Messrs. Krishna, Prins and Shenoy are independent directors.



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After the closing of the Acquisition, Mr. Danny Qing Chang, if elected, will join the board as a Class A director with a term to expire at the 2014 annual meeting of stockholders. According to the NYSE Amex rules, Mr. Chang will not be considered as an independent director. Mr. Ram Mukunda will continue as the Executive Chairman, President and Chief Executive and Mr. Prins will continue as the Chairman of the Audit and the Compensation Committees. As required by the SEC and NYSE Amex rules, the new board will elect a chairman.

HK Ironman and PRC Ironman. After the Acquisition, the boards of directors of HK Ironman and PRC Ironman will be reconstituted to Mr. Danny Qing Chang, Mr. Ram Mukunda and Mr. Richard Prins. The reconstituted boards will elect a Chairman and form various committees. In addition, the Company expects to appoint Mr. Daniel Shu Kwong Ngai, a current member of the IGC staff in Hong Kong, as an officer of Ironman.

### Market Price of Common Stock

The closing sale price of our common stock on the NYSE Amex on October 17, 2011, the last trading day before IGC publicly announced the Acquisition, was \$0.18. On December 7, 2011, the last trading day before the date of this definitive proxy statement, our common stock closed at \$0.28 per share.

### U.S. and PRC Regulatory Approvals

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).

The PRC has no regulatory impediment to the transactions proposed in the Stock Purchase Agreement and no advanced permission is required, apart from the approval by the Chinese government of PRC Ironman's articles of association and the approval of the modification of PRC Ironman's business license to reflect its shift to EJV status in January 2011, which it obtained on November 28, 2011.

### U.S. Federal Income Tax Consequences of the Acquisition

The issuance by IGC of its common stock to HK Ironman stockholders in exchange for HK Ironman stock, as contemplated by the Stock Purchase Agreement, generally will not be a taxable transaction to U.S. holders for U.S. federal income tax purposes. It is expected that IGC and its stockholders will not recognize any gain or loss because of the approval of the Share Issuance Proposal for U.S. federal income tax purposes.

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

HK Ironman incorporated under the laws of Hong Kong on December 20, 2010, and operates only in Hong Kong. HK Ironman's owns 95% of the equity of PRC Ironman, which incorporated in the People's Republic of China on January 8, 2008, and operates only in China. All of the assets of HK Ironman are located in China and all of HK Ironman and PRC Ironman's current officers and directors and their legal and accounting teams, are located outside the U.S. Although China and the U.S. 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 HK Ironman, PRC Ironman, their officers and directors, assets and experts will be obtainable within the U.S., and it may be difficult to enforce outside the U.S. as a judgment obtained in the U.S. in an action against one or more of them.

These difficulties stem from the lack of official judicial arrangements between the U.S. and China, which means that judgments of competent courts of U.S. may not be enforced in China without review and re-litigation of the merits of

their claims. There is doubt as to the enforceability in China of actions to enforce judgments of U.S. courts arising out of or based on ownership of the securities of HK Ironman, including judgments arising out of or based on civil liability provisions of U.S. federal or state securities laws. There is also doubt whether the Chinese courts would enforce, in original actions, judgments against HK Ironman or PRC Ironman or the persons mentioned above predicated solely based upon U.S. securities laws. Therefore, original actions may be brought in Hong Kong or PRC, as the case may be, against these parties only if the actions or disputes are not arbitrable under the Chinese law and only if the facts alleged in the complaint give rise to a cause of action under Chinese law, in which event, a Chinese court may award liquidated damages.

#### Fees and Expenses

All costs and expenses incurred in connection with the Stock Purchase Agreement will be paid by the party incurring such expense.

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QUESTIONS AND ANSWERS

The following questions and answers are intended to briefly address some commonly asked questions about the four proposals contemplated in the proxy statement, the Special Meeting of the stockholders of IGC and the effect of the proposals on the holders of common stock of IGC. These questions and answers may not include all of the information that is important to you as an IGC stockholder. Please refer to the “Summary Term Sheet” and the more detailed information contained elsewhere in this proxy statement, the annexes to this proxy statement and the documents to which we refer. 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?

A: You are being asked to consider four proposals: (i) to approve the Share Issuance Proposal as contemplated by the Stock Purchase Agreement that provides for the Acquisition of HK Ironman by IGC. Once the Stock Purchase Agreement has been adopted by our stockholders and other closing conditions under the Stock Purchase Agreement have been satisfied or waived, HK Ironman will become a wholly-owned subsidiary of IGC and PRC Ironman will become a 95% indirect-owned subsidiary of IGC through HK Ironman; (ii) to approve the Election Proposal to elect Danny Qing Chang to IGC’s Board of Directors to hold office as Class A director till the 2014, conditioned upon the approval of the Share Issuance Proposal only; (iii) to approve the Compensation Proposal issuance of 3,150,000 shares of IGC common stock to the officers and directors of IGC and HK Ironman subject to 12-month vesting requiring their continued service for 12 months following the closing of the Acquisition; and (iv) to vote for the Adjournment Proposal to adjourn the Special Meeting to a later date if necessary or appropriate to solicit additional proxies in favor of the proposals herein if there are insufficient votes to approve the Share Issuance Proposal at the time of the Special Meeting.

Q: Why am I receiving this proxy statement?

A: IGC’s common stock is listed on the NYSE Amex. NYSE Amex rules require a listed company to obtain the approval of its stockholders for certain types of securities issuances, including private placements that may result in the issuance of common shares (or securities convertible into common shares) equal to 20% or more of presently outstanding shares.

Q: Why is IGC proposing the Acquisition of HK Ironman as contemplated in the Share Issuance Proposal?

A: IGC currently competes in the materials and infrastructure industry in India. Part of its business is to export iron ore from India to China. This Acquisition will provide IGC with management, facilities and specifically beneficiation facilities, licenses and environmental clearances to ship low-grade iron ore from India to China and process it into high-grade iron ore that can be sold in China at higher margins. We believe that this Acquisition will provide IGC stockholders with an opportunity to participate in a company with significant growth potential, in two growing economies. See “Proposal 1: The Share Issuance Proposal.”

Q: Can the Acquisition of HK Ironman be completed without the approval of the Share Issuance Proposal?

A: No. The Acquisition of HK Ironman is conditioned on the closing of the Acquisition, which contemplates the issuance of the Exchange Shares among other consideration. The Acquisition cannot close without approval by the IGC stockholders of the Share Issuance Proposal. Similarly, the Stock Purchase Agreement is conditioned on all of the conditions to the Acquisition being satisfied other than the approval of Share Issuance Proposal. As a result, your vote on the Share Issuance Proposal is effectively a vote on the Acquisition of HK Ironman and the transactions contemplated within the Stock Purchase Agreement. The Acquisition will not happen unless the Share Issuance

Proposal is approved by the stockholders of IGC and all of the other conditions to the closing of the Acquisition are satisfied. See "Proposal 1: The Share Issuance Proposal."

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Q: When and where is the Special Meeting?

A: The Special Meeting of stockholders of IGC will be held on December 28, 2011 at the law firm of Shulman, Rogers, Gandal, Pordy & Ecker, P.A., located at 12505 Park Potomac Avenue, 6th Floor, Potomac, Maryland 20854 at 10:00 a.m., Eastern Time. See “The Special Meeting.”

Q: Who is entitled to vote at the Special Meeting?

A: Only stockholders of IGC, as of the close of business on December 8, 2011, the record date for the Special Meeting, are entitled to receive notice of the Special Meeting and to vote the shares of IGC common stock that they held at that time at the Special Meeting, or at any adjournment or postponement of the Special Meeting.

Q: Who is entitled to attend the Special Meeting?

A: Please note that space limitations make it necessary to limit attendance at the Special Meeting to stockholders as of the record date (or their authorized representatives). If your shares are held by a bank or broker, please bring to the Special Meeting your statement evidencing your beneficial ownership of common stock. All stockholders should also bring photo identification.

Q: What vote is required in order to approve the Share Issuance Proposal?

A: The approval of the Share Issuance Proposal will require the affirmative vote of a majority of all of the outstanding shares of our common stock, issued and outstanding, that are entitled to vote at the meeting. See “Proposal 1: The Share Issuance Proposal.”

Q: What vote is required in order to approve the Election Proposal?

A: The approval of the Election 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. See “Proposal 2: The Election Proposal.”

Q: What vote is required in order to approve the Compensation Proposal?

A: The approval of the issuance of the Compensation Shares to the officers and directors of HK Ironman and IGC requires 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. See “Proposal 3: The Compensation Proposal.”

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

A: The approval of the Adjournment Proposal will require the affirmative vote of a majority of all votes cast at a meeting where a quorum is present. See “Proposal 4: The Adjournment Proposal.”

Q: How will the stockholders of IGC be affected by the Acquisition?

A: Holders of our securities will continue to hold the securities of IGC that they currently own, and will not receive any of the stock or cash paid in connection with the Share Issuance Proposal.





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Q. How are we paying for the Acquisition?

A: This strategic Acquisition is being made with shares of common stock of IGC and an amount of \$1 million to be paid to HK Ironman stockholders within 30 days of closing of the Stock Purchase Agreement and on satisfaction of the post-closing conditions. In addition, the consideration under the Stock Purchase Agreement includes certain contingent payments by IGC to PRC Ironman stockholders, as follows (i) \$1.5 million in cash or stock, which is contingent on IGC achieving earnings growth of at least 30% from the previous year's closing audit (i.e., March 31, 2011); and (ii) \$1.5 million in cash or stock, which is contingent on IGC achieving earnings growth of at least 30% from the previous year's closing audit (i.e., March 31, 2012). If either of the foregoing annual targets were missed, there would still be a payout of \$3 million provided IGC achieves a cumulative earnings growth of 69% between fiscal years 2011 and 2013. In addition, under the Stock Purchase Agreement, IGC has agreed to file a registration statement to register the Exchange Shares for resale within 60 days of the closing of the Acquisition. We may be required to raise additional funds to make this post-closing payment and/or some or all of the contingent payments that may be due in the future. While we have been successful in raising funds in the past, there can be no assurance we can continue to do so in the future. In the event that IGC is unable to raise the required funds, we may be in breach of the Stock Purchase Agreement, which could lead to legal costs and a reduction in our stock price.

Q: Are there other risks associated with the Stock Purchase Agreement that I should consider when deciding how or whether to vote?

A: Yes. In evaluating the Stock Purchase Agreement, IGC stockholders should carefully consider the factors discussed in the section entitled "Risk Factors" beginning on page 15 of this document.

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

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

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

A: The Stock Purchase Agreement provides that IGC's Board of Directors will continue to comprise five seats subject to the staggered terms of the Class A, Class B and Class C directors. IGC stockholders will nominate three directors and Mr. Chang will nominate two directors. Pursuant to Proposal 2 of this proxy statement, as discussed below, Mr. Chang's election to the Board of Directors would satisfy one of the two seats and Mr. Chang would nominate a candidate to fill a Class B seat at the 2013 annual meeting. Mr. Chang has agreed to vote his shares in favor of the IGC nominated directors for a period of three years, as those seats come up for election under the three-year staggered regime. Accordingly, Ram Mukunda will continue to serve as our chief executive officer, president and a member of our Board of Directors; Messrs. Ranga Krishna, Richard Prins and Sudhakar Shenoy will also continue to serve on our Board of Directors. See "Proposal 1: The Share Issuance Proposal – The Stock Purchase Agreement."

Q. What happens if the Acquisition is not consummated?

A: The Stock Purchase Agreement contains a number of conditions to the obligations of the parties to close the Acquisition. In addition, the Stock Purchase Agreement may be terminated under a number of circumstances. If the Acquisition is not closed for any reason, IGC may be subject to a number of material risks include that the market price of IGC common stock may decline to the extent that the current market price IGC common stock reflects a market assumption that the Acquisition will be completed and the fees, costs and expenses incurred by IGC in connection with the Stock Purchase Agreement, such as legal, accounting and financial advisor fees, costs and expenses, which are estimated to total approximately \$500,000, must be paid even if the Acquisition is not closed. If

the Stock Purchase Agreement is terminated and IGC is required to pay the foregoing fees and expenses, it could have a material adverse effect on IGC's business, financial condition and results of operations, which could ultimately affect the market price of IGC common stock.

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

A: It is currently anticipated that the Acquisition will be completed promptly following our Special Meeting of stockholders on December 28, 2011.

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

A: 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 is our Board of Directors' recommendation with respect to the Share Issuance Proposal, the Election Proposal, the Compensation Proposal and the Adjournment Proposal to be considered at the Special Meeting?

A: Our Board of Directors recommends a vote "FOR" the approval of the Share Issuance Proposal, the Election Proposal, the Compensation Proposal and the Adjournment Proposal.

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

A: An abstention will have the same effect as a vote AGAINST the Share Issuance Proposal, the Election Proposal, the Compensation Proposal and the Adjournment Proposal. A failure to vote will have no effect on the outcome of the Election Proposal, the Compensation Proposal and the Adjournment Proposal.

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

A: 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 IGC, 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?

A: 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?

A: No. You do not need to turn in your certificates because you will continue to own your IGC shares.

Q. Will IGC's securities still be traded on the NYSE Amex after the Acquisition is completed?

A: The officers of IGC currently believe that IGC will continue to trade on the NYSE Amex stock exchange ("NYSE Amex"). However, NYSE Amex has notified IGC that if the Acquisition is deemed a "reverse merger," then IGC will be required to re-qualify for listing of its securities. IGC believes the Acquisition is not a reverse merger and is advocating against a reverse merger classification by NYSE Amex. However, a final decision by the NYSE Amex is outside of IGC's control. If re-qualifying for listing is required, then IGC is not likely to qualify because one of the conditions of the initial listing standards of the NYSE Amex requires that the trading price of IGC's common stock be maintained at or above the minimum price requirement of \$2.00 per share for a sustained period of time, generally five trading days, subject to lengthening or shortening by the NYSE Amex depending on how consistently the stock trades above \$2.00 during that period, and that the Company maintain a market capitalization of \$50 million and a public float of \$15 million. IGC intends to satisfy those conditions that are within its control. However, there are no assurances that any conditions outside the control of IGC will be satisfied. If the Acquisition is deemed a reverse merger by NYSE Amex and IGC cannot satisfy the conditions for listing, IGC's common stock will not be listed for trading on the NYSE Amex. In such event, IGC may trade its common stock on the Over-the-Counter Bulletin Board (the "OTCBB") until all of the conditions to trading on the NYSE Amex have been satisfied and the shares begin officially trading on the NYSE Amex. See also "Risk Factors" immediately below for a discussion of the consequences if IGC's securities were delisted from NYSE Amex.

Q: What do I need to do now?

A: We urge you to carefully read this proxy statement, including its annexes. Even if you plan to attend the Special Meeting, if you hold your shares in your own name as the stockholder of record, please vote your shares by completing, signing, dating and returning the enclosed proxy card; using the telephone number printed on your proxy card; or using the Internet voting instructions printed on your proxy card. If you have Internet access, we encourage you to vote via the Internet. You can also attend the Special Meeting and vote in person. If you hold your shares in “street name,” follow the procedures provided by your broker, bank or other nominee.

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Q: How do I vote?

A: You may vote by:

- using the telephone number printed on your proxy card;
- signing and dating each proxy card you receive and returning it in the enclosed prepaid envelope;
- attending the Special Meeting and voting in person; or
- if you hold your shares in “street name,” follow the procedures provided by your broker, bank or other nominee.

If you return your signed and dated proxy card, but do not mark the boxes showing how you wish to vote, your shares will be voted “FOR” the Share Issuance Proposal, “FOR” the Adjournment Proposal, “FOR” the Election Proposal, and “FOR” the Compensation Proposal. If you do not return your signed and dated proxy card, your shares will not be voted and the effect will be the same as a vote against the adoption of the Stock Purchase Agreement, but will not affect the other proposals at the Special Meeting, so long as a quorum is otherwise present.

Q: If my broker, bank or other nominee holds my shares in “street name,” will my broker, bank or other nominee vote my shares for me?

A: Your broker, bank or other nominee will only be permitted to vote your shares if you instruct your broker, bank or other nominee how to vote. You should follow the procedures provided by your broker, bank or other nominee regarding the voting of your shares. If you do not instruct your broker, bank or other nominee to vote your shares, your shares will not be voted and the effect will be the same as a vote against the adoption of the Stock Purchase Agreement, but will not have an effect on the proposal to adjourn the Special Meeting and the non-binding proposal regarding certain merger-related compensation arrangements.

Q: Who can help answer my questions?

A: If you have questions about the Acquisition, you may write, fax, email or call:

India Globalization Capital, Inc.  
4336 Montgomery Avenue  
Bethesda, MD 20814  
Telephone: (301) 983-0998  
Fax: (240) 465-0273  
Attn: John Selvaraj, john.selvaraj@indiaglobalcap.com or  
Attn: Claudia Grimaldi, claudia.grimaldi@indiaglobalcap.com

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RISK FACTORS

In addition to the other information included or incorporated by reference in this proxy statement/prospectus, including the matters addressed in the section entitled “Cautionary Statement Regarding Forward-Looking Statements” below, you should carefully consider the matters described below in deciding whether to vote for the matters to be considered at the IGC Special Meeting. If any of the risks described below are realized, the business, properties, operations, results, financial condition, prospects, assets or stock price of the combined company could be materially adversely affected. In addition, the risks described below may not constitute all of the information that is important to you in evaluating the matters to be considered at the Special Meeting. Accordingly, you are urged to read this entire proxy statement, including the appendices. Further, additional risk factors are available for your review and consideration under the caption, “Risk Factors” in Part I, Item 1A of IGC’s Annual Report on Form 10-K for the fiscal year ended March 31, 2011 and any amendments thereto for IGC, filed with the SEC on July 14, 2011.

For purposes of this “Risk Factors” section, we refer from time-to-time, to HK Ironman and its subsidiary PRC Ironman, collectively, as “Ironman.”

Risks Related to the Acquisition of Ironman.

If the Acquisition is deemed a reverse merger, NYSE Amex may require IGC to requalify for listing, which may cause the delisting of our securities, which could limit investors’ ability to trade in our securities.

On July 22, 2011, the NYSE Amex LLC filed a proposed rule change to adopt additional listing requirements for a company that has become public through a reverse merger. In the case of a listed company who participates in a reverse merger, that listed company must re-qualify for listing after the transaction. IGC’s Board of Directors believes this Acquisition is an acquisition by IGC of HK Ironman and not a reverse merger or an acquisition of IGC by HK Ironman. IGC intends to oppose a classification by NYSE Amex that the Acquisition is a reverse merger vigorously. However, if IGC is not successful in this argument and if the combined company does not meet the NYSE Amex listing requirement, largely because of IGC’s stock price, then our securities may become subject to delisting. If the NYSE Amex delists IGC’s securities from trading on its exchange and IGC is unable to relist its securities on the NYSE Amex or to list its securities on another securities exchange or to have its securities quoted on a quotation system due to the level of the perceived market price of shares of its common stock, IGC could face significant material adverse consequences, including:

- a limited availability of market quotations for our securities;
  - a lack of margin ability for our securities;
  - a reduced liquidity with respect to our securities;
- a determination that our common stock is a “penny stock” which will require brokers trading in our common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the trading market for IGC common stock;
  - a limited amount of news and analyst coverage for IGC;
  - a decreased ability to issue additional securities or obtain additional financing in the future; and
- if prior to the HK Ironman special meeting, a lack of support among Ironman stockholders for the Acquisition.

If our securities were delisted from NYSE Amex, the trading market for our securities would likely be adversely affected even if IGC listed with OTCBB or OTCQB until we could re-qualify for listing with NYSE Amex, which could make it more difficult for stockholders to dispose of their common stock and more difficult to obtain accurate quotations on our common stock. This could have an adverse effect on the price of our common stock. There can be no assurances that a market maker will make a market in our common stock on the over-the-counter market or any

other stock quotation system after delisting. Furthermore, securities quoted on the over-the-counter market or any other stock quotation system generally have significantly less liquidity than securities traded on a national securities exchange, not only in the number of shares that can be bought and sold, but also through delays in the timing of transactions and lower market prices than might otherwise be obtained. As a result, stockholders might find it difficult to resell shares at prices quoted in the market or at all.

Furthermore, because of the limited market and generally low volume of trading in our common stock, our common stock is more likely to be affected by broad market fluctuations, general market conditions, fluctuations in our operating results, changes in the market's perception of our business, and announcements made by us, our competitors or parties with whom we have business relationships. Our ability to issue additional securities for financing or other purposes, or to otherwise arrange for any financing we may need in the future, may also be materially and adversely affected by the fact that our securities are not traded on a national securities exchange.

In addition, we cannot assure you as to when we will be able to relist such securities on a nationally-recognized securities exchange.

PRC Ironman has a significant underpayment of taxes.

PRC Ironman is currently delinquent in its regulatory compliance in the PRC due to its unpaid taxes for previous years stemming from underreported income. The taxes shown in the financial statements of PRC Ironman reflect what has been calculated as per U.S. GAAP rules, which for the financial year ended March 31, 2011, out of a total current liability of \$7,300,917 was a total of \$6,763,485 in taxes payable. As of September 30, 2011 PRC Ironman has access to \$7,667,364 in cash and \$3,816,977 in receivables. In addition, PRC Ironman is due up to \$4 million in contingent payments from IGC if this Acquisition closes, with which it could pay its tax deficiencies if needed. Therefore, PRC Ironman has resources from which to pay these amounts in the event a favorable agreement is not reached with the Tax authorities. IGC believes that PRC Ironman will be successful in negotiating a settlement or a concession based on oral representations made by the authorities though the resolution of this deficiency is not free from doubt. The authorities have offered concessions as part of an incentive to attract investment into a geographic area in China that needs trade, commerce, jobs and a sustainable environment. All taxes and penalties due prior to the Acquisition are the responsibility of PRC Ironman and its stockholders before the closing of the Acquisition. An unfavorable outcome could significantly reduce PRC Ironman's cash reserves and even cause it to pay any shortfall from its current year income.

IGC may experience difficulty transferring money from China to the U.S.

Chinese currency is not freely convertible into other currencies in part because of its undervalued status. Therefore, profits made in China may have to be reinvested in China. While well reported in the news that China is seeking to make its currency convertible by 2015, there is no certainty that this problem will be corrected in the short-term. IGC has engaged legal counsel in China to advise on paths to move money between China and the US or India, which include the sale of PRC Ironman stock back to HK Ironman without dilution, a dividend payment or transfer pricing that involves USA overhead expenses paid out of the Chinese company.

We will be issuing securities, which would dilute your equity interest in IGC.

In this Acquisition, we will issue 31,500,000 shares of our common stock, as the Exchange Shares, as consideration and an additional 3,150,000 shares of our common stock, as the Compensation Shares. This issuance will cause a change of control and an immediate and significant dilution of your equity position in IGC. Following the issuance of the Exchange Shares, at closing of the Stock Purchase Agreement, holders of 100% of IGC's common stock prior to the Acquisition will then own approximately 40% of IGC's outstanding common stock after the Acquisition. Our stockholders will be further diluted following the issuance of the Compensation Shares to the officers and directors of IGC and HK Ironman following twelve months of service after the closing of the Acquisition.



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Through HK Ironman, Mr. Danny Chang will become IGC's largest stockholder and the interests of Mr. Chang and IGC may conflict with the interests of other of IGC's stockholders.

As a result of the issuance of the Exchange Shares, Mr. Danny Chang will become IGC's largest stockholder owning approximately 25.0% excluding any dilution from current outstanding employee options and warrants and excludes the issuance of the Compensation Shares. Mr. Chang's interests may conflict with other stockholders, including with respect to the nominations of our board of directors following the three-year period after the Acquisition, and in voting on other matters submitted to our stockholders, such as the approval of significant transactions.

Iron Ore Exports from India may be reduced by one-third in 2012 and beyond.

Iron ore exports from India, usually the world's third biggest supplier of the ingredient for steel, could fall a third into 2012. India's iron ore exports were already down 25 percent in April to October 2011 because of stalled shipments arising from a legal dispute in Karnataka, India and because of high transport costs. Karnataka, India normally accounts for a quarter of India's exports. Most of India's iron ore exports go to China, which has the world's largest steel industry. India exported about half of China's annual production until Karnataka introduced a ban on shipments in July 2010. IGC is aware of the export issues in Karnataka, India, which could cause (a) logistics pricing, (b) export bans similar to the Karnataka ban on exports elsewhere in India, and (c) increased in the export duty. If one or more of these risks materialize, IGC's revenues could be adversely affected. IGC believes that low-grade ore remains readily available in other parts of India including both Orissa and Goa in India. Further, IGC's established presence in China and India will facilitate its ability to export ore from India.

The failure to integrate Ironman's business and operations successfully in the expected timeframe may adversely affect the combined company's future results.

IGC believes that the Acquisition will result in certain benefits, synergies and operational efficiencies. However, to realize these anticipated benefits, the businesses of IGC and Ironman must be successfully combined. The success of the Acquisition will depend on the combined company's ability to realize these anticipated benefits from combining the businesses of IGC and Ironman. The combined company may fail to realize the anticipated benefits of the Acquisition for a variety of reasons, including:

- failure to successfully manage relationships with customers, distributors and suppliers;
- revenue attrition in excess of anticipated levels;
- failure to leverage the increased scale of the combined company quickly and effectively;
- potential difficulties integrating and harmonizing financial reporting systems;
- the loss of key employees;
- failure to effectively coordinate sales and marketing efforts to communicate the capabilities of the combined company; and
- failure to combine product and services offerings quickly and effectively.

Completion of the Acquisition is subject to satisfaction of a number of conditions for which the timing cannot be predicted. The actual integration may result in additional and unforeseen expenses or delays. If the combined company is not able to successfully integrate Ironman's business and operations, or if there are delays in combining the

businesses, the anticipated benefits of the Acquisition may not be realized fully or at all or may take longer to realize than expected.

The integration of IGC and Ironman may result in significant accounting charges that adversely affect the announced results of the combined company.

The financial results of the combined company may be adversely affected by cash expenses and non-cash accounting charges incurred in connection with the combination. These expenses have been preliminarily estimated to be approximately \$500,000, which includes legal, accounting, due diligence and filing fee to date. In addition, under the Stock Purchase Agreement, IGC has agreed to file a registration statement to register the Exchange Shares for resale within 60 days of the closing of the Acquisition, which will cause IGC to incur additional legal fees. IGC and Ironman have not yet prepared pro forma financial statements that reflect the effects of the Acquisition and, accordingly, the amount and timing of these possible charges are not yet known. The price of the combined company's common stock could decline to the extent the combined company's financial results are materially affected by the foregoing charges or if the foregoing charges are larger than anticipated.

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The announcement and pendency of the Acquisition could cause disruptions in the businesses of IGC and Ironman, which could have an adverse effect on their respective business and financial results, and consequently on the combined company.

IGC and Ironman have operated and, until the completion of the Acquisition, will continue to operate independently. Uncertainty about the effect of the Acquisition on customers, distributors and suppliers may have an adverse effect on IGC and Ironman and consequently on the combined company. These uncertainties may impair IGC's and Ironman's ability to retain and motivate key personnel and could cause customers, distributors, suppliers and others with whom each company deals to seek to change existing business relationships which may materially and adversely affect their respective businesses. Due to the materiality standards agreed to in the Stock Purchase Agreement, IGC and Ironman may be obligated to consummate the Acquisition in spite of the adverse effects resulting from the disruption of IGC's and Ironman's ongoing businesses. Furthermore, this disruption could adversely affect the combined company's ability to maintain relationships with customers, distributors, suppliers and employees after the Acquisition or to achieve the anticipated benefits of the Acquisition. Moreover, integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of IGC and Ironman. Each of these events could adversely affect Ironman in the near term and the combined company, if the Acquisition is completed.

Failure to complete the Acquisition could negatively affect the stock prices and the future business and financial results of IGC.

If the Acquisition is not completed, the ongoing business of IGC may be adversely affected and IGC will be subject to a number of risks, including the following:

- IGC will be required to pay certain costs relating to the Acquisition, such as legal, accounting, financial advisor and printing fees whether or not the Acquisition is completed; and
- matters relating to the Acquisition (including integration planning) may have required substantial commitments of time and resources by IGC management, which could otherwise have been devoted to other opportunities that may have been beneficial to IGC,

in each case, without realizing any of the benefits of having completed the Acquisition. If the Acquisition is not completed, these risks may materialize and may adversely affect IGC's business, financial results and stock price.

Because the market price of IGC common stock will fluctuate, the value of the IGC common shares that will be issued in the Acquisition will not be known until the closing of the Acquisition.

The value of the IGC common shares to be issued in the Acquisition could be considerably higher or lower than they were at the time the Acquisition consideration was negotiated. Neither IGC nor Ironman is permitted to terminate the Stock Purchase Agreement or resolicit the vote of Ironman stockholders solely because of changes in the market prices of either company's stock. Stock price changes may result from a variety of factors, including changes in the respective businesses operations and prospects of IGC and Ironman, changes in general market and economic conditions, and regulatory considerations. Many of these factors are beyond the control of IGC or Ironman.

Because the number of IGC common shares to be issued in the Acquisition has been fixed, the value of the Acquisition consideration will depend upon the market price of IGC common shares. This market price may vary from the closing price of IGC common shares on the date the Acquisition was announced, on the date that the proxy statement is mailed to IGC stockholders and on the date of the IGC stockholder meeting at which stockholders will be asked to vote on certain matters relating to the Acquisition. Accordingly, at the time of the stockholder meetings,

stockholders will not know or be able to calculate the value of the Acquisition consideration that would be issued upon completion of the Acquisition.

IGC's management lack's experience in the iron ore industry.

IGC's current officers and directors do not have experience operating a business in China and lack direct experience in the iron ore industry. IGC believes that the officers and directors of HK Ironman and PRC Ironman will remain with the companies at least one year following the closing of the Acquisition to facilitate the transition, though there is no guaranty of this result. The success of the Acquisition of HK Ironman will depend in part on the ability of the combined company following the completion of the Acquisition to realize the anticipated benefits, including annual net operating synergies. Following the Acquisition, the size of the combined company's business will be significantly larger than the current business of IGC. The combined company's future success depends, in part, upon its ability to manage this expanded business, which will pose challenges for the combined company's management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. IGC cannot assure you that the combined company will be successful or that the combined company will realize the expected operating efficiencies, annual net operating synergies, revenue enhancements and other benefits currently anticipated resulting from the Acquisition. The failure to manage successfully the challenges presented after an Acquisition may result in the combined company's failure to achieve some of all of the anticipated benefits of the Acquisition. Consequently, our operations, earnings and ultimate financial success may suffer harm as a result.

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Any Acquisitions made by us may disrupt our operations or adversely affect our business.

In addition to the Acquisition, as a part of our long-term strategy, we plan to acquire additional mining operations. This Acquisition, along with any future acquisitions, will require us to employ additional personnel and we may have difficulty integrating such new personnel or may experience difficulty in integrating the operations of the mining companies we acquire with that of our own. We cannot predict the effect that any intended expansion may have on our business. Further, any future acquisition may disrupt our ongoing business, divert the attention of our management and employees or may result in an increase in our operating expenses. In addition, a number of inherent risks, including, without limitation, accompanies acquisitions:

- delays and waiting periods associated with required safety inspections, as well as government licensing or permitting procedures;
- the difficulty of incorporating acquired resources, facilities, operations or products into the existing business;
- difficulties in disposing of the excess or idle facilities of an acquired company or business and expenses in maintaining such facilities;
  - difficulties in maintaining uniform standards, controls, procedures and policies;
- the potential impairment of relationships with employees and customers as a result of any integration of new management personnel; and
- potential unknown liabilities associated with acquired businesses and the associated operations, or the need to spend significant amounts to retool, reposition or modify the existing operations.

No assurance can be given that any of the above risks will be sufficiently addressed or that such will not have a negative effect on our business operations.

Ironman has limited business insurance coverage.

Insurance companies in China currently do not offer as extensive array of insurance products as insurance companies do in the U.S. We do not have any business liability or disruption insurance to cover our operations. Any uninsured occurrence of business disruption may result in our incurring substantial costs, which could have an adverse effect on our results of operations and financial condition.

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 because of a decreasing stock price.

We may not be able to effectively control and manage our growth.

As part of our current business strategy, we intend to acquire other local mining operations. As our business grows, it will be necessary for us to finance and manage expansion in an orderly fashion. We may face challenges in identifying attractive mining sites and/or additional mining rights and/or complementary mining businesses. Such eventualities will increase demands on our existing management, workforce and facilities. Failure to satisfy such increased demands could interrupt or adversely affect our operations and cause administrative inefficiencies that may have a negative impact on our financial operations.

Our ability to operate effectively could be impaired if we lose key personnel or if we fail to attract qualified personnel.

Following the closing of the Acquisition, we will manage our business through a number of key personnel, including Mr. Danny Chang, Ironman's managing director, Mr. Jianqun Dou, its deputy chairman and Mr. Wei Dong Qu, its general manager and chief operating officer. The loss of any of these key officers could have a material adverse effect on our operations. In addition, as business develops and expands, we believe that our future success will depend greatly on our continued ability to attract and retain highly skilled and qualified personnel. No assurance can be given that key personnel will continue to be employed by us or that we will be able to attract and retain qualified personnel in the future. Accordingly, if we are not able to retain these officers and/or personnel, or effectively fill vacancies created by departing key persons, our business may be impaired. The lack of key man insurance on any of these important personnel will also have an adverse effect on our financial conditions in case of the death of any of these important key personnel.

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Material weaknesses in our internal controls and financial reporting, and our lack of a CFO at Ironman with sufficient U.S. GAAP experience may limit our ability to prevent or detect financial misstatements or omissions. As a result, our financial reports may not comply with U.S. GAAP and the Accounting Standards Codification. Any material weakness, misstatement or omission in our financial statements will negatively affect the market, and price of our stock which could result in significant loss to our investors.

None of the members of Ironman has experience managing and operating a public company and they rely in many instances on the professional experience and advice of third parties. While we are obligated to hire a qualified chief financial officer to enable us to meet our ongoing reporting obligations, we do not have a CFO with any significant U.S. GAAP experience for now with Ironman. Although we are actively seeking a new CFO, qualified individuals are often difficult to find, or the individual may not have all of the qualifications that we require. Therefore, we may experience “weakness” and potential problems in implementing and maintaining adequate internal controls as required under Section 404 of the Sarbanes-Oxley Act. This “weakness” also includes a deficiency, or combination of deficiencies, in internal controls over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis. Management has identified a weakness relating to the Company not having sufficient experienced personnel with the requisite technical skills and working knowledge of the application of U.S. generally accepted accounting principles. Projections of any evaluation of effectiveness to future periods are also subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Failure to comply or adequately comply with any laws, rules, or regulations applicable to our business may result in fines or regulatory actions, which may materially adversely affect our business, results of operation, or financial condition and could result in delays in achieving either the effectiveness of a registration statement or the development of an active and liquid trading market for our common stock. To the extent that the market place perceives that, we do not have a strong financial staff and financial controls, the market for and price of, our stock may be impaired.

This may result in significant deficiencies or material weaknesses in our internal controls, which could affect the reliability of our financial statements and prevent us from complying with SEC rules and regulations and the requirements of the Sarbanes-Oxley Act. Failure to comply or adequately comply with any laws, rules, or regulations applicable to our business may result in fines or regulatory actions, which may materially adversely affect our business, results of operation, or financial condition and could result in delays in achieving either the effectiveness of a registration statement or the development of an active and liquid trading market for our common stock. To the extent that the market place perceives that, we do not have a strong financial staff and financial controls, the market for and price of, our stock may be impaired.

Risks Related to the Share Issuance Proposal and the Compensation Proposal .

If equity research analysts do not publish research or reports about our business, or if they issue unfavorable commentary or downgrade our common stock, then the price of our common stock could decline.

The trading market for our common stock will rely in part on the research and reports that equity research analysts publish about our business and us. We do not control these analysts. The price of our stock could decline if one or more equity analysts downgrade our stock or if those analysts issue other unfavorable commentary or cease publishing reports about our business or us.

We incur costs as a result of operating as a public company. Our management is required to devote substantial time to new compliance initiatives. Because we report in U.S. GAAP, we may experience delays in closing our books and records in India, and delays in the preparation of financial statements and related disclosures.

As part of a public company with substantial operations, we are experiencing an increase in legal, accounting and other expenses. In addition, the Sarbanes-Oxley Act (“Sarbanes-Oxley Act”) and new rules implemented by the SEC and the NYSE Amex have imposed various requirements on public companies, including requiring changes in corporate governance practices. Our management and other personnel need to devote a substantial amount of time to these compliance initiatives. We have completed the testing of internal controls in all our subsidiaries. We expect to carry out the evaluations and install improved systems and processes as required. However, we cannot be certain as to the timing or completion of the remediation actions, or their impact on our operations. Furthermore, it is difficult to hire personnel in India who are familiar with U.S. GAAP. We have hired several competent consultants to help review our internal reporting and disclosures, and to train our Indian staff in SEC reporting and U.S. GAAP. We do not foresee a problem other than the time required to complete the training adequately and to implement the improved processes.

Ironman has not operated as a US public company. Fulfilling our obligations incident to being a US public company after completing the Share Issuance Proposal will be expensive and time consuming.

Under the Sarbanes-Oxley Act 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 China.

Our directors may have certain conflicts in determining to recommend the Share Issuance 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 Share Issuance 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, may increase in value if the Acquisition is approved. In addition, certain directors of the board may receive additional shares of common stock, as an incentive to remain with the Company through the integration period, if the Acquisition is consummated.



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

We are subject to the U.S. Foreign Corrupt Practices Act, which generally prohibits U.S. public companies from engaging in bribery of 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.

### Risks Related to our Corporate Structure.

The PRC government may determine that HK Ironman's ownership of PRC Ironman or PRC Ironman's structure is not in compliance with applicable PRC laws, rules and regulations. If so, the relevant regulatory authorities would have broad discretion with respect to actions that could be taken in dealing with such non-compliance. Any of these actions could adversely affect our ability to manage, operate and gain the financial benefits of PRC Ironman, which would have a material adverse impact on our business, financial condition and results of operations.

Following the closing of the Acquisition, IGC will conduct business in China through its subsidiary, PRC Ironman. PRC Ironman is a Sino-Foreign Equity Joint Venture also called an equity joint venture ("EJV"), which is a corporation jointly invested and incorporated by foreign companies, other economic organizations or persons and Chinese companies or other economic organizations. An EJV typically is established by joint contribution, joint operation of all parties to the joint venture, and sharing of risk, profits and losses in proportion to their respective contributions towards the registered capital.

In the opinion of Gaopeng & Partners, our PRC legal counsel, PRC Ironman's business is a foreign investment that is permitted in China. Chinese foreign investment policies classify various industries into four groups, which are encouraged, permitted, restricted and prohibited for foreign investment. Mining and processing of ferruginous sandstone and sale of refined iron powder is not in either the encouraged, restricted or prohibited groups explicitly stipulated by the Catalogue of Industries Guiding Foreign Investment, so such business is foreign investment permitted. HK Ironman entered into a share transfer agreement to purchase 95% shares of PRC Ironman from Mr. Zhang Hua and Mr. XU Jianjun in January 2011. On April 28, 2011, the share purchase was approved by the Department of Commerce of Inner Mongolia Autonomous Region. On the same day, HK Ironman was granted the Certificate of Approval for Establishment of Enterprises with Investment of Taiwan, Hong Kong, Macao and Overseas Chinese in the People's Republic of China (Approval No. Shang Wai Zi Meng Wai Zi Shen 2011-0023). Currently, before the closing of the Acquisition, 95% shares of PRC Ironman is held by HK Ironman and 5% is held by Mr. Zhang Hua.

We have been advised by our PRC legal counsel that there are uncertainties regarding the interpretation and application of current and future PRC laws and regulations. If PRC Ironman were for any reason determined to be in breach of any future PRC laws or regulations, the relevant regulatory authorities would have broad discretion in dealing with such breach, including:

- imposing economic penalties;
- discontinuing or restricting the operations of PRC Ironman;
- imposing conditions or requirements with respect to HK Ironman or PRC Ironman with which HK Ironman or PRC Ironman may not be able to comply;

- requiring our company to restructure the relevant ownership structure or operations;
- taking other regulatory or enforcement actions that could adversely affect our company's business; and
- revoking the business licenses and/or the licenses or certificates of PRC Ironman.

Any of these actions could adversely affect our ability to manage, operate and gain the financial benefits of PRC Ironman, which would have a material adverse impact on our business, financial condition and results of operations.

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We rely on the approval certificates and business licenses held by HK Ironman and PRC Ironman. HK Ironman and PRC Ironman's failure to renew its licenses and certificates when their terms expire with substantially similar terms as the ones it currently holds could result in our inability to operate our business.

We operate our business in China in reliance on approval certificates, business license and other requisite licenses held by HK Ironman and PRC Ironman. PRC Ironman has received a license, to operate the beneficiation plant on a specific acreage of land in Inner Mongolia through August 2018. In addition, PRC has a business license, which was amended on November 28, 2011 to reflect PRC Ironman's new ownership by HK Ironman effective January 2011. The business license is valid through January 7, 2028. There is no assurance that HK Ironman will be able to renew its licenses and certificates in the future when their terms expire with substantially similar terms as the ones they currently hold. HK Ironman's failure to renew its licenses and certificates when their terms expire with substantially similar terms as the ones it currently holds could result in our inability to operate our business.

Following the Acquisition, we will rely on dividends paid by HK Ironman for our cash needs and any limitation on the ability of our HK Ironman to pay dividends to us could have a material adverse effect on our ability to pay dividends, to service debt we may incur and to pay our operating expenses.

Following the Acquisition, we will rely on dividends paid by HK Ironman for our cash needs, including the funds necessary to pay dividends and other cash distributions, if any, to our stockholders, to service any debt we may incur and to pay our operating expenses. The payment of dividends by entities organized in China is subject to limitations. Regulations in the PRC currently permit payment of dividends only out of accumulated profits as determined in accordance with accounting standards and regulations in China. If we determine to pay dividends on any of our common stock in the future, as a holding company, we will be dependent on receipt of funds from HK Ironman.

Pursuant to the new PRC enterprise income tax law effective on January 1, 2008 and its implementation rules, an enterprise established outside of the PRC with "de facto management bodies" within the PRC is considered a PRC resident enterprise and is subject to the enterprise income tax at the rate of 25% on its worldwide income. The implementation rules to the EIT Law define the term "de facto management bodies" as "establishments that carry out substantial and overall management and control over the manufacturing and business operations, personnel, accounting, properties, etc. of an enterprise." As to dividends payable to non-PRC investors that are "non-residence enterprises" to the extent such dividends are derived from within the PRC, a maximum income tax rate of 20% may be applicable thereto and the State Council has reduced such rate to 10%, in the absence of any applicable tax treaties that may reduce such rate. Pursuant to the double taxation avoidance arrangement between the PRC and Hong Kong and subject to the approval of the local tax authorities, dividends paid by PRC Ironman to HK Ironman may be subject to PRC withholding tax at the preferential rate of 5% as long as HK Ironman is demonstrated to be a Hong Kong resident enterprise under the related regulations and directly holds 25% or more equity interest in PRC Ironman.

However, there can be no guarantee that this practice will continue as more guidance is provided by relevant government authorities. As a result, we are unable to predict whether payments from HK Ironman to IGC will be subject to withholding tax because it is unclear whether HK Ironman will be deemed to be a PRC resident enterprise for Chinese tax purposes. If so, it will be subject to an enterprise income tax rate of 25% on all of its income, including interest income on the proceeds from this offering on a worldwide basis. However, if it is deemed to be a non-resident enterprise, then it will be subject to a withholding tax at the rate of 10% on any dividends paid by PRC Ironman, as its Chinese subsidiary to HK Ironman.

PRC Ironman is also required to set aside at least 10% of its after-tax profit based on PRC accounting standards each year to its surplus reserves fund until the accumulative amount of such reserves reaches 50% of its registered capital. The transfer to this surplus reserves fund must be made before distribution of any dividend to

stockholders. The surplus reserve fund is non-distributable other than during liquidation and can be used to fund previous years' losses, if any, and may be utilized for business expansion or converted into share capital by issuing new shares to existing stockholders in proportion to their shareholding or by increasing the par value of the shares currently held by them, provided that the remaining reserve balance after such issue is not less than 25% of the registered capital.

Dividends payable by us to our non-PRC stockholder, and gains on the sales of our common stock, may be subject to withholding taxes under the enterprise income tax laws ("EIT Laws"), which may materially reduce the value of our investment.

The EIT Law and its implementation rules provide that the PRC enterprise income tax at the rate of 10% will generally be applicable to dividends derived from sources within China received by non-PRC resident enterprise stockholders. Similarly, gains derived from the transfer of shares by such stockholders are also subject to the PRC enterprise income tax if such gains are regarded as income derived from sources within China. It is unclear whether the dividends we pay with respect to our common stock, or the gains our non-PRC stockholders may realize from the transfer of our common stock, would be treated as PRC-sourced income and therefore be subject to the tax. If we are required under the EIT Law to withhold PRC enterprise income tax on our dividends payable to our non-PRC stockholders, or if non-PRC stockholders are required to pay PRC income tax on the transfer of their common stock, the value of our investment may be materially reduced.

Risks associated with doing business in India and China.

Any downgrading of China's or India's debt rating by an international rating agency, or an increase in interest rates in China or India, could adversely affect our ability to generate or use Letters of Credit .

The iron ore business relies heavily on Letters of Credit. Ironman is attempting to establish a record of execution that can eventually lead to back-to-back Letters of Credit, which would greatly enhance our business and help us grow rapidly. Back-to-back Letters of Credit are used primarily in international transactions, with the first Letter of Credit serving as collateral for the second. Any adverse revisions to China's or India's credit ratings for domestic and international debt by international rating agencies as well as an increase in interest rates or a tightening of credit may adversely affect our ability to finance growth through back-to-back Letters of Credit, which could lead to a decrease in our growth rate, adversely affecting our stock price.

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

IGC's and Ironman's business depends on the growth of infrastructure in Asia as well as other parts of the world and not just in India and China. However, a global recession that causes a slowdown of infrastructure spending could reduce the demand for steel and consequently iron ore adversely affecting our business, financial condition and results of operations and future prospects.

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

Our results of operations, financial condition and prospects could be adversely affected by economic, political and legal developments in China. Since the late 1970s, the Chinese government has been reforming its economic system. These policies and measures may from time to time be modified or revised. While the Chinese economy has experienced significant growth in the past 20 years, growth has been uneven across different regions and among various economic sectors of China. Furthermore, while the Chinese government has implemented various measures to encourage economic development and guide the allocation of resources, some of these measures may also have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations that are applicable to Ironman. The processing unit operated by Ironman is subject to central, provincial, local and municipal regulation and licensing in China. Compliance with such regulations and licensing can be expected to be a time-consuming, expensive process resulting in expenses which could adversely affect our margins.

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

Our investment in China may incur tax risk unique to investment in China, 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 Chinese income tax. 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 China may or may not be creditable on our income tax returns. We intend to avail ourselves of transfer pricing rules and minimize any Chinese withholding tax or local taxes. However, there is no assurance that the Chinese tax authorities will always recognize such rules in its applications.

Our industry depends on the stability of policies and the political situation in India and China 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 slow down 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. Similarly, the Chinese have been reforming their economic system since the 1970s. An adverse change in the overall economic growth in China or adverse changes to import laws or even an attempt by the government to curtail steel production in China may lead to an adverse impact on our business.

Restrictions on the RMB may limit our ability to move funds out of China.

The Chinese currency, the Renminbi (RMB), like the India Rupee is not a freely convertible currency, which could limit our ability to move money out of China freely. We would rely on the Chinese government's foreign currency conversion policies, which may change from time to time. In China, the government has control over Renminbi reserves through, among other things, direct regulation of the conversion of Renminbi into other foreign currencies and restrictions on certain types of foreign imports. A change in the currency regulations, which lead to further restrictions, could negatively affect our ability to finance growth, or pay dividends, outside of China using the profits from China.

U.S.-listed companies with business operations in China have recently come under increased scrutiny, criticism and negative publicity.

Since 2010, a number of U.S. publicly-listed companies with substantial operations in China have been the subject of intense scrutiny, criticism and negative publicity by investors, financial commentators and regulatory agencies, such as the U.S. Securities and Exchange Commission ("SEC") and the Justice department resulting in a loss of share value. Much of the scrutiny and negative publicity has centered around accounting weaknesses, inadequate corporate governance and, in some cases, allegations of fraud. As a result of such scrutiny and negative publicity, the stock prices of most U.S. publicly listed companies with operations in China have sharply decreased in recent months.

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Because the Chinese judiciary will determine the scope and enforcement under Chinese agreements, we may be unable to enforce our rights inside and outside of China.

HK Ironman operates under the laws of Hong Kong and PRC Ironman, its subsidiary, operates under the laws of PRC. Substantially all of the assets of Ironman are located in China and the majority of its officers and directors and the experts named in this proxy statement/prospectus are outside the U.S. It is therefore unlikely that service of process on either HK Ironman or PRC Ironman or their officers and directors can be obtained within the U.S. Further, it may be difficult to enforce in China a judgment obtained in the U.S. These difficulties stem from the lack of official judicial arrangements between the U.S. and China, which means that judgments of U.S. courts will not be necessarily be enforced in China without review and re-litigation of the merits of their claims.

There is doubt as to the enforceability in China of actions to enforce judgments of U.S. courts arising out of or based on ownership of the securities of HK Ironman or PRC Ironman, including judgments arising out of or based on civil liability provisions of U.S. federal or state securities laws. There is also doubt whether the Chinese courts would enforce, in original actions, judgments against HK Ironman or PRC Ironman or the persons mentioned above predicated solely based upon U.S. securities laws. Original actions may be brought in China or Hong Kong against these parties only if the actions are not required to be arbitrated by Chinese law and only if the facts alleged in the complaint give rise to a cause of action under Chinese law, in which event, a Chinese court may award monetary damages.

Risks associated with our industry and specifically the iron ore business.

We are subject to numerous risks and hazards associated with the mining industry.

Our mining operations are subject to a number of risks and hazards including:

- industrial accidents;
- unusual or unexpected geologic formations;
- explosive rock failures; and
- flooding and periodic interruptions due to inclement or hazardous weather conditions.

Such risks could result in a variety of issues that could affect our operations, such as damage to or destruction of mineral properties or production facilities, environmental damage, delays in our mining operations, personal injury or death, monetary losses and possible legal liability. No assurance can be given that we will be able to avoid any or all of the hazards discussed above and any such occurrence may substantially affect our business and financial operations.

Our operations are highly susceptible to hazardous weather conditions and seasonal weather conditions.

Both India, specifically the east and west coasts, where our supply chains are located, and northeastern China, where Ironman's processing chain is located potentially experience severe weather conditions. Severe weather conditions could cause our supply chain and/or processing chain to temporarily curtail or stop operations materially affecting our quarterly results. During periods of curtailed activity due to adverse weather conditions, our operations in both countries may continue to incur operating expenses, reducing profitability. Certain weather conditions may affect mining operations. The Ironman beneficiation plant is located in a region with a typical subtropical climate characterized mainly by high precipitation and high evaporation and humid conditions. The rainy season occurs from May to August of each year, which may make the plant inaccessible or unusable during such rainy season due to flooding caused by insufficient drainage necessary to release the excess water that has accumulated. During the last rainy season there was a particularly rainy season marked by much flooding in China. As such, mining operation may

be interrupted due to inclement or hazardous weather conditions experienced during such rainy season.

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

On the supply side, including procuring sufficient raw materials, we may have difficulties procuring low-grade iron ore at specific sizes at competitive prices. In the event we are unable to secure steady suppliers, it could negatively affect our profitability. The processing plant in China requires water for the wet separation. While there is currently and for the foreseeable future an adequate supply of water, any discrepancy with the supply of water could lead to curtailing operations, which could affect our profitability.



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The cost of logistics and shipping between India and China may reduce our income.

Our process involves moving ore from mine heads to crushers and then to the port for shipping. We rely on third parties to provide a number of important services in connection with our business, and any disruption in these services could materially affect our business. For example, we depend on trucking companies to move the ore. A surge in demand for ore and, in general, other commodities, could increase the cost of domestic logistic affecting our profitability. Additionally, we depend on shipping agencies to move ore from India to China and an increase in the price of shipping could have an adverse impact on our profitability.

Mining is inherently dangerous and subject to conditions or events beyond our control, and any operating hazards could have a material adverse effect on our business.

During the course of mining activities, we use dangerous materials and there is no assurance that accidents will not occur. Should we be held liable for any such accident, we may be subject to penalties, and possible criminal proceedings may be brought against us by our employees, which could have a material adverse effect on our business.

PRC Ironman's mining operations could have material safety concerns, which may result in accidents and in turn negatively affect our revenue.

PRC Ironman's mining operations could have safety issues in its iron ore mine or beneficiation plants including, in part, inadequate natural ventilation, likelihood of flooding in the tunnels, etc. Accidents and employee's injury arising from any safety issues may cause suspension or discontinuance of our mining operation and thus negatively affect our revenue.

Restrictive regulation on the export of ore may adversely affect our business.

Restrictive regulation on the export of ore from India or the import of ore into China may adversely affect our profitability. India restricts the export of high quality ore to government agencies. China restricts the import of low quality ore to specific agents. In the event these regulations change and become even more restrictive, our profitability could be adversely affected.

The imposition of taxes on exports (export duty) could have an impact on our business.

India recently increased the export duty on ore from 5% to 20%. Any further increases in the export duty of ore could adversely affect our profitability.

Strikes, civil unrest and tensions between India and China could have an impact on our business.

The supply chain for ore is heavily dependent on transportation. A strike by truck drivers could adversely affect our business. The processing plant in China is located in the province of Inner Mongolia and any civil unrest in that area, or other parts of China, could disrupt the logistics and processing chain adversely affecting our business. India and China have had their share of disputes in the past 60 years. India and China had ancient friendly ties going back to the silk route. However, beginning in the 1950s the relationship became strained largely over Tibet and issues over borders. In 1962, China attacked India along its border, coinciding with the Cuban missile crisis that preoccupied the super powers U.S., Russia and the UK. The war ended with a complete withdrawal that coincided with the arrival of the U.S. air force. However, while there can be no guarantee that hostilities may again reappear between the two countries, much has changed since the 1962 war. Both India and China are now nuclear powers, underpinning the notion of Mutually Assured Destruction, and both are strategic partners with the U.S. Both countries took part in the first ever BRIC (Brazil, Russia, India and China) Summit, in June 2011. Both countries have had thirteen rounds of

border talks and the recent one in August 2011, ended with both nations discussing raising their strategic partnership to a higher level. In 2008-2009 India's largest trading partner was China followed by the U.S. and the United Arab Emirates. If hostilities between the two countries reappear, our business may be adversely affected.

Currency fluctuations may reduce our profitability.

Iron ore is traded in USD. However, the supply side, including logistics in India, is settled in Indian Rupees (INR). On the other hand, the expense for processing the ore in China are all met in RMB. Therefore, three currencies are involved in a typical trade. Fluctuations of one currency relative to the others may adversely affect our profit margins.

Mining is inherently dangerous and subject to conditions or events beyond our control, and any operating hazards could have a material adverse effect on our business.

During the course of mining activities, Ironman may use dangerous materials and there is no assurance that accidents will not occur. Should Ironman be held liable for any such accident, it may be subject to penalties, and possible criminal proceedings may be brought against it by its employees, which could have a material adverse effect on our business.

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Mining exploitation activities are labor intensive and employ low levels of mechanization, which may result in inefficiency and impose greater safety and health hazards concern.

Ironman used rudimentary mining methods and low levels of mechanization since the beginning of its mining operation. The labor-intensive and low-mechanization mining method its uses in its mining operations results in inefficient operation. The relatively large number of mining workers exposed to dust, noise, heat and vibration caused by its mining methods may increase the possibility of accidents and health hazards.

Environmental regulations could adversely affect Ironman's business.

The process of digging ore from the ground is typically environmentally unfriendly as is the process of beneficiation, which uses ground water. Stricter environmental controls in India or China on the mining of ore or the processing of ore could have an adverse impact on our business, by raising additional compliance expenses. Mineral exploration and development, as well as Ironman's current mining activities and its future mineral mining operations are, and may continue to be, subject to stringent state, provincial and local laws and regulations relating to environmental quality, production, labor standards, occupational health, waste disposal, protection and remediation of the environment, mine safety, toxic substances and other matters. Mineral mining is also subject to risks and liabilities associated with pollution of the environment and disposal of waste products occurring as a result of mineral production. Compliance with these laws and regulations will impose substantial costs on Ironman and may subject it to significant potential liabilities. Further, any changes to these regulations may increase Ironman's operating costs and may adversely affect its results of operations.

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, our subsidiaries, and after the Acquisition. 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, plays a significant role in developing and executing the overall business plan, maintaining client relationships, proprietary processes and technology. While no one is irreplaceable, the loss of the services of any would be disruptive to our business.

A large portion of Ironman's revenue is derived from five major customers.

Five of Ironman's major customers accounted for 92%, respectively of its total revenue for the fiscal year ended December 31, 2011 and 83%, respectively, of its total revenue for the fiscal year ended December 31, 2010. Non-renewal or/and termination of such relationship may have a material adverse effect on its revenue. No assurance can be given that following the Acquisition that it will be able to maintain such a relationship. Additionally, no assurance can be given that Ironman's business will not remain largely dependent on a limited number of customers accounting for a substantial part of our revenue.

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 such as 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, which results in uneven revenue and operating results over the year;
  - Commencement, completion and shipment during any particular quarter;

- Weather and additions and departures of key personnel; and
- Strategic decisions made by us and our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments and changes in business strategy.

Ironman faces intense competition in the Iron ore business.

Large companies in Brazil, Australia, India and other ore producing countries dominate the Iron ore business. Most of these companies are miners and export directly to the large steel mills around the world. Our strategy of sourcing low-grade inexpensive ore from India and processing it in China is fairly unique and allows us to supply steel producers at competitive prices, while maintaining margins. Ironman depends on its expertise in sourcing low cost low-grade ore and the expertise of Ironman to process the ore. If Ironman is unable to offer competitive prices there could be a significant reduction in our revenue.

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IGC may not be able to compete successfully for mineral rights with companies having greater financial resources than we have.

All mines have limited resources and as such, we intend to acquire additional mining operations, as part of our long-term strategy. As there is a limited supply of desirable mineral deposits in the PRC, we face strong competition for promising acquisition targets from other mining companies, some of which have greater financial resources than we have. IGC may be unable to compete with such other mining companies in making acquisition that we deem to be complementary to our business, or to acquire such on terms that are acceptable to us.

Ironman is a cash business, which may cause us to suffer losses.

Ironman is a “cash business” which means that most transactions occur on the spot using cash rather than through order forms and payment via check, wire or credit card. Cash businesses are more susceptible to corrupt practices. As with any business that is cash intensive, the accuracy and adequacy of reporting income is highly contingent upon ownership and the owner's propensity for cash management and control. As a result, Ironman may experience a certain percentage of loss due to theft and misappropriation. To offset this, IGC will impose controls over cash collection for this cash business. The controls will include monitoring the cash balances closely, limiting the amount of cash available in vulnerable locations, using vaulted equipment to store cash properly and most importantly, migrating financial transactions toward checks and wire transfers. Failure to control the integrity of cash collection and deposits would lead to a significant reduction in our revenue.