

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action you should take, you are recommended to seek your own financial advice from your stockbroker or other independent adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares in Indian Restaurants Group Plc, please forward this document, together with the accompanying documents, as soon as possible either to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

INDIAN RESTAURANTS GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05239281)

Proposed Capital Reorganisation

Notice of General Meeting

Notice convening a General Meeting of Indian Restaurants Group Plc, to be held at 9.00a.m. on 3 February 2010 at the offices of the Company's solicitors, Gordons Partnership LLP, at 22 Great James Street, London WC1N 3ES is set out at the end of this document. All Shareholders are urged to complete and return the enclosed Form of Proxy, whether or not they intend to be present at the meeting, in accordance with the instructions printed thereon so as to arrive as soon as possible and in any event, in order to be valid, so as to be received by the Company's registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA, not later than 9.00a.m. on 1 February 2010. The completion and return of a Form of Proxy will not preclude a Shareholder from attending and voting in person at the General Meeting should he or she wish to do so.

TABLE OF CONTENTS

	Page
Expected Timetable of Principal Events	2
Definitions	3
Letter from the Chairman	5
Notice of General Meeting	8

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	13 January 2010
Latest time and date for receipt of Form of Proxy	9.00a.m. on 1 February 2010
General Meeting	9.00a.m. on 3 February 2010

All references to time in this document are to London time.

DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy unless the context requires otherwise:

“2006 Act”	the Companies Act 2006;
“Act”	the Companies Act 1985, as amended;
“AIM”	the AIM Market operated by London Stock Exchange Plc;
“AIM Rules”	the rules applicable to companies whose shares are traded on AIM published by the London Stock Exchange from time to time;
“Articles of Association”	the articles of association of the Company in force at the date hereof;
“Board” or “Directors”	the directors of the Company, whose names are set out on page 5 of this document;
“Capital Reorganisation”	the proposed reorganisation of the Company’s share capital, details of which are set out in this document, to be effected by the passing of the Resolutions;
“Company”	Indian Restaurants Group Plc, incorporated and registered in England and Wales with registered number 05239281;
“Deferred Shares”	means the non-voting deferred shares of 9.5 pence each in the Company proposed to be created as part of the Capital Reorganisation;
“Existing Ordinary Shares”	the 13,079,850 Ordinary Shares of 10 pence each in issue as at the date of this document;
“Form of Proxy”	the form of proxy for use by Shareholders in respect of the General Meeting;
“General Meeting” or “GM”	the General Meeting of the Company convened for 9.00a.m. on 3 February 2010 to approve the Resolutions, or any adjournment of it, notice of which is set out at the end of this document;
“New Ordinary Shares”	the new ordinary shares of 0.5 pence each in the Company following the Capital

	Reorganisation;
“Notice of GM”	the notice convening the GM set out in this document;
“Ordinary Shares”	the Existing Ordinary Shares and/or the New Ordinary Shares (as the context requires);
“Proposals”	the Capital Reorganisation and related amendments to the Articles of Association, each as described in this document;
“Registrars”	the Company’s registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA;
“Resolutions”	the resolutions to be proposed at the GM as set out in the notice of GM at the end of this document and reference to a “Resolution” is to the relevant resolution set out in the notice of GM;
“Shareholders”	shareholders in the Company; and
“W.H. Ireland”	W.H. Ireland Limited, the Nominated Adviser and Broker of the Company.

LETTER FROM THE CHAIRMAN

INDIAN RESTAURANTS GROUP PLC

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05239281)

Directors:

Haresh Damodar Kanabar, Chairman
Amit Narshibhai Pau, Chief Executive
Kuldeep Singh, Executive Chef Director
Ashraf Rahman, Business Development Director

Registered office:

8-10 New Fetter Lane
London
EC4A 1RS

13 January 2010

To the holders of Existing Ordinary Shares

Dear Shareholder,

Proposed Capital Reorganisation

Notice of General Meeting

Introduction

We write to you in connection with seeking your approval for the Capital Reorganisation. The Board considers that the Capital Reorganisation, which is explained in detail below, would facilitate any future fund raising that may be appropriate to the development of the Company's ongoing strategy.

The Board is also seeking Shareholders' approval at the GM to make consequential amendments to the Company's Articles of Association.

Summary of the Proposals

Currently, the Authorised Share Capital is £20 million divided into 200,000,000 Ordinary Shares. There are currently 13,079,850 Ordinary Shares in issue, credited as fully paid up.

Capital Reorganisation

Under the provisions of section 580 of the 2006 Act, the Company may not allot shares at a price which is less than their nominal value of those shares. The closing mid market price of an Ordinary Share as at the close of business on 12 January 2010, the latest practicable date prior to the despatch of this document, was 2 pence. The Directors consider that it would enable them and the Company to proceed more quickly with the issue of additional Ordinary Shares, if the Company's share capital were to be reorganised on the basis of the Capital Reorganisation, details of which are set out below.

It is proposed that each of the issued Existing Ordinary Shares with a nominal value of 10 pence will be sub-divided into one New Ordinary Share of 0.5 pence and one Deferred Share of 9.5 pence.

The Deferred Shares will have very limited rights and are effectively valueless. The Deferred Shares will have no voting rights and will have no rights as to dividends and only very limited rights on a return of capital. They will not be admitted to or listed on any stock exchange and will not be freely transferable. It is the Board's intention, at the appropriate time, to make an application to the Court for the Deferred Shares to be cancelled.

The New Ordinary Shares will have the same rights as those currently accruing to the existing respective Ordinary Shares under the Company's Articles of Association, including those in respect of voting and entitlement to dividends. A Shareholder's pro rata entitlement to Ordinary Shares will not be affected. The sub-division should not affect the market value of a Shareholder's aggregate holding of Ordinary Shares.

The Company does not intend to make a general issue of new share certificates to existing Shareholders as a result of the Capital Reorganisation. Existing share certificates issued in respect of the Existing Ordinary Shares of 10p each will remain valid in respect of New Ordinary Shares of 0.5p. The Company will make arrangements for the ISIN of the Existing Ordinary Shares, GB00B0YTNL47, to apply to the New Ordinary Shares.

CREST accounts of Shareholders will not be credited in respect of any entitlement to Deferred Shares

Once the proposed resolutions have been passed at the General Meeting, the share capital of the Company will comprise:

	Ordinary Shares of 0.5 pence each	Deferred Shares of 9.5 pence each
Authorised	200,000,000	200,000,000
Issued	13,079,850	13,079,850

Other Resolution

As part of the Capital Reorganisation, the Company intends to make consequential amendments to its Articles of Association to include provisions in respect of the Deferred Shares.

General Meeting

The Proposals are conditional on the approval of the Shareholders at the GM. You will find at the end of this document a notice convening the GM to be held at the offices of Gordons Partnership LLP, at 22 Great James Street, London WC1N 3ES on 3 February 2010 at 9.00a.m. At the GM, Resolutions will be proposed to approve:

- (i) the Capital Reorganisation; and

- (ii) amendments to the Company's Articles of Association required in connection with the Capital Reorganisation.

As I have mentioned above, the reason why these approvals are being sought now is that the Company would be able more quickly to conclude any corporate transaction requiring the issue of New Ordinary Shares without further recourse to Shareholders for their approval (save as may be required under the AIM Rules).

Action to be taken

Form of proxy

A form of proxy in relation to the GM is enclosed. Those Shareholders not wishing to attend the GM but who still wish to vote are asked to complete it, sign it in accordance with the instructions printed on it and return it as soon as possible to the Company's Registrars, Neville Registrars Limited, Neville House, 18 Laurel Lane, Halesowen, West Midlands B63 3DA by 9.00a.m. on 1 February 2010. In order to be valid for use in connection with the GM, forms of proxy must be received by Neville Registrars Limited by that time and date. Completion and return of a form of proxy will not preclude you from attending and voting at the GM and voting in person should you so wish.

Recommendation

The Directors consider that the Proposals are in the best interests of the Company and the Shareholders as a whole and recommend you to vote in favour of the Resolutions, as they intend to do, or procure to be done, in respect of their interests in Ordinary Shares.

Yours faithfully

Haresh Kanabar
Chairman
Indian Restaurants Group Plc

INDIAN RESTAURANTS GROUP PLC

(the “Company”)

(Incorporated and registered in England and Wales under the Companies Act 1985 with registered number 05239281)

NOTICE OF A GENERAL MEETING

Notice is hereby given that a General Meeting (the “**Meeting**”) of Indian Restaurants Group Plc (the “**Company**”) will be held at the offices of Gordons Partnership LLP, at 22 Great James Street, London WC1N 3ES on 3 February 2010 at 9.00a.m. for the purpose of considering and if thought fit passing the resolutions set out below.

You will be asked to consider and vote on the following resolutions. All of the Resolutions will be proposed as special resolutions.

It is not currently intended that any other business be dealt with at the General Meeting.

SPECIAL RESOLUTIONS

1. THAT:

Each of the issued ordinary shares of 10 pence each be sub-divided and re-designated into one ordinary share of 0.5 pence each and one deferred share of 9.5 pence each. The ordinary shares of 0.5 pence shall carry the same rights in all respects as they did prior to the sub-division. The deferred shares shall carry such rights and privileges as set out in the Company’s articles of association as amended pursuant to resolution 2 below;

2. THAT: Subject to the passing of resolutions 1 the articles of association of the Company be amended pursuant to section 21 of the Companies Act 2006 (as amended) by:

4.1 the insertion of a new definition in Article 2 of the articles of association as follows:

“Deferred Shares” means deferred shares of 9.5 pence each in the capital of the Company having the rights set out in Article 3;

4.2 the replacement of the current Article 3 in its entirety with the following new Article 3 to be inserted in its place:

“3. Ordinary Shares and Deferred Shares

3.1 The authorised share capital of the Company is £20 million divided into 200,000,000 ordinary shares of 0.5 pence each and 200,000,000 Deferred Shares.

Deferred Shares

3.2 Any Deferred Shares in issue shall have the following rights and shall be subject to the following restrictions:

Return of Capital

- (i) On the return of assets in a winding up of the Company, after the holders of the ordinary shares have received the aggregate amount paid up thereon plus £10,000,000 per such share, there shall be distributed amongst the holders of the Deferred Shares an amount equal to the nominal value of the Deferred Shares and thereafter any surplus shall be distributed amongst the holders of the ordinary shares pro rata to the number of ordinary shares held by each of them respectively. Save as set out in this Article, the holders of the Deferred Shares shall have no interest or right to participate in the assets of the Company;

Dividends

- (ii) The deferred shares shall not carry any entitlement to dividends or to participate in any way in the income or profits of the Company;

Acquisition

- (iii) The Company may acquire, in accordance with the Statutes, all or any of the Deferred Shares in issue at any time for no consideration. Pending such acquisition, each holder of the Deferred Shares shall be deemed to have irrevocably authorised the Company, at any time:
 - (a) to appoint any person to execute (on behalf of the holder of the Deferred Shares) a transfer thereof and/or an agreement to transfer the same to the Company or to such person or persons as the Company may determine as custodian thereof; and
 - (b) pending such transfer, to retain such holder's certificate (if any) for the Deferred Shares;
- (iv) Other than as specified in this Article 3.2, the Deferred Shares shall not be capable of transfer at any time other than with the prior consent of each of the Directors, nor shall the holders of them be entitled to mortgage, pledge, charge or otherwise encumber them or create or dispose of or agree to create or dispose of any interest (within the meaning of section 820 of the 2006 Act) whatsoever in any Deferred Shares;
- (v) The Company is irrevocably authorised to appoint any person on behalf of any holder of Deferred Shares to enter into an agreement to transfer and to execute a transfer of the Deferred Shares to such person as the Directors may determine and to execute any other documents which such person may consider necessary or desirable to effect such transfer (and pending such transfer, to retain such holder's certificate (if any) for the Deferred Shares) or to give instructions to

transfer any Deferred Shares held in uncertificated form to such person as the Directors may determine, in each case without obtaining the sanction of the holder(s) of them and without any payment being made in respect of that transfer;

Voting

- (vi) The Deferred Shares shall not confer on the holders thereof any entitlement to receive notice of or to attend or speak at or vote at any general meetings of the Company;

Further Participation

- (vii) Except as provided above, the Deferred Shares shall carry no right to participate in the profits or assets of the Company;

Variation of Rights

- (viii) The rights attaching to the Deferred Shares shall not be deemed to be varied or abrogated by the creation and/or allotment and/or issue of any further shares, the passing of any resolution of the Company reducing its share capital or cancelling the Deferred Shares and none of the rights or restrictions attached to the Deferred Shares shall be or deemed to be varied or abrogated in any way by the passing or coming into effect of any special resolution of the Company to reduce its share capital and/or reduce or cancel (as the case may be) its share premium account (including a special resolution to reduce the capital paid up or to cancel such Deferred Shares) provided that upon a cancellation of all the Deferred Shares the Articles shall automatically be amended by the deletion of this Article 3.2 in its entirety.”

By order of the Board
Haresh Damodar Kanabar
Company Secretary
Indian Restaurants Group Plc

Registered office:
8-10 New Fetter Lane
London
EC4A 1RS

13 January 2010

Notes:

1. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered on the Company’s register of members at 9.00a.m. on 1 February 2010 (or in the case of adjournment 48 hours before the time of the adjourned meeting) will be entitled to attend and vote at the meeting.

Changes to the register of members after that time will be disregarded in determining the rights of any person to attend or vote at the meeting.

2. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, complete and submit more than one proxy form and make it clear how many shares the proxy has voting rights over. Failure to specify the number of shares each proxy appointment relates to or specifying a number of shares in excess of those held by the member on the record date will result in the proxy appointment being invalid.
3. A copy of the Articles of Association as proposed to be amended by resolution 2 will be available for inspection at the registered office of the Company during normal business hours on any weekday from the date of this notice until the close of business 2 February 2010 and at the place of the general meeting for 15 minutes prior to and during the general meeting.