

India Globalization Capital, Inc.

Form 10QSB

February 20, 2007

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-QSB

☒ **Quarterly report under Section 13 or 15(d) of the Securities Exchange Act of 1934.**
For the quarterly period ended December 31, 2006

OR

☐ **Transition report under Section 13 or 15(d) of the Exchange Act.**
For the transition period from _____ to _____

Commission file number: 0001326205

INDIA GLOBALIZATION CAPITAL, INC.

(Exact name of small business issuer as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

20-2760393

(I.R.S. Employer Identification No.)

4336 Montgomery Ave., Bethesda, Maryland 20814

(Address of principal executive offices)

(301) 983-0998

(Issuer's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant is a large accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☒ Yes ☐ No

Indicate the number of shares outstanding for each of the issuer's classes of common equity as of the latest practicable date: As of January 31, 2007, the company had 13,974,500 shares outstanding.

Transitional Small Business Disclosure Format (Check one): ☐ Yes ☒ No

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Certificate Pursuant to 18 U.S.C. Section 1350

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India Globalization Capital, Inc.
(a development stage company)
CONDENSED BALANCE SHEET

| | December 31, 2006 (Unaudited) | March 31, 2006 (Audited) (restated) |
|---|--|--|
| ASSETS | | |
| Current Assets: | | |
| Cash | \$ 1,469,456 | \$ 2,210 |
| Investments held in Trust Fund | 65,966,143 | 65,825,016 |
| Prepaid expenses and other current assets | 40,870 | 76,766 |
| Total Current Assets | \$ 67,476,469 | \$ 65,903,992 |
| Deferred tax assets, net | 5,668 | 25,000 |
| Total Assets | \$ 67,482,137 | \$ 65,928,992 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | |
| Current Liabilities: | | |
| Accrued expenses | \$ 94,434 | \$ 286,105 |
| Notes payable to stockholders | 870,000 | 870,000 |
| Taxes payable | 623,625 | 70,000 |
| Due to Underwriters | 1,769,400 | 1,769,400 |
| Total current liabilities | 3,357,459 | 2,995,505 |
| Common stock subject to possible conversion, 2,259,770 at conversion value (Note A) | 12,762,785 | 12,762,785 |
| COMMITMENTS | | |
| STOCKHOLDERS EQUITY | | |
| Preferred stock \$.0001 par value; 1,000,000 shares authorized; none issued and outstanding | | |
| Common stock \$.0001 par value; 75,000,000 shares authorized; issued and outstanding 13,974,500 (including 2,259,770 shares subject to possible conversion) | 1,397 | 1,397 |
| Additional paid-in capital | 50,613,145 | 50,613,145 |

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| | | |
|---|----------------------|----------------------|
| Earnings (Deficit) accumulated during the development stage | 747,351 | (443,840) |
| Total stockholders' equity | \$ 51,361,893 | \$ 50,170,702 |
| Total liabilities and stockholders' equity | \$ 67,482,137 | \$ 65,928,992 |

The accompanying Notes are an integral part of these unaudited condensed financial statements

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India Globalization Capital, Inc.
(a development stage company)
CONDENSED STATEMENT OF OPERATIONS

| | Three Months Ended December 31, 2006 | Three Months Ended December 31, 2005 | Nine Months Ended December 31, 2006 | April 29, 2005 (Date of Inception) through December 31, 2005 | April 29, 2005 (Date of Inception) through December 31, 2006 (unaudited) |
|--|---|---|--|---|---|
| | (Unaudited) | (Unaudited) | (Unaudited) | | |
| Legal and formation, travel and other start up costs | \$ (292,434) | \$ (15,184) | \$ (570,303) | \$ (28,519) | \$ (638,486) |
| Compensation expense | | | | | (535,741) |
| Interest expense | (12,026) | | (29,526) | (2,000) | (35,026) |
| Interest income | 834,521 | | 2,414,645 | | 2,625,229 |
| Income (loss) before income taxes | 530,061 | (15,184) | 1,814,816 | (30,519) | 1,415,976 |
| Provision for income taxes, net | 186,025 | | 623,625 | | 668,625 |
| Net income (loss) | \$ 344,036 | \$ (15,184) | \$ 1,191,191 | \$ (30,519) | \$ 747,351 |
| Net income (loss) per share: basic and diluted | \$.02 | \$ (0.00) | \$ 0.09 | \$ (0.01) | |
| Weighted average number of shares outstanding-basic and diluted | 13,974,500 | 2,483,696 | 13,974,500 | 2,325,837 | |

The accompanying Notes are an integral part of these unaudited condensed financial statements

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India Globalization Capital, Inc.
(a development stage company)
CONDENSED STATEMENT OF STOCKHOLDERS EQUITY

| | Common Stock Shares | Common Stock Amount | Additional Paid-in Capital | Earnings (Deficit) Accumulated during the Development Stage | Total Stockholders Equity |
|---|--------------------------------|--------------------------------|---|--|--|
| Issuance of common stock to founders at \$.01 per share (1,750,000 shares on May 5, 2005 and 750,000 shares on June 20, 2005) | 2,500,000 | \$ 250 | \$ 24,750 | \$ | \$ 25,000 |
| Surrendered shares (62,500 shares on September 7, 2005 and 137,500 shares on February 5, 2006) | (200,000) | (20) | 20 | | |
| Issuance of common stock to founders at \$.01 per share on February 5, 2006 | 200,000 | 20 | 537,721 | | 537,741 |
| Sale of 170,000 units in a private placement | 170,000 | 17 | 1,019,983 | | 1,020,000 |
| Sale of 11,304,500 units, net of underwriters discount and offering expenses (including 2,259,770 shares subject to possible conversion) and \$100 from underwriters option | 11,304,500 | 1,130 | 61,793,456 | | 61,794,586 |
| Proceeds subject to possible conversion of shares | | | (12,762,785) | | (12,762,785) |
| Net loss for the period | | | | (443,840) | (443,840) |
| Balance at March 31, 2006 | 13,974,500 | \$ 1,397 | \$ 50,613,145 | \$ (443,840) | \$ 50,170,702 |
| Unaudited: Net income for the period | | | | \$ 1,191,191 | \$ 1,191,191 |
| Balance at December 31, 2006 | 13,974,500 | \$ 1,397 | \$ 50,613,145 | \$ 747,351 | \$ 51,361,893 |

The accompanying Notes are an integral part of these unaudited condensed financial statements

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India Globalization Capital, Inc.
(a development stage company)
CONDENSED STATEMENT OF CASH FLOWS

| | Nine months ended December 31, 2006 (Unaudited) | April 29, 2005 (Date of Inception) through December 31, 2005 (Unaudited) | April 29, 2005 (Date of Inception) through December 31, 2006 (Unaudited) |
|---|---|--|--|
| Cash flows from operating activities: | | | |
| Net income (Loss) | \$ 1,191,191 | \$ (30,519) | \$ 747,351 |
| Adjustment to reconcile net income (loss) to net cash provided by (used in) operating activities: | | | |
| Interest earned on Treasury Bills | (2,339,395) | | (2,542,417) |
| Non-cash compensation expense | | | 535,741 |
| Deferred taxes | 19,332 | | (5,668) |
| Changes in: | | | |
| Prepaid expenses and other current assets | 35,897 | | (40,869) |
| Accrued expenses | (191,672) | 15,854 | (143,993) |
| Taxes payable | 553,625 | | 623,625 |
| Net cash used in operating activities | (731,022) | (14,665) | (826,230) |
| Cash flows from investing activities: | | | |
| Purchase of treasury bills | (590,530,003) | | (721,759,430) |
| Maturity of treasury bills | 592,862,716 | | 658,642,716 |
| Decrease (increase) in cash held in trust | (134,445) | | (307,012) |
| Net cash used in investing activities | 2,198,268 | | (63,423,726) |
| Cash flows from financing activities: | | | |
| Issuance of common stock to founders | | 25,000 | 27,000 |
| Payments of offering costs | | (154,571) | (4,024,688) |
| Proceeds from notes payable to stockholders | | 150,000 | 870,000 |
| Proceeds from issuance of underwriters option | | | 100 |
| Gross proceeds from initial public offering | | | 67,827,000 |
| Proceeds from private placement | | | 1,020,000 |
| Net cash provided by financing activities | | 20,429 | 65,719,412 |
| Net increase in cash | 1,467,246 | 5,764 | 1,469,456 |
| Cash at the beginning of the period | 2,210 | | |
| Cash at the end of the period | \$ 1,469,456 | \$ 5,764 | \$ 1,469,456 |

Supplemental schedule of non cash financing activities:

| | | | | | |
|---------------------------------------|----|----|---------|----|-----------|
| Accrual of offering costs | \$ | \$ | 602,128 | \$ | |
| Accrual of deferred underwriters fees | \$ | \$ | | \$ | 1,769,400 |

See notes to unaudited condensed financial statements

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INDIA GLOBALIZATION CAPITAL, INC.
(a development stage company)
NOTES TO FINANCIAL STATEMENTS

NOTE A BASIS OF PRESENTATION

The financial statements for the three months ended December 31, 2006 and 2005, the nine months ended December 31, 2006 and the period from April 29, 2005 (date of inception) to December 31, 2006 are unaudited and include the accounts of India Globalization Capital, Inc. (a corporation in the development stage) (the Company). In the opinion of management, all adjustments (consisting of normal accruals) have been made that are necessary to present fairly the financial position of the Company as of December 31, 2006 and the results of its operations for the three months ended December 31, 2006 and the results of its operation and cash flows for the nine months ended December 31, 2006 and the period from April 29, 2005 (date of inception) to December 31, 2006. Operating results for the interim periods presented are not necessarily indicative of the results to be expected for a full year.

The statements and related notes have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (the Commission). Accordingly, certain information and footnotes disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted pursuant to such rules and regulations.

These financial statements should be read in conjunction with the financial statements, as restated, that were included in the Company's Annual Report on Form 10-KSB/A for the period ended March 31, 2006. The March 31, 2006 balance sheet has been derived from the audited financial statements included therein and the statements of operations and cash flows for the period from April 29, 2005 (date of inception) through December 31, 2005 has been derived from audited financial statements previously filed.

In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109 (FIN 48), which provides criteria for the recognition, measurement, presentation and disclosure of uncertain tax positions. A tax benefit from an uncertain position may be recognized only if it is more likely than not that the position is sustainable based on its technical merits. The provisions of FIN 48 are effective for fiscal years beginning after December 15, 2006. We do not expect FIN 48 will have a material effect on our financial condition or results of operations.

Management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

NOTE B ORGANIZATION AND BUSINESS OPERATIONS

The Company was incorporated in Maryland on April 29, 2005. The Company was formed to serve as a vehicle for the acquisition of an operating business in an unspecified industry located in India through a merger, capital stock exchange, asset acquisition or other similar business combination. The Company has neither engaged in any operations nor generated significant revenue to date. The Company is considered to be in the development stage and is subject to the risks associated with activities of development stage companies.

The registration statement for the Company's initial public offering (the Public Offering) (as described in Note C) was declared effective March 2, 2006. The Company consummated the Public Offering including the over allotment option on March 8, 2006, and preceding the consummation of the Public Offering on March 2, 2006 certain of the officers and directors of the Company purchased an aggregate of 170,000 units from the Company in a private placement (the Private Placement). The units sold in the Private Placement were identical to the units sold in the offering, but the purchasers in the Private Placement have waived their rights to conversion and receipt of the distribution on liquidation in the event the Company does not complete a business combination (as described below). The Company received net proceeds from the Private Placement and the Offering of approximately \$62,815,000 (Note C).

The Company's management has broad discretion with respect to the specific application of the net proceeds of the Private Placement and the Public Offering (together, the Offering) although substantially all of the net proceeds of the Offering are intended to be generally applied toward acquiring one or more operating businesses in an unspecified industry located in India (Business Combination), which may not constitute a business combination for accounting purposes. Furthermore, there is no assurance that the

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Company will be able to successfully effect a Business Combination. Upon the closing of the Offering, approximately ninety-seven percent (97%) of the gross proceeds of the Public Offering are being held in a trust account (Trust Fund) and invested in government securities until the earlier of (i) the consummation of its first Business Combination or (ii) the distribution of the Trust Fund as described below. The remaining proceeds, along with interest earned on the Trust Fund, may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses. The Company, after signing a definitive agreement for the acquisition of a target business, will submit such transaction for stockholder approval. In the event that holders of 50% or more of the shares issued in the Offering vote against the Business Combination or the holders of 20% or more of the shares issued in the Public Offering elect to exercise their conversion rights, the Business Combination will not be consummated. However, the persons who were stockholders prior to the Public Offering (the Founding Stockholders) will not participate in any liquidation distribution with respect to any shares of the common stock acquired in connection with or following the Public Offering (Note C).

In the event that the Company does not consummate a Business Combination within 18 months from the date of the consummation of the Public Offering, or 24 months from the consummation of the Public Offering if certain extension criteria have been satisfied (the Acquisition Period), the proceeds held in the Trust Fund will be distributed to the Company's public stockholders, excluding the Founding Stockholders to the extent of their initial stock holdings. In the event of such distribution, it is likely that the per share value of the residual assets remaining available for distribution (including Trust Fund assets) will be less than the initial public offering price per share in the Public Offering (assuming no value is attributed to the warrants contained in the Units offered in the Public Offering discussed in Note C). There is no assurance that the Company will be able to successfully effect a Business Combination during this period. This factor raises substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements are prepared assuming the Company will continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE C INITIAL PUBLIC OFFERING

On March 8, 2006, the Company sold 11,304,500 units (Units) in the Public Offering. Each Unit consists of one share of the Company's common stock, \$.0001 par value, and two redeemable common stock purchase warrants (Warrants). Each Warrant entitles the holder to purchase from the Company one share of common stock at an exercise price of \$5.00 commencing the later of the completion of a Business Combination or one year from the effective date of the Public Offering and expiring five years from the effective date of the Public Offering. The Warrants become callable only in the event that the last sale price of the common stock is at least \$8.50 per share for any 20 trading days within a 30 trading day period ending on the third day prior to the date on which notice of redemption is given.

In connection with the Offering, the Company paid the underwriters of the Public Offering (collectively, the Underwriter) an underwriting discount of approximately 5% of the gross proceeds of the Public Offering (\$3,391,350). In addition, a non-accountable expense allowance of 3% of the gross proceeds of the Public Offering, excluding the over-allotment option, is due to the Underwriter, who has agreed to deposit the non-accountable expense allowance (\$1,769,400) into the Trust Fund until the earlier of the completion of a business combination or the liquidation of the Trust Fund. The Underwriter has further agreed to forfeit any rights to or claims against such proceeds unless the Company successfully completes a business combination.

The Warrants separated from the Units and began to trade on April 13, 2006. After separation, each Warrant entitles the holder to purchase from the Company one share of common stock at an exercise price of \$5.00 commencing on the later of (a) one year from the effective date of the Public Offering or (b) the earlier of the completion of a Business Combination with a target business or the distribution of the Trust Fund and expiring five years from the date of the Public Offering. The Company has a right to call the Warrants, provided the common stock has traded at a closing price of at least \$8.50 per share for any 20 trading days within a 30 trading day period ending on the third business day prior to the date on which notice of redemption is given. If the Company calls the Warrants, the holder will either have to redeem the Warrants by purchasing the common stock from the Company for \$5.00 or the Warrants will expire.

The Underwriter's over-allotment option of 1,474,500 Units was exercised and the 11,304,500 units sold at the closing of the Public Offering include the over-allotment.

In connection with this Offering, the Company issued an option, for \$100, to the Underwriter to purchase 500,000 Units at an exercise price of \$7.50 per Unit, exercisable the later of March 2, 2007 or the consummation of a Business Combination. The Company has accounted for the fair value of the option, inclusive of the receipt of the \$100 cash payment, as an expense of the Public Offering resulting in a charge directly to stockholders' equity. The Company estimated, using the Black-Scholes method, the fair value of the

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option granted to the underwriters as of the date of grant was approximately \$756,200 using the following assumptions: (1) expected volatility of 30.1%, (2) risk-free interest rate of 3.9% and (3) expected life of five years. The estimated volatility was based on a basket of Indian companies that trade in the U.S. or the U.K. The option may be exercised for cash or on a cashless basis, at the holder's option, such that the holder may use the appreciated value of the option (the difference between the exercise prices of the option and the underlying warrants and the market price of the units and underlying securities) to exercise the option without the payment of any cash. The warrants underlying such Units are exercisable at \$6.25 per share.

NOTE D INVESTMENTS HELD IN TRUST FUND

Investments held in trust consist of Treasury Bills and money market funds. The Treasury Bills have been accounted for as trading securities and recorded at their fair market value. The excess of market value over cost is included in interest income in the accompanying statement of operations. Investments held in trust as of December 31 and March 31, 2006 include the following:

| | December 31, 2006 (Unaudited) | March 31, 2006 (Audited) |
|--|--|---|
| Investment held for the benefit of the Company | \$ 63,845,850 | \$ 63,845,850 |
| Investment held for the benefit of the Underwriter | 1,769,400 | 1,769,400 |
| Investment earnings (available to fund Company expenses up to a maximum of \$2,150,000, net of taxes)(1) | 350,893 | 209,766 |
| | \$ 65,966,143 | \$ 65,825,016 |

(1) Through December 31, 2006, the Company has transferred approximately \$2,150,000 of Investment Earnings from the Trust Account into its operating account.

NOTE E NOTES PAYABLE TO STOCKHOLDERS

Three unsecured notes were issued to two of the Founding Stockholders of the Company. One note of \$100,000 and another for \$50,000 were issued on May 2, 2005 and on September 26, 2005, respectively, and were payable the earlier of April 30, 2006 or upon the consummation of the Public Offering. On December 15, 2005, the unsecured notes referred to above were amended to provide that they become payable upon the earlier of the consummation of a Business Combination or the first anniversary of the consummation of the Public Offering. Another note of \$720,000 was issued on March 3, 2006 and is payable on the earlier of March 3, 2007 or the consummation of a Business Combination. The notes all bear interest at 4% per annum. Due to the short-term nature of the notes, the fair value of the notes approximate their carrying amount. Interest expense of \$9,200 and \$26,200 has been included in the statement of operations for the three and nine month periods ended December 31, 2006, respectively, and \$32,200 for

the period from inception to December 31, 2006 relating to these notes.

NOTE F RELATED PARTY TRANSACTION

The Company has agreed to pay Integrated Global Network, LLC, a related party and privately-held company where one of the Founding Stockholders serves in an executive capacity, an administrative fee of \$4,000 per month for office space and general and administrative services from the effective date of the Proposed Offering through the date of a Business Combination. The statement of operations for the three and nine month periods ended December 31, 2006 includes approximately \$12,000 and \$36,000, respectively, in connection with this agreement.

In February 2006, the Company issued an aggregate of 200,000 shares of common stock to its founders and advisors. The shares were issued for an aggregate price of approximately \$2,000. The fair value of these shares was estimated to be \$537,741, the difference of \$535,741 was recorded as compensation expense on the accompanying statement of operations. The fair value was determined by allocating the \$6.00 Unit price in the Offering between the estimated fair value of the shares and warrants to be included therein. The per share fair value was estimated to be \$2.69. The March 31, 2006 balances have been restated to record this compensation expense.

NOTE G COMMON STOCK

On August 24, 2005, the Company's Board of Directors authorized a reverse stock split of one share of common stock for each two outstanding shares of common stock and approved an amendment to the Company's Certificate of Incorporation to decrease the number of authorized shares of common stock to 75,000,000. All references in the accompanying financial statements to the number of shares of stock have been retroactively restated to reflect these transactions.

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At December 31, 2006, 24,449,000 shares of common stock were reserved for issuance upon exercise of redeemable warrants and underwriters' purchase option.

NOTE H COMMITMENTS

In connection with the Offering and pursuant to an advisory agreement, the Company has engaged its underwriters as its investment bankers to provide the Company with assistance in structuring the Business Combination. As compensation for the foregoing services, the Company will pay the Underwriters a cash fee at the closing of a Business Combination equal to 2% of the aggregate consideration paid in such Business Combination up to a maximum of \$1,500,000.

Pursuant to letter agreements with the Company and the Underwriter, the Founding Stockholders have waived their rights to participate in any liquidation distribution occurring upon our failure to complete a business combination, with respect to those shares of common stock acquired by them prior to the Offering and with respect to the shares included in the 170,000 Units they purchased in the Private Placement.

The Founding Stockholders will be entitled to registration rights with respect to their founding shares and the shares they purchased in the private placement pursuant to an agreement executed on March 3, 2006. The holders of the majority of these shares are entitled to make up to two demands that the Company register these shares at any time after the date on which the lock-up period expires. In addition, the Founding Stockholders have certain piggy-back registration rights on registration statements filed subsequent to the anniversary of the effective date of the Offering. The Company, from time to time, may enter into oral and or written understandings with entities (and supporting professionals for conducting due diligence) who potentially could refer or make introductions to potential target entities in various industry sectors in India and to conduct industry analysis or due diligence on potential target companies. Such arrangements typically may require nominal amounts of retainer fees and expenses for services and success fees based upon successful completion of acquisitions resulting from such referrals. Fees for services and expenses incurred to date with such entities have been expensed in the accompanying financial statements.

NOTE I PREFERRED STOCK

The Company is authorized to issue 1,000,000 shares of preferred stock with such designations, voting and other rights and preferences as may be determined from time to time by the Board of Directors.

NOTE J RECLASSIFICATION

Certain amounts have been reclassified in the 2005 financial statements to conform with the 2006 presentation.

NOTE K SUBSEQUENT EVENT

On February 12, 2007 the Company filed a Form 8-K with the Commission describing the events that have occurred since the between December 31, 2006 and February 12, 2007. These are summarized here, but the reader is encouraged to read the 8K to fully understand the events. On February 2, 2007, India Globalization Capital, Inc. (IGC) entered into a Share Subscription Cum Purchase Agreement (the Purchase Agreement) with MBL Infrastructures Limited (MBL) and R G Maheshwari , A K Lakhotia, Maruti Maheshwari, Aditya Maheshwari, Uma Devi Lakhotia, Shweta Maheshwari, Gokul Sales P Ltd and Jai Art N Image P Ltd (collectively, the Promoters), pursuant to which IGC will acquire (the Acquisition) 2,212,745 equity shares of MBL (the Promoter Shares) from the Promoters and an additional 9,519,949 newly-issued equity shares directly from MBL (the New Shares) so that at the conclusion of the transactions contemplated by the Purchase Agreement IGC will own 57% of the outstanding equity shares of MBL. MBL engages in road-building and maintenance projects in India, as well as managing road-building projects on a contract basis for national, state and local agencies. MBL recently entered the BOT segment of road-building in which the government of India awards contracts to companies that can *Build* out pieces of major highways, *Own* and operate them for periods between 20 and 30 years and then *Transfer* them back to the government. Revenues are generated throughout the term of these agreements through a regulated toll system that establishes a visible income stream and a return on investment based on a projected traffic volume for the various routes that are awarded.

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The Acquisition is expected to be consummated during the spring/summer of 2007, after the required approval by IGC's stockholders and the fulfillment of certain other conditions.

On February 5, 2007 the Company entered into an agreement to sell 425,000 warrants on the same terms as the current outstanding warrants and a note for \$3,000,000 to Oliveira Capital, LLC for \$3,000,000. This transaction is described in the Form 8-K filed on February 12, 2007. Pursuant to the receipt of the \$3,000,000 from Oliveira Capital, the Company on February 6, 2007 purchased \$3,000,000 of convertible debentures from MBL, Limited.

On February 6, 2007 the Company entered into a non-binding agreement in principle with Chiranjeevi Wind Energy Limited (CWEL) for the acquisition of 24 MW in wind energy assets which includes the acquisition of land, all licenses, environmental clearances, and equipment (the CWEL Acquisition).

The Company has applied for the formation of a wholly owned subsidiary based in Mauritius. The name of the subsidiary will be India Globalization Capital, Mauritius, Limited (IGC-M Ltd.). The Company expects to obtain the appropriate license and registration by February 28, 2007.

In preparation for the potential Acquisition and CWEL Acquisition, Ram Mukunda, our President and Chief Executive Officer has begun to devote substantially all of his time to our business.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS AND PLAN OF OPERATIONS

Forward-Looking Statements

This report contains forward-looking statements, including, among others, (a) our expectations about possible business combinations, (b) our growth strategies, (c) our future financing plans, and (d) our anticipated needs for working capital. Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words may, should, expect, anticipate, approximate, estimate, believe, intend, plan, or project, or the negative of these words or other variations on these words or comparable terminology. This information may involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed or implied by any forward-looking statements. These statements may be found in this report. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under our Plan of Operation and matters described in this report generally. In light of these risks and uncertainties, the events anticipated in the forward-looking statements may or may not occur. These statements are based on current expectations and speak only as of the date of such statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of future events, new information or otherwise.

The information contained in this report identifies important factors that could adversely affect actual results and performance. All forward-looking statements attributable to us are expressly qualified in their entirety by the foregoing cautionary statements.

Description of Business

We were formed on April 29, 2005, as a blank check company for the purpose of acquiring, through a merger, capital stock exchange, asset acquisition or other similar business combination, one or more businesses in an unspecified industry, with operations primarily in India. We intend to use cash derived from the proceeds of the public offering, our capital stock, debt or a combination of cash, capital stock and debt, to effect a business combination.

For the three and nine months ended December 31, 2006, we had net income of approximately \$344,036 and \$1,191,191, derived primarily from interest income related to the cash held in our trust account, net of legal, formation, travel and other start-up costs. For the period from April 29, 2005 (inception) through December 31, 2006, we had net income of \$747,351, derived primarily from interest income related to the cash held in our trust account, net of legal and start-up costs and compensation expense.

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For the three and six months ended December 31, 2005 we had a net loss of \$15,184 and \$30,519, derived primarily from formation and other start-up costs.

Plan of Operation

We currently are not engaged in any operations and we do not expect to engage in, any substantive commercial business until the consummation of the Acquisition and the CWEL Acquisition described in the Form 8-K filed on February 12, 2007. We expect these transactions to close in the spring/summer of 2007. Currently, our business activities consist solely of pursuing businesses with operations primarily in India, in order to consummate a business combination. Our management is actively pursuing target companies with operations in India, and we anticipate that this will continue to be our only business activity until the consummation of a business combination. While we continue to review a number of prospective target businesses we have entered into a definitive agreement with MBL and a non-binding agreement in principal with CWEL as described in the 8K filed on February 12, 2007.

We estimate that the net proceeds from the sale of the units in the public offering, our private placement to officers and directors, loans from our founders and the deferred offering costs to be \$63,845,850, after deducting offering expenses and underwriting discounts. This entire amount is held in trust (the trust account). Additionally, \$1,769,400 of the proceeds attributable to the underwriters non-accountable expense allowance has been deposited in the trust account.

We do not believe we will need additional financing to supplement the proceeds of the public offering, our private placement to officers and directors, and the loans from our founders in order to meet the expenditures required for operating our business. Interest earned on the trust account up to a maximum of \$2,150,000, may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses incurred by the Company prior to consummation of a business combination. As of December 31, 2006, interest earned on the trust fund totaled approximately \$2,150,000, of which we have transferred approximately \$2,150,000 into our operating account. We anticipate that the funds available to us outside of the trust account will be sufficient to sustain our business activities for a period of approximately 18 months, after the date of consummation of the public offering, or September 2007, assuming that a business combination is not consummated during that time. However, we may need to obtain additional financing to the extent such financing is required to consummate a business combination, in which case we may issue additional securities or incur debt in connection with such a business combination. On February 5, 2007 the Company entered into an agreement to sell 425,000 warrants on substantially the same terms as the current outstanding warrants and a note for \$3,000,000 to Oliveira Capital, LLC for \$3,000,000 to fund the purchase of \$3,000,000 in debentures from MBL. The agreements between the Company and MBL require the Company to purchase an additional \$3,000,000 in debentures from MBL if the Acquisition is not consummated by that date. The Company currently anticipates that it would raise that additional \$3,000,000, if necessary through the sale of an additional \$3,000,000 promissory note and warrants on the same terms as the transaction with Oliveira Capital, LLC.

The proceeds held in the trust account are invested in government securities (Treasury Bills and money market funds) until the earlier of (i) the consummation of our first business combination or (ii) the distribution of the trust account. In the event that the Company does not consummate a business combination within 18 months from the date of the consummation of the public offering (March 8, 2006), or 24 months from the consummation of the public offering if certain extension criteria have been satisfied (see **Plan of Operations - Timing of Business Combination** below), we will be forced to liquidate and the proceeds held in the trust account will be distributed to the Company's public stockholders. However, our founding shareholders (shareholders prior to our public offering) will not participate in any liquidation distribution with respect to any shares of our common stock acquired in connection with or following the public offering. If we are forced to liquidate, the per-share liquidation may be less than the price at which public stockholders purchased their shares because of the expenses related to our initial public offering, our general and administrative expenses and the anticipated costs of seeking a business combination. Additionally, if third parties make claims against us, the offering proceeds held in the trust account could be subject to those claims, resulting in a further reduction to the per-share liquidation price.

Sources of target businesses

Since our public offering, we have been actively engaged in sourcing suitable business combination candidates. We anticipate that we will locate acquisition candidates through three possible sources: (1) the professional community, including, without limitation, investment bankers, attorneys and accountants; (2) quasi-governmental associations such as the International Finance Corporation, which is a member of the World Bank; and (3) the industries subject to deregulation by the Indian government. In addition, we may locate acquisition candidates through other unaffiliated sources, including private equity and venture capital funds and public and private companies. Our officers, directors and special advisors and their affiliates may also bring acquisition candidates to our attention. In addition to contacting the sources described above for potential acquisition candidates, we expect that we may be contacted by unsolicited parties who become aware of our interest in prospective targets through press releases, word of mouth, media coverage and our website, should these outlets develop.

We may, from time to time, enter into additional oral and or written agreements with third parties who potentially could refer or make introductions to potential target entities in various industry sectors in India and conduct industry analysis and/or due diligence on potential target companies. Any such arrangements may involve retainer fees, typically in nominal amounts, reimbursement for

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travel and out of pocket expenses, and a success fee based upon successful completion of acquisitions resulting from such referrals. We expect that any such success fee would be a percentage of the consideration associated with such business combination. In addition, we may pay a finder's fee to any unaffiliated party that provides information regarding prospective targets to us. Any such finder's fee would be conditioned on our consummating a business combination with the identified target. We anticipate that such finder's fees, if any, would generally be a percentage of the consideration associated with such business combination, with the percentage to be determined based on local market conditions at the time of such combination. However, such fees may also take the form of a flat rate regardless of the size of the combination.

We have engaged Ferris, Baker Watts, Inc., the representative of the underwriters in our public offering, and SG Americas Securities, LLC, one of the participating underwriters in the public offering, to serve as our financial advisors in connection with a business combination for a period of two years from the effective date of our public offering, March 2, 2006. Ferris, Baker Watts, Inc. and SG Americas Securities, LLC will perform certain advisory services for us, including without limitation, assisting us in determining an appropriate acquisition strategy and tactics, evaluating the consideration that may be offered to a target business, assisting us in the negotiation of the financial terms and conditions of a business combination and preparing a due diligence package regarding a business combination for our board of directors. The due diligence services to be provided by Ferris, Baker Watts, Inc. and SG Americas Securities, LLC will consist of gathering, preparing and organizing information to be considered by our board of directors, among other things, once a target for a business combination has been identified. Pursuant to the terms of this agreement, Ferris, Baker Watts, Inc., will be entitled to receive 2% of the consideration associated with any business combination by us, a portion of which shall be allocated to SG Americas Securities, LLC pursuant to a separate agreement between the parties. The fee will be capped at \$1,500,000 and will be paid out of the trust account proceeds only upon consummation of a suitable business combination. In addition to the foregoing fee, we have agreed to reimburse Ferris, Baker Watts, Inc. and SG Americas Securities, LLC, promptly, on a monthly basis, for all of the reasonable out-of-pocket expenses incurred by it, whether or not a business combination is consummated; provided, however, that such expenses in the aggregate will not exceed \$25,000 without our prior consent.

We have also begun to engage third parties unaffiliated with us or with our underwriters to identify and locate suitable candidates for a proposed business combination with us.

Evaluation of target businesses

In evaluating prospective target businesses, our management will likely consider, among other factors, the following:

financial condition, results of operation and repatriation regulations;

growth potential both in India and growth potential outside of India;

capital requirements;

experience and skill of management and availability of additional personnel;

competitive position;

barriers to entry into the businesses industries;

potential for compliance with generally accepted accounting principles (GAAP), SEC regulations, Sarbanes-Oxley requirements and capital requirements;

domestic and global competitive position and potential to compete in the U.S. and other markets;

position within a sector and barriers to entry;

stage of development of the products, processes or services;

degree of current or potential market acceptance of the products, processes or services;

proprietary features and degree of intellectual property or other protection of the products, processes or services;

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regulatory environment of the industry and the Indian government's policy towards the sector; and

costs associated with effecting the business combination.

The above criteria are not intended to be exhaustive. In addition, our initial business combination must be with one or more operating businesses that, collectively, have a fair market value of at least 80% of our net assets (excluding any fees and expenses held in the trust account for the benefit of Ferris, Baker Watts, Inc.) at the time of the acquisition. Any evaluation relating to the merits of a particular business combination with one or more operating businesses will be based, to the extent relevant, on the above factors as well as other considerations deemed relevant by our management in carrying out a business combination consistent with our business objective. In evaluating prospective target businesses, we intend to conduct an extensive due diligence review that will encompass, among other things, meetings with incumbent management and inspection of facilities, as well as review of financial and other information that will be made available to us. Although our management intends to evaluate the risks inherent in a particular target business, we may not be able to properly ascertain or assess all significant risk factors.

After signing a definitive agreement for the acquisition of a target business or businesses, we will submit such transaction for stockholder approval. We may consummate our initial business combination if (i) it is approved by a majority of the shares of common stock voted by the public stockholders, and (ii) public stockholders owning less than 20% of the shares purchased by the public stockholders in the initial public offering exercise their conversion rights. In connection with the vote required for our initial business combination, all of our existing stockholders, including all of our officers, directors, and our special advisors, have agreed to vote the shares of common stock owned by them in accordance with the majority of the shares of common stock voted by the public stockholders.

Timing of business combination

Pursuant to the terms of our public offering, we must complete a business combination within 18 months after the consummation of the public offering (March 8, 2006), or 24 months if the extension criteria described below have been satisfied. If we do not complete the business combination, then we will dissolve the Company and distribute to all of our public stockholders, in proportion to their respective equity interests, an aggregate sum equal to the amount in the trust account, inclusive of any interest, plus any remaining net assets. We will have an extension period of six months for a total of 24 months from the consummation of the public offering in which to complete the business combination, if we enter into a letter of intent, an agreement in principle or a definitive agreement to complete a business combination prior to the expiration of 18 months after the consummation of the public offering, but are unable to complete the business combination within the 18-month period. If we are unable to do so by the expiration of the 24-month period from the consummation of the public offering, we will then begin the dissolution and liquidation procedures described above. The trustee of the trust account will immediately commence liquidating the investments constituting the trust account and will turn over the proceeds to our public stockholders.

Employees

On November 27, 2006 John Cherin resigned as Treasurer, Chief Financial Officer and Director for personal reasons. The Board subsequently appointed Mr. John B. Selvaraj as the Treasurer, Principal Financial and Accounting Officer of the Company.

We currently have two executive officers, one of whom is a member of our board of directors, as well as five special advisors. We also utilize the services of advisors, consultants and legal and tax professionals, among others, to assist in evaluating potential target industries and companies, among other tasks. We expect to add employees to handle the additional work load brought on by the MBL and CWEL transactions.

Our executive officers and part-time employees are not obligated to devote their full time to our matters and intend to devote only as much time as they deem necessary to our affairs; however, we expect Ram Mukunda, our President and Chief Executive Officer, to devote an average of approximately fifteen hours per week to our business. Likewise, we anticipate that John B. Selvaraj, our Treasurer, as well as Dr. Ranga Krishna, the Chairman of our Board of Directors, each to devote an average of approximately ten hours per week to our business.

We expect Mr. Mukunda to devote substantially all of his time to our business once we have signed a term sheet with a target business. While it is possible that one or more of our officers, directors and special advisors will remain associated with us in some capacity following a business combination, it is unlikely that any of them, except for

Mr. Mukunda, will devote their full efforts to our affairs subsequent to a business combination. Following a business combination, or an agreement for a business combination we may

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recruit additional managers to supplement the incumbent management of the target business or businesses, and we expect to hire full-time employees as well.

We have contracted with Integrated Global Networks, LLC, for general and administrative services including office space, utilities and secretarial support. In exchange for these services, we pay a monthly fee of \$4,000 to Integrated Global Networks, LLC. Mr. Mukunda, our Chief Executive Officer and President, is the Chief Executive Officer of Integrated Global Network, LLC. We believe that the fee charged by Integrated Global Networks, LLC was at least as favorable as we could have obtained from an unaffiliated third party, based on rents and fees for similar services in the Washington, DC metropolitan area.

Off Balance Sheet Arrangements

Options and warrants issued in conjunction with our initial public offering are equity linked derivatives; accordingly, they represent off balance sheet arrangements. The options and warrants meet the scope exception in paragraph 11(a) of FAS 133 and are accordingly not accounted for as derivatives for purposes of FAS 133, but instead are accounted for as equity. See the Notes to the December 31, 2006 financial statements for a discussion of outstanding options and warrants.

Quantitative and Qualitative Disclosures About Market Risk

Market risk is the sensitivity of income to changes in interest rates, foreign exchanges, commodity prices, equity prices and other market-driven rates or prices. We are not presently engaged in and, if a suitable business target is not identified by us prior to the prescribed liquidation date of the trust account, we may not engage in, any substantive commercial business. Accordingly, we are not and, until such time as we consummate or, to the extent, that the acquisition price for a business combination may be denominated in a foreign currency, enter into an agreement to consummate, a business combination, we will not be exposed to risks associated with foreign exchange rates, commodity prices, equity prices or other market-driven rates or prices. The net proceeds of our initial public offering held in the trust account have been invested only government securities, such as Treasury Bills and money market funds, meeting conditions of the Investment Company Act of 1940. Given our limited risk in our exposure to money market funds, we do not view the interest rate risk to be significant.

Item 4. Controls and Procedures

Our management, including our President and Chief Executive Officer, Ram Mukunda, along with our Treasurer and Principal Financial and Accounting Officer, John B. Selvaraj, have reviewed and evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2006. Based upon this review and evaluation, these officers believe that our disclosure controls and procedures are effective in ensuring that material information related to us is recorded, processed, summarized and reported within the time periods required by the forms and rules of the Securities and Exchange Commission.

Our management, consisting of our President and Chief Executive Officer and our Treasurer, and Principal Financial and Accounting Officer have reviewed and evaluated any changes in our internal control over financial reporting that occurred as of December 31, 2006 and there has been no change that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

Table of Contents**PART II. OTHER INFORMATION****Item 1. Legal Proceedings**

None.

Item 1A. Risk Factors

There have been no material changes from the factors discussed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-KSB for the year ended March 31, 2006, as amended by Form 10-KSB/A filed August 31, 2006 (the Annual Report). In addition to the other information set forth in this report, you should carefully consider the factors discussed in Part I, Item 1A. Risk Factors in our Annual Report which could materially affect our business, financial condition or future results. The risks described in our Annual Report are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**Unregistered Sales of Equity Securities**

On May 5, 2005, we issued 1,750,000 shares for an aggregate consideration of \$17,500 in cash, at an average purchase price of approximately \$.01 per share, as follows:

| Name | Number of Shares(1) | Relationship to Us |
|-------------------|----------------------------|---|
| Dr. Ranga Krishna | 250,000 | Chairman of the Board |
| Ram Mukunda | 1,250,000 | Chief Executive Officer, President and Director |
| | 250,000 | Former Chief Financial Officer, Treasurer and |
| John Cherin | | Director |

On June 20, 2005, we issued 750,000 shares for an aggregate consideration of \$7,500 in cash, at a purchase price of approximately \$.01 per share, as follows:

| Name | Number of Shares(1)(2)(3) | Relationship to Us |
|-----------------------|--------------------------------------|----------------------------------|
| Parveen Mukunda | 425,000 | Chief Executive Officer's spouse |
| Sudhakar Shenoy | 37,500 | Director |
| Suhail Nathani | 37,500 | Director |
| Shakti Sinha | 12,500 | Special Advisor |
| Dr. Prabuddha Ganguli | 12,500 | Special Advisor |
| Dr. Anil K. Gupta | 25,000 | Special Advisor |

(1) The share numbers and per share purchase prices in this section reflect the effects of a 1-for-2 reverse split effected September 29, 2005.

(2) Representing shares issued to our officers, directors and Special

Advisors in consideration of services rendered or to be rendered to us.

- (3) 200,000 of the 750,000 shares issued on June 20, 2005 were issued to former shareholders. On September 7, 2005 one former shareholder surrendered to the Company 62,500 shares, and on February 5, 2006 another former shareholder surrendered to the Company 137,500 shares. These 200,000 shares were reissued as set forth below.

On February 5, 2006, we reissued the 200,000 shares for an aggregate consideration of \$2,000 in cash at a price of approximately \$.01 per share as follows:

| Name | Number of Shares | Relationship to Us |
|-------------------|-------------------------|--|
| Dr. Ranga Krishna | 100,000 | Chairman of the Board |
| John Cherin | 37,500 | Former Chief Financial Officer, Treasurer and Director |
| Larry Pressler | 25,000 | Special Advisor |
| P.G. Kakodkar | 12,500 | Special Advisor |
| Sudhakar Shenoy | 12,500 | Director |
| Suhail Nathani | 12,500 | Director |

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A majority of the holders of these shares are entitled to make up to two demands that we register these shares pursuant to an agreement between these shareholders and the Company. The holders of the majority of these shares can elect to exercise these registration rights at any time after the date on which the lock-up period expires. After the Company receives the demand for registration, it will notify the other holders of these shares of their ability to include their shares in the registration. In addition, these stockholders have certain piggy-back registration rights on registration statements filed subsequent to such date. Piggy-back registration rights allow these shareholders to include their shares in a registered offering proposed by the Company. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

These stockholders agreed to waive their rights to participate in any liquidation distribution occurring upon our failure to consummate a business combination, but only with respect to those shares of common stock acquired by them prior to the public offering and the 170,000 shares included in the units they purchased in the private placement. Therefore, they will participate in any liquidation distribution with respect to any shares of common stock acquired in connection with or following the public offering. In addition, in connection with the vote required for our initial business combination, all of our existing stockholders, including all of our officers, directors and special advisors, have agreed to vote all of the shares of common stock owned by them, including those acquired in the private placement or during or after the public offering, in accordance with the majority of the shares of common stock voted by the public stockholders.

Ram Mukunda, John Cherin and Dr. Ranga Krishna purchased in the aggregate 170,000 units in the above-mentioned private placement offering immediately prior to the public offering, at a price equal to the price of the public offering, \$6.00 per unit. This private placement offering was not registered in reliance upon an exemption from registration under Section 4(2) of the Securities Act of 1933 and Rule 506 of Regulation D. Registration was not required because the shares were sold to officers and directors of the issuer, who qualify as accredited investors, as defined in Rule 501(a) of Regulation D. As mentioned above, these stockholders agreed to waive their respective rights to participate in any liquidation distribution occurring upon our failure to consummate a business combination with respect to the shares purchased in this private placement offering.

The units purchased by the founding stockholders were identical to the units issued in the initial public offering, consisting of one share of common stock and two warrants. Each warrant entitles the holder to purchase one share of common stock at an exercise price of \$5.00 commencing the later of the completion of a business combination or March 2, 2007 (one year from the effective date of the public offering), and expiring March 2, 2011 (five years from the effective date of the public offering). We have a right to call the warrants, provided the common stock has traded at a closing price of at least \$8.50 per share for any 20 trading days within a 30 trading day period ending on the third business day prior to the date on which notice of redemption is given. If we call the warrants, the holder will either have to redeem the warrants by purchasing the common stock from us for \$5.00 or the warrants will expire. On December 31, 2006, 24,449,000 shares of common stock were reserved for issuance upon exercise of redeemable warrants and the underwriters' purchase option.

Registered Offering Use of Proceeds

The registration statement for the Company's initial public offering was declared effective March 2, 2006. On March 8, 2006, the Company sold 11,304,500 units (Units) in the Public Offering, including the over-allotment option of 1,474,500 Units exercised by the underwriters of the public offering. Each Unit consists of one share of the Company's common stock, \$.0001 par value, and two redeemable common stock purchase warrants.

The following is a breakdown of Units registered and the Units sold in that offering:

| Amount Registered* | Aggregate price of the amount registered | Amount Sold | Aggregate price of the amount sold to date |
|---------------------------|---|--------------------|---|
| 11,304,500 Units | \$67,827,000 | 11,304,500 | \$67,827,000 |

* Includes the
over-allotment

option of
1,474,500 Units
exercised by the
underwriters of
the public
offering

After deducting offering expenses of approximately \$871,800 and underwriting discounts of approximately \$5,160,750, approximately \$61,794,450 of the aggregate proceeds from the public offering were deposited into a trust account at SunTrust Bank maintained by Continental Stock Transfer & Trust Company acting as trustee. Additionally, \$1,769,400 of the proceeds attributable to the underwriters' non-accountable expense allowance has been deposited in the trust account. The net proceeds from the 170,000 units which were purchased in a private placement immediately prior to the public offering by our officers and directors were placed in the

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trust account, which they have agreed to forfeit if a business combination is not consummated. In addition, the proceeds from the loans from our founders in the aggregate amount of \$870,000 were placed in the trust account. The loans will be repaid from the interest accrued on the amount in escrow, but will not be repaid from the principal in escrow.

Interest earned on the trust account up to a maximum of \$2,150,000, may be used to pay for business, legal and accounting due diligence on prospective acquisitions and continuing general and administrative expenses incurred by the Company prior to consummation of a business combination. As of December 31, 2006, interest earned on the trust fund totaled approximately \$2.3 million, of which we have transferred approximately \$2.1 million into our operating account.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

There have been no material changes to the rights of our security holders during the period covered by this quarterly report.

On February 12, 2007, we filed a report on Form 8-K announcing that we had entered into a Share Subscription Cum Purchase Agreement with MBL Infrastructures Limited and R G Maheshwari , A K Lakhotia, Maruti Maheshwari, Aditya Maheshwari, Uma Devi Lakhotia, Shweta Maheshwari, Gokul Sales P Ltd and Jai Art N Image P Ltd (collectively, the Promoters), pursuant to which IGC will acquire (the Acquisition) 2,212,745 equity shares of MBL (the Promoter Shares) from the Promoters and an additional 9,519,949 newly-issued equity shares directly from MBL (the New Shares) so that at the conclusion of the transactions contemplated by the Purchase Agreement IGC will own 57% of the outstanding equity shares of MBL. On February 6, 2007 we entered into a non-binding agreement in principle with Chiranjeevi Wind Energy Limited (CWEL) for the acquisition of 24 MW in wind energy assets which includes the acquisition of land, all licenses, environmental clearances, and equipment.

Item 6. Exhibits

The following exhibits are included in this report:

31.1 Certificate Pursuant to 17 CFR 240.13a-14(a).

31.2 Certificate Pursuant to 17 CFR 240.13a-14(a).

32.1 Certificate Pursuant to 18 U.S.C. § 1350.

32.2 Certificate Pursuant to 18 U.S.C. § 1350.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INDIA GLOBALIZATION CAPITAL, INC.

Date: February 19, 2007

/s/ Ram Mukunda

Ram Mukunda
Chief Executive Officer, President and
Director
(Principal Executive Officer)

Date: February 19, 2007

/s/ John B. Selvaraj

John B. Selvaraj
Treasurer
(Principal Financial and Accounting Officer)

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