India Globalization Capital, Inc.
Form S-1
December 18, 2009

As filed with the Securities and Exchange Commission on December 18, 2009
Registration No. 333- [ ]

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

FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

INDIA GLOBALIZATION CAPITAL, INC.
(Exact Name of Registrant as Specified in Its Charter)

Maryland	1600	20-2760393
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

4336 Montgomery Ave.
Bethesda, Maryland 20814
(301) 983-0998
(Address, Including Zip Code, and Telephone Number,
Including Area Code, of Registrant's Principal Executive Offices)

Ram Mukunda
Chief Executive Officer and President
India Globalization Capital, Inc.
4336 Montgomery Ave.
Bethesda, Maryland, 20814
(301) 983-0998
(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)

Copies to:
Stanley S. Jutkowitz, Esq.
Seyfarth Shaw LLP
975 F Street, N.W.
Washington, D.C. 20004
Telephone: (202) 463-2400
Facsimile: (202) 828-5393

Approximate date of commencement of proposed sale to public: As soon as practicable after this registration statement becomes effective.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box: þ

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering: o

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

Large accelerated filer o	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company þ

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered		Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, $0.0001 par value per share	(1)	$ 4,000,000(1)	$ 223.20

(1) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

The information in this Prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED December [ ], 2009

PROSPECTUS

India Globalization Capital, Inc.

Common Stock

This prospectus relates to the offering of [ ] shares of common stock of India Globalization Capital, Inc. ("IGC" or "the Company"), par value $0.0001 per share. We have retained ___________ as underwriter in connection with this offering, which is made on a ______ basis.

Our units, shares of common stock and warrants are currently traded on the NYSE Amex Equities ("NYSE Amex") under the symbols "IGC.U," "IGC" and "IGC.WS," respectively. As of December 17, 2009, the closing sale price of our units was $1.35, the closing sale price of our common stock was $1.42 and the closing sale price of our warrants was $0.07.

In reviewing this prospectus, you should carefully consider the matters described under the heading "Risk Factors" beginning on page 4.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is __________, 2009.

Table of Contents

All references to "IGC," "we," "our," "us," and similar terms in this prospectus refer to India Globalization Capital, Inc.

Some of the industry data contained in this prospectus are derived from data from various third-party sources. We have not independently verified any of this information and cannot assure you of its accuracy or completeness. While we are not aware of any misstatements regarding any industry data presented herein, such data is subject to change based on various factors, including those discussed under the heading "Risk Factors" in this prospectus.

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we have filed with the Securities and Exchange Commission (the "SEC" or the "Commission") utilizing a shelf registration process. Under this shelf registration process, we may, from time to time, offer and sell shares of the common stock of the Company pursuant to this prospectus. It is important for you to read and consider all of the information contained in this prospectus and any applicable prospectus supplement before making a decision whether to invest in the common stock. You should also read and consider the information contained in the documents that we have incorporated by reference as described in "Where You Can Find More Information" and "Incorporation of Certain Documents by Reference" in this prospectus.

You should rely only on the information contained in this prospectus and any applicable prospectus supplement, including the information incorporated by reference. We have not authorized anyone to provide you with different information. We are not offering to sell or soliciting offers to buy, and will not sell, any securities in any jurisdiction where it is unlawful. You should assume that the information contained in this prospectus or any prospectus supplement, as well as information contained in a document that we have previously filed or in the future will file with the SEC and incorporate by reference into this prospectus or any prospectus supplement, is accurate only as of the date of this prospectus, the applicable prospectus supplement or the document containing that information, as the case may be.

PROSPECTUS SUMMARY

The following is a summary of some of the information contained in this prospectus. In addition to this summary, we urge you to read the entire prospectus carefully, especially the risks relating to our business and common stock discussed under the heading "Risk Factors" and our financial statements.

India Globalization Capital, Inc.

Our Business

Background of India Globalization Capital, Inc. (IGC)

IGC, a Maryland corporation, was organized on April 29, 2005 as a blank check company formed for the purpose of acquiring one or more businesses with operations primarily in India through a merger, capital stock exchange, asset acquisition or other similar business combination or acquisition. On March 8, 2006, we completed an initial public offering. On February 19, 2007, we incorporated India Globalization Capital, Mauritius, Limited (IGC-M), a wholly owned subsidiary, under the laws of Mauritius. On March 7, 2008, we consummated the acquisition of 63% of the equity of Sricon Infrastructure Private Limited (Sricon) and 77% of the equity of Techni Bharathi Limited (TBL). The shares of the two Indian companies, Sricon and TBL, are held by IGC-M.

Most of the shares of Sricon and TBL acquired by IGC were purchased directly from the companies. IGC purchased a portion of the shares from the existing owners of the companies. The founders and management of Sricon own 37% of Sricon and the founders and management of TBL own 23% of TBL.

In connection with the acquisitions, IGC borrowed approximately $17 million from Sricon. If the loan is not repaid, the result could be a reduction in IGC's ownership percentage of Sricon.

The acquisitions were accounted for under the purchase method of accounting. Under this method of accounting, for accounting and financial purposes, IGC-M, Limited was treated as the acquiring entity and Sricon and TBL as the acquired entities. The financial statements provided here and going forward are the consolidated statements of IGC, which include IGC-M, Sricon, TBL and our other subsidiaries. However, historical description of our business for periods and dates prior to March 7, 2008 include information on Sricon and TBL.

Unless the context requires otherwise, all references in this report to the "Company", "IGC", "we", "our", and "us" refer to Ind Globalization Capital, Inc, together with its wholly owned subsidiary IGC-M, and its direct and indirect subsidiaries (Sricon, TBL, IGC-MPL, IGC-LPL and IGC-IMT).

Background of Indian Subsidiaries

Sricon Infrastructure Private Limited ("Sricon") was incorporated as a private limited company on March 3, 1997 in Nagpur, India. Sricon is an engineering and construction company that is engaged in three business areas: 1) civil construction of highways and other heavy construction, 2) mining and quarrying and 3) the construction and maintenance of high temperature cement and steel plants. Sricon's present and past clients include various Indian government organizations.

Techni Bharathi Limited ("TBL") was incorporated as a public (but not listed on the stock market) limited company on June 19, 1982 in Cochin, India. TBL is an engineering and construction company engaged in the execution of civil construction and structural engineering projects. TBL has a focus in the Indian states of Andhra Pradesh, Karnataka, Assam and Tamil Nadu. Its present and past clients include various Indian government organizations.

1

IGC Materials, Private Limited (“IGC-MPL”) and IGC Logistics, Private Limited (“IGC-LPL”), are based in Nagpur India and were incorporated in June 2009. The two companies focus on infrastructure materials like rock aggregate, bricks, concrete and other material as well as the logistical support for the transportation of infrastructure material. IGC India Mining and Trading (“IGC-IMT”) was incorporated in December 2008 in Chennai, India. IGC-IMT is involved in the export of iron ore to China. IGC-MPL, IGC-LPL and IGC-IMT are all wholly owned subsidiaries of IGC-M.

Our approach is to offer a suite of services to customers involving construction as well as sale and transportation of materials.

Core Business Competencies

We offer an integrated approach in our customer service delivery based on core competencies that we have demonstrated over the years. This integrated approach provides us with an advantage over our competitors.

Our core business competencies include the following:

1) Highway and heavy construction
2) Mining and Quarrying
3) Construction and maintenance of high temperature plants

Our Growth Strategy and Business Model

Our growth strategy and business model is the following:

1) Deepen our relationships with our existing construction customers by providing them infrastructure materials like iron ore, rock aggregate, concrete, coal and associated logistical support.

2) Expand our materials offering by expanding the number of rock aggregate quarries and other material infrastructure.

3) Leverage our expertise in the logistics and supply of iron ore by increasing the number of shipping hubs we operate from and expand our offering into China and other Asian countries to take advantage of the infrastructure growth in India, China and other Asian countries.

4) Expand the number of recurring contracts for infrastructure build out to customers that can benefit from our portfolio of offerings.

5) As part of our financing plan, aggressively pursue the collection of delay claims in past projects.

Please see the “Risk Factors” section commencing on page 4 for more information concerning the risks of investing in our company.

Where You Can Find More Information

We have three securities listed on the NYSE Amex: (1) common stock, $.0001 par value (ticker symbol: IGC), (2) redeemable warrants to purchase common stock (ticker symbol: IGC.WS) and (3) units consisting of one share of common stock and two redeemable warrants to purchase common stock (ticker symbol: IGC.U).

We will make available on our website, www.indiaglobalcap.com, our annual reports, quarterly reports, proxy statements as well as up to- date investor presentations. The registration statement and its exhibits, as well as our other reports filed with the SEC, can be inspected and copied at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information about the operation of the public reference room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains a web site at http://www.sec.gov which contains the Form S-1 and other reports, proxy and information statements and information regarding issuers that file electronically with the SEC.

We have filed a registration statement on Form S-1 with the SEC registering under the Securities Act the common stock that may be distributed under this prospectus. This prospectus, which is a part of such registration statement, does not include all of the information contained in the registration statement and its exhibits. For further information regarding us and our common stock, you should consult the registration statement and its exhibits.

Statements contained in this prospectus concerning the provisions of any documents are summaries of those documents, and we refer you to the documents filed with the SEC for more information. The registration statement and any of its amendments, including exhibits filed as a part of the registration statement or an amendment to the registration statement, are available for inspection and copying as described above.

The Offering

We are offering ____________ shares of our common stock pursuant to this prospectus.

Issuer	India Globalization Capital, Inc., a Maryland corporation
Shares Offered	[ ] shares
Shares Outstanding	12,898,291 shares
Use of Proceeds	We expect proceeds from this offering to us to be approximately $[ ], after underwriters' discounts and before deducting the estimated expenses for the offering. We intend to use the proceeds for working capital, operating expenses and other general corporate purposes. We may also use the proceeds to repay indebtedness.
NYSE Amex Symbol for Common Stock:	IGC
Risk Factors	You should carefully consider the matters discussed under the heading "Risk Factors"

RISK FACTORS

You should carefully consider the following risk factors, together with all of the other information included in this prospectus in evaluating us and our common stock and other securities. If any of the following risks and uncertainties develop into actual events, they could have a material adverse effect on our business, financial condition or results of operations. In that case, the trading price of our common stock and other securities also could be adversely affected. We make various statements in this section, which constitute "forward-looking statements." See "Forward-Looking Statements." We refer to Sricon Infrastructure Private Limited as Sricon and Techni Bharathi Limited as TBL.

RISKS ASSOCIATED WITH OUR INDUSTRY AND DOING BUSINESS IN INDIA

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

As we scale our operations we may increase the amount of money we borrow for working capital and leasing of equipment. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies as well as an increase in Indian interest rates may adversely impact our ability to finance growth through debt and could lead to a tightening of our margins, adversely affecting our operating income.

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

Our construction business is dependent on the government of India as well as the state governments for contracts. Their operations and financial results may be affected by changes in the government's policy towards building infrastructure. In addition, the slow down in the Indian economy has caused the government to slow down the pace of infrastructure building, which if unchanged could adversely affect our future performance. We foresee no immediate changes to government policy or market conditions that would adversely affect our ability to conduct business other than limited access to credit.

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

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

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

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

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

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

While we may have insurance to cover some of these risks and can file claims against the contracting agencies, there can be no guarantee that we will be able to collect in a timely manner. Further, India has seen an increase in politically motivated insurgencies and a fairly active communist following. Any uprising from these groups can delay our roadwork and disrupt our business. Terrorist attacks, insurgencies or the threat of violence could slow down road building activity and acquisition of materials which could adversely affect our business.

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

We are subject to India’s rules and regulations on currency conversion. In India, the Foreign Exchange Management Act or FEMA, regulates the conversion of the Indian rupee into foreign currencies. However, comprehensive amendments have been made to FEMA to support the economic liberalization. Companies are now permitted to operate in India without any special restrictions, effectively placing them on par with wholly Indian owned companies. In addition, foreign exchange controls have been substantially relaxed. Notwithstanding these changes, the Indian foreign exchange market is not yet fully developed and we cannot assure that the Indian authorities will not revert back to regulating companies and imposing new restrictions on the convertibility of the Indian rupee. Any future restrictions on currency exchanges may limit our ability to use our cash flow for the distribution of dividends to our stockholders or to fund operations we may have outside of India.

Changes in the exchange rate of the Indian rupee may negatively impact our revenues and expenses.

Our operations are primarily located in India and we receive payment in Indian rupees. As the results of operations are reported in US dollars, to the extent that there is a decrease in the exchange rate of Indian rupees into US dollars, such a decrease could have a material impact on our operating results or financial condition.

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

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

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

RISKS ASSOCIATED WITH OUR BUSINESS

The cost of obtaining bank financing may reduce our income.

TBL and, to a lesser extent, Sricon, have restructured some of their bank debt and may, in the future, face higher interest rates or will require higher collateral with the banks. This increases the cost of money for the construction business and could decrease our margins. IGC expects to provide collateral support for two to three years, by which time we expect the credit worthiness of the construction business to increase to adequate levels. Further, collateral that has been provided to the banks consists mostly of real estate, which has fallen in value, thus reducing our ability to borrow.

Availability of raw materials at competitive prices.

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

Some of our business is dependent on contracts awarded by the Government and its agencies.

The construction business is dependent on central and state budget allocations to the infrastructure sector. We derive the bulk of our construction revenue from contracts awarded by the central and state governments of India and their agencies. If there are delays in the payment of invoices by the government, our working capital requirements could increase.

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

We are subject to the United States Foreign Corrupt Practices Act, which generally prohibits United States 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.

We may issue shares of our capital stock, including through convertible debt securities, which would reduce the equity interest of our stockholders and likely cause a change in control of our ownership.

Our certificate of incorporation authorizes the issuance of up to 75,000,000 shares of common stock, par value $.0001 per share and 1,000,000 shares of preferred stock, par value $.0001 per share. There are currently approximately 47,000,000 authorized but unissued shares of our common stock available for issuance (after appropriate reservation for the issuance of shares upon full exercise of our outstanding warrants and the purchase option granted to Ferris, Baker Watts, Inc. and shares authorized for issuance under our 2008 Omnibus Incentive Plan, including outstanding options issued there under) and all of the 1,000,000 shares of preferred stock available for issuance. We have recently issued 1,060,000 shares of our common stock in connection with a private placement of debt securities and an exchange of previously issued debt securities for new debt securities and the common stock and may engage in similar private placements in the future. The issuance of additional shares of our common stock including upon conversion of any debt securities:

- may significantly reduce the equity interest of our existing shareholders; and
- may adversely affect prevailing market prices for our common stock, warrants or units.

We may issue notes or other debt securities, which may adversely affect our leverage and financial condition.

During each of 2008 and 2009, we sold debt securities in the principal amount of $2,000,000 in a private placement and may engage in similar private placements in the future. The incurrence of this debt:

- may lead to default and foreclosure on our assets if our operating revenues are insufficient to pay our debt obligations;
    - may cause an acceleration of our obligations to repay the debt even if we make all principal and interest payments when due if we breach the covenants contained in the terms of the debt documents;
- may create an obligation to immediately repay all principal and accrued interest, if any, upon demand to the extent any debt securities are payable on demand; and
- may hinder our ability to obtain additional financing, if necessary, to the extent any debt securities contain covenants restricting our ability to obtain additional financing while such security is outstanding, or to the extent our existing leverage discourages other potential investors.

Additional capital may be costly or difficult to obtain.

Additional capital, whether through the offering of equity or debt securities, may not be available on reasonable terms or at all, especially in light of the recent downturn in the economy and dislocations in the credit and capital markets. If we are unable to obtain required additional capital, we may have to curtail our growth plans or cut back on existing business and, further, we may not be able to continue operating if we do not generate sufficient revenues from operations needed to stay in business. We may incur substantial costs in pursuing future capital financing, including investment banking fees, legal fees, accounting fees, securities law compliance fees, printing and distribution expenses and other costs. We may also be required to recognize non-cash expenses in connection with certain securities we issue, such as convertible notes and warrants, which may adversely impact our financial condition.

If we are unable to repay the loan from Sricon, they may have difficulty competing for future large contracts.

We believe that Sricon will ultimately require the amounts they loaned us in order to expand their operations and the scope of contracts on which they can bid. If we are unable to repay the loan made to us by Sricon, they may be required to find alternative sources of funding for such expansion, and the costs and timing of obtaining such funding may make it more difficult for these companies to expand the scope of contracts for which they can compete. To the extent Sricon obtains additional funding, or we are unable to repay the loan, it may result in the issuance of additional shares of capital stock by Sricon to other parties or our tender to Sricon of a portion of the shares we acquired from them, resulting in the dilution of our interest in Sricon with a corresponding write down of our assets.

Leveled penalties for time overruns may adversely affect our economic performance.

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

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

Our business is dependent on developing and maintaining strategic alliances with contractors that undertake turnkey contracts for infrastructure development projects as well as government organizations. The business and our results could be adversely affected if we are unable to maintain continuing relationships and pre-qualified status with key clients and strategic partners.

Our business model 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. The loss of the services of certain key personnel, without adequate replacement, could have an adverse effect on our performance. Our senior management as well as the senior management of our subsidiaries have played a significant role in developing and executing the overall business plan, maintaining client relationships, proprietary processes and technology. While no one is irreplaceable, the loss of the services of any would be disruptive to our business. Our strategy, management, financial and operational oversight are heavily dependent on our Founder and CEO. The loss of our CEO could have a significant adverse effect on our business. In order to mitigate these risk factors we are recruiting professional managers and expanding the executive ranks as well as pursuing succession-planning initiatives, but this will take time and there can be no guarantees that these mitigation efforts will be successful.

Quarterly financial results will vary.

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

- Fluctuations in revenue due to seasonality: For example, during the monsoon season, the heavy rains slow down construction work resulting in an overall slow down of the supply of materials as well as construction activity. This results in uneven revenue and operating results through the quarters. In general, the months between June and September are the rainy seasons and these tend to be slower quarters than the others.

Our future operating results and the market price of our common stock could be materially adversely affected if we are required to write down the carrying value of goodwill associated with any of our businesses in the future.

We review our goodwill balance for impairment on at least an annual basis through the application of a fair value-based test. Our estimate of fair value is based primarily on projected future results and cash flows and other assumptions. In addition, we review long-lived assets whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. In the fourth quarter of our 2009 fiscal year, we performed our annual test for goodwill impairment and determined that our goodwill was not impaired. In the future, if our projected discounted cash flows associated with our businesses do not exceed the carrying value of their net assets, we may be required to record write downs of the carrying value of goodwill or other long-lived assets associated with any of our businesses and our operating results and the market price of our common stock may be materially adversely affected.

As of September 30, 2009 our goodwill balance was $17.5 million respectively. We perform an annual goodwill impairment test during the fourth quarter of each fiscal year, or more frequently if an event occurs or circumstances change between annual tests that would more likely than not reduce the fair value of a reporting unit below its carrying amount. The 2008-2009 recession has impacted our financial results and has reduced near-term purchases from certain of our key customers. We may determine that our expectations of future financial results and cash flows from one or more of our businesses has decreased or a decrease in stock valuation may occur, which could result in a review of our goodwill associated with these businesses. Since a large portion of the value of our intangibles has been ascribed to projected revenues from certain key customers, a change in our expectation of future cash from one or more of these customers could indicate potential impairment to the carrying value of our assets.

Our subsidiaries may become involved in litigation in the future.

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

We face competition in the Indian infrastructure industry.

The Indian real estate and infrastructure industries are increasingly attracting foreign capital. We currently have competition from international as well as domestic companies that operate at the national level. Smaller localized contractors and companies are also competing in their respective regions. If we are unable to offer competitive prices and obtain contracts, there could be a significant reduction in our revenue.

A down turn in the economy could adversely affect our business, financial condition, results of operations and future prospects.

A generally adverse financial global economy or global recession could adversely affect commodity prices and infrastructure build out in Asia which in turn could adversely affect our future performance and result in a drop in our stock price.

Our operations are sensitive to weather conditions.

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

Depending on the onset of the monsoons, revenue recorded in the first half of our fiscal year, particularly between June through September, is traditionally lower than revenue recorded during the second half of our fiscal year. During periods of curtailed activity due to adverse weather conditions, we may continue to incur operating expenses as well as build material reserves reducing profitability.

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 India in IGAAP and in the US in USGAAP, we may experience untimely close of our books and records 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 of 2002 (the “SOX” act), as well as new rules subsequently 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 except Sricon. We expect to carry out the evaluations and install systems and processes as required. However, we cannot be certain as to the timing of completion of evaluation testing and remediation actions or the impact of the same on our operations. Further, it is difficult to hire personnel in India that are familiar with USGAAP. However, we have hired several reputed consultants to help review internal reporting and disclosures as well as train our India based staff in the rigors of SEC reporting and USGAAP. We currently, do not foresee a problem other than the time required to adequately train and streamline the processes.

The audit report provided by Yoganandh and Ram will require a review by a US firm.

While our audit firm, Yoganandh & Ram, is registered with the Public Company Accounting Oversight Board (the "PCAOB"), the SEC requires that the audits conducted by Yoganandh & Ram, be reviewed by another PCAOB registered firm. If the review identifies changes to an audit, we will be required to amend our annual report as filed on Form 10-K incorporating the audited financial statements. The requirement of the review is expected to increase our legal, accounting and other expenses.

RISKS RELATED TO OUR SECURITIES

The Company has warrants outstanding, which could dilute the number of shares outstanding.

At the time the warrants are exercised, the company will get the exercise price, unless the exercise is cashless. In either case, such an exercise will also increase the number of shares outstanding. This may adversely affect the share price as the supply of shares eligible for sale in the public market will increase. The increased number of shares offered for sale in the public market may exceed the public demand to buy shares at a given market price resulting in the market price adjusting downward to equalize supply and demand.

Although we are required to use our best efforts to have an effective registration statement covering the issuance of the shares underlying the public warrants at the time that our warrant holders exercise their public warrants, we cannot guarantee that a registration statement will be effective, in which case our warrant holders may not be able to exercise our public warrants and such warrants may expire worthless.

Holders of our public warrants will be able to exercise the warrants only if a current registration statement under the Securities Act of 1933 relating to the shares of our common stock underlying the warrants is then effective. Although we have undertaken in the warrant agreement, and therefore have a contractual obligation, to use our best efforts to maintain a current registration statement covering the shares underlying the public warrants to the extent required by federal securities laws, and we intend to comply with such undertaking, with such a registration statement currently effective, we cannot assure you that we will be able to do so. In no event shall we be liable for, or any registered holder of any warrant be entitled to receive, (a) physical settlement in securities unless the conditions and requirements set forth in the warrant agreement have been satisfied or (b) any net-cash settlement or other consideration in lieu of physical settlement in securities. The value of the public warrants may be greatly reduced if a registration statement covering the shares issuable upon the exercise of the warrants is not kept current. Such warrants may expire worthless.

Because the warrants sold in the private placements were originally issued pursuant to an exemption from registration requirements under the federal securities laws, the holders of the warrants sold in the private placement will be able to exercise their warrants even if, at the time of exercise, a prospectus relating to the common stock issuable upon exercise of such warrants is not current. As a result, the holders of the warrants purchased in the private placements will not have any restrictions with respect to the exercise of their warrants. As described above, the holders of the public warrants will not be able to exercise them unless we have a current registration statement covering the shares issuable upon their exercise.

If equity research analysts do not publish research or reports about our business or if they issue unfavorable commentary or downgrade our common stock, 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 do not currently intend to pay dividends, which may limit the return on your investment in us.

We currently intend to retain all available funds and any future earnings for use in the operation and expansion of our business and do not anticipate paying any cash dividends in the foreseeable future.

FORWARD-LOOKING STATEMENTS

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

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

- Competition in the road building sector.
- Legislation by the government of India.
- General economic conditions and the Indian growth rates.
- Our ability to win licenses, contracts and execute.

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

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

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

Before you decide to invest in our securities, you should be aware that the occurrence of the events described in the “Risk Factors” section and elsewhere in this prospectus could have a material adverse effect on us.

USE OF PROCEEDS

We expect proceeds from this offering to us to be approximately $[ ], after underwriters' discounts and before deducting the estimated expenses for the offering. We are contractually required to use 40% of the net proceeds of this offering in excess of $500,000 to repay two outstanding promissory notes in the principal amount of $2,120,000 and $2,000,000, respectively. We intend to use the balance of the proceeds for working capital, operating expenses and other general corporate purposes. We may also use the balance of the proceeds to further repay outstanding indebtedness.

DIVIDEND POLICY

We have not paid any cash dividends on its common stock to date. It is the present intention of the board of directors to retain all earnings, if any, for use in the business operations, and consequently, the board does not anticipate declaring any dividends in the foreseeable future. The payment of any dividends will be with the discretion of the board of directors and will be contingent upon our financial condition, results of operations, capital requirements and other factors our board deems relevant.

MARKET PRICE OF OUR COMMON STOCK, WARRANTS AND UNITS

The following table shows, for the last eight fiscal quarters, the high and low closing prices per share of the Common Stock, Warrants and Units as quoted on the NYSE Amex:

	Common Stock		Warrants		Units	
Quarter Ended	High	Low	High	Low	High	Low
December 31, 2007	$5.94	$5.69	$0.59	$0.34	$6.90	$6.35
March 31, 2008	$5.90	$3.60	$0.73	$0.25	$7.45	$4.15
June 30, 2008	$5.90	$3.81	$1.30	$0.58	$8.80	$5.28
September 30, 2008	$4.99	$4.50	$1.00	$0.55	$6.86	$5.65
December 31, 2008	$4.78	$0.70	$0.53	$0.01	$5.75	$0.01
March 31, 2009	$1.10	$0.33	$0.13	$0.02	$1.07	$0.40
June 30, 2009	$1.25	$1.12	$0.06	$0.06	$1.80	$1.02
September 30, 2009	$1.86	$0.88	$0.20	$0.05	$2.32	$1.00
December 31, 2009 (through December 17, 2009)	$2.20	$1.33	$0.22	$0.04	$2.50	$1.34

A recent reported closing price for our common stock, warrants and units is set forth on the cover page of this prospectus. Continental Stock Transfer & Trust Company is the transfer agent and registrar for our common stock. As of September 30, 2009, we had 946 holders of record of our common stock, 173 holders of record of our units and 1,054 holders of record of our warrants.

DETERMINATION OF OFFERING PRICE

The prices at which the shares of common stock covered by this prospectus may actually be disposed may be at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices.

UNDERWRITING

Under the terms and subject to the conditions contained in an underwriting agreement dated ____________ , 2009, we have agreed to sell to the underwriter, ____________, the following respective numbers of shares of common stock:

Underwriter	Number of Shares

The underwriting agreement provides that the underwriters are obligated to purchase all the shares of common stock in the offering if any are purchased, other than those shares covered by the over-allotment option described below. The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters will be increased.

We have granted to the underwriters a 30-day option to purchase up to ________ additional shares at the offering price less the underwriting discounts. The option may be exercised only to cover any over-allotments of common stock.

The underwriters propose to offer the shares of common stock at the offering price on the cover page of this prospectus supplement. After the offering, _____________ may change the offering price and concession and discount to broker/dealers.

The following table summarizes the compensation and estimated expenses we will pay:

	Per Share		Total	
	Without Over-Allotment	With Over-Allotment	Without Over-Allotment	With Over-Allotment
Underwriting discounts and commissions paid by us				

We have agreed that during the period beginning from the date hereof and continuing to and including the date __ days after the date of the prospectus supplement, we will not offer, sell, contract to sell or otherwise dispose of any securities of the Company which are substantially similar to our common stock (other than for shares or stock options issued under employee stock plans, such plans as are currently in existence and disclosed in the Prospectus), without the prior written consent of _____________ (such consent not to be unreasonably withheld or delayed) other than the sale of the shares to be sold by the Company hereunder. During the period of __ days after the date of the prospectus supplement, the Company will not file with the Commission or cause to become effective any registration statement (other than a registration statement on Form S-8 filed to register securities issued or to be issued under employee stock option plans, each such plan as disclosed in the Prospectus) or prospectus relating to any securities of the Company which are substantially similar to our common stock without the prior written consent of _____________

Our executive officer and directors have agreed that they will not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, enter into a transaction that would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of our common stock, whether any of these transactions are to be settled by delivery of our common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, without, in each case, the prior written consent of _____________ for a period __ days after the date of this prospectus supplement, provided, however, that the foregoing shall not apply to a transfer of shares solely to the extent necessary to satisfy federal income tax obligations with respect to any shares of Common Stock issued prior to the date of this offering.

We have agreed to indemnify the underwriters against liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in that respect.

In connection with the offering the underwriters may engage in stabilizing transactions, over-allotment transactions, syndicate covering transactions ad penalty bids in accordance with Regulation M under the Exchange Act.

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.

  - Over-allotment involves sales by the underwriters of shares in excess of the number of shares the underwriters are obligated to purchase, which creates a syndicate short position. The short position may be either a covered short position or a naked short position. In a covered short position, the number of shares over-allotted by the underwriters is not greater than the number of shares that they may purchase in the over-allotment option. In a naked short position, the number of shares involved is greater than the number of shares in the over-allotment option. The underwriters may close out any covered short position by exercising their over-allotment option and/or purchasing shares in the open market.

- Syndicate covering transactions involve purchases of the common stock in the open market after the distribution has been completed in order to cover syndicate short positions. In determining the source of shares to close out the short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. If the underwriters sell more shares than could be covered by the over-allotment option, a naked short position, the position can only be closed out by buying shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering.

- Penalty bids permit the representatives to reclaim a selling concession from a syndicate member when the common stock originally sold by the syndicate member is purchased in a stabilizing or syndicate covering transaction to cover syndicate short positions.

These stabilizing transactions, syndicate covering transactions and penalty bids may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of the common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist on the open market. These transactions may be affected on the NYSE Amex or otherwise and if commenced, may be discontinued at any time.

A prospectus supplement and prospectus in electronic format may be made available on the web sites maintained by one or more of the underwriters participating in this offering.

SELECTED HISTORICAL FINANCIAL INFORMATION.

IGC's historical information is derived from its audited financial statements for the period from its inception (April 29, 2005) to March 31, 2006, for the fiscal years ended March 31, 2007, 2008 and 2009. In addition, historical information is derived from its unaudited financial statements for the 6 months period ended September 30, 2009 and 2008. The information is only a summary and should be read in conjunction with IGC's historical financial statements and related notes and IGC's respective Management's Discussion and Analysis of Financial Condition and Results of Operations contained elsewhere herein. The historical results included below and elsewhere herein are not indicative of the future financial performance of IGC.

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

Annual results:

Selected Statement of Operations Data:		Year Ended 31-Mar-09		Year Ended 31-Mar-08		Year Ended 31-Mar-07		29-Apr-05 To March 31, 2006
Revenue	$	35,338,725	$	2,188,018	$		$	
Other Income-Interest, net		(577,934)		471,698		3,171,818		210,584
Net Income (loss)		(521,576)		(5,215,270)		1,517,997		(443,840)
Per Share Data								
Earnings per share – basic	$	(0.05)	$	(0.61)	$	0.11	$	(0.14)
Earnings per share - diluted	$	(0.05)	$	(0.61)				
Weighted Average Shares								
Basic		10,091,171		8,570,107		13,974,500		3,191,000
Diluted		10,091,171		8,570,107				

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

Most recent quarterly results:

Selected Statement of Operations Data:		Six Months Ended September 30, 2009		Six Months Ended September 30, 2008
Revenue	$	8,085,480	$	28,427,252
Other Income-Interest, net		(661,475)		(615,686)
Net Income (loss)		(1,116,189)		1,359,243
Per Share Data				
Earnings per share – basic	$	(0.09)	$	0.15
Earnings per share - diluted		(0.09)		0.15
Weighted Average Shares				
Basic		11,783,991		8,780,107
Diluted		12,291,208		8,780,107

15

India Globalization Capital, Inc.
Selected Summary Balance Sheet Data

	30-Sept-09 (unaudited)	31-Mar-09 (audited)	31-Mar-08 (audited)	31-Mar-07 (audited)
ASSETS				
Investments held in trust fund	$	$ -	$ -	$ 66,104,275
Total Current Assets	20,200,295	19,498,584	32,896,447	70,385,373
Total Assets	53,194,285	51,832,513	67,626,973	70,686,764
LIABILITIES				
Current Liabilities	9,623,556	9,446,345	17,384,059	5,000,280
Total Liabilities	13,415,831	13,974,638	26,755,261	5,000,280
Common stock subject to possible conversion				12,762,785
Total stockholders' equity	$ 25,450,823	$ 23,595,269	$ 27,326,056	$ 52,923,699

The following table sets forth certain selected financial data of Sricon. The selected financial data presented below was derived from Sricon's audited consolidated financial statements for the period April 1, 2007 through March 7, 2008 (date of acquisition) and for the three year period ended March 31, 2007, and from Sricon's unaudited consolidated financial statements for the year ended March 31, 2004. The information is only a summary and should be read in conjunction IGC's historical financial statements and related notes and our Management's Discussion and Analysis of Financial Condition and Results of Operations contained elsewhere herein. Additional information regarding Scrion's historical performance can be found in the Company's Annual Report on Form 10-KSB for the year ended March 31, 2008. The historical results included below and elsewhere herein are not indicative of the future financial performance of IGC, Sricon and TBL.

Sricon Infrastructure (Predecessor)
Selected Summary Statement of Income Data

Amounts in Thousands Except Per Share Data	Year Ended 7-Mar-08	Year Ended 31-Mar-07	Year Ended 31-Mar-06
Revenue	$ 22,614	$ 10,604	$ 11,011
Income Before Tax	3,144	778	668
Income Taxes	(768)	(368)	(186)
Net Income (loss)	2,376	410	482
Per Share Data			
Earnings per share – basic	$ 0.81	$ 0.14	$ 0.16
Earnings per share - diluted	$ 0.78		
Weighted Average Shares			
Basic	2,932,159	2,932,159	2,932,159
Diluted	3,058,881		

Amounts in Thousands Except Per Share Data	Year Ended 31-Mar-05	Unaudited Year Ended 31-Mar-04
Revenue	$11,477	$15,298
Income Before Tax	907	646
Income Taxes	(363)	(199)
Net Income (loss)	544	446
Per Share Data		
Earnings per share – basic	$0.19	$0.11
Earnings per share - diluted		
Weighted Average Shares		
Basic	2,932,159	183,259
Diluted		

Sricon Infrastructure Private Limited (Predecessor)
Selected Summary Balance Sheet Data

(Amounts in Thousand US Dollars)	March 7, 2008	March 31, 2007	March 31, 2006
ASSETS			
Accounts receivables	$ 7,764	$ 2,751	$ 2,083
Unbilled receivables	4,527	2,866	2,980
Inventories	447	71	248
Property and equipment, net	5,327	4,903	4,347
BOT Project under progress *	3,485	3,080	1,584
LIABILITIES			
Short-term borrowings and current portion of long-term debt	5,732	3,646	3,868
Due to related parties	1,322	2,264	1,604
Long-term debt, net of current portion	1,264	2,182	1,855
Other liabilities	1,519	1,913	697
Total stockholders' equity	$ 9,673	$ 4,289	$ 3,740

(Amounts in Thousand US Dollars)	March 31, 2005	Unaudited March 31, 2004
ASSETS		
Accounts receivables	$ 2,128	$ 2,223
Unbilled receivables	974	984
Inventories	154	71
Property and equipment, net	3,424	3,098
BOT Project under progress *	0	0
LIABILITIES		
Short-term borrowings and current portion of long-term debt	5,103	359
Due to related parties	1,724	1,553
Long-term debt, net of current portion	1,278	1,089
Other liabilities	1,307	1,267
Total stockholders' equity	$ 2,760	$ 2,822

*BOT Project under progress means Build, Operate, and Transfer. BOT is listed as Accounts Receivable – Long term in the Consolidated Financial Statements for IGC. See the Summary of Significant Accounting Policies for a detailed explanation of BOT projects.

The following table sets forth certain selected financial data of Techni Bharathi Limited. The selected financial data presented below was derived from Techni Bharathi Limited audited consolidated financial statements for the period April 1, 2007 through March 7, 2008 (date of acquisition) and for the three year period ended March 31, 2007, and from TBL's unaudited consolidated financial statements for the year ended March 31, 2004. The information is only a summary and should be read in conjunction IGC's historical financial statements and related notes and our Management's Discussion and Analysis of Financial Condition and Results of Operations contained elsewhere herein. Additional information regarding TBL's historical performance can be found in the Company's Annual Report on Form 10-KSB for the year ended March 31, 2008. The historical results included below and elsewhere herein are not indicative of the future financial performance of IGC, Sricon and TBL.

Techni Bharathi Limited (Predecessor)
Selected Summary Statement of Income Data

(Amounts in Thousand US Dollars, except share data and as stated otherwise)	April 1 2007 to March 7, 2008	31-Mar-07	31-Mar-06
Revenue	$ 5,321	$ 4,318	$ 2,285
Income (loss) before income taxes	2,245	401	(2,369)
Income taxes	(86)	135	62
Net (loss)/income	1,988	536	(2,307)
Per Share Data			
Basic	$ 0.46	$ 0.13	$ (0.54)
Diluted	$ 0.22	$ 0.13	$ (0.54)
Weighted Average Shares			

Basic	4,287,500	4,287,500	4,287,500
Diluted	9,089,928	4,287,500	4,287,500

(Amounts in Thousand US Dollars, except share data and as stated otherwise)	31-Mar-05	Unaudited 31-Mar-04
Revenue	$ 8,954	$ 8,773
Income (loss) before income taxes	(3,823)	(2,609)
Income taxes	515	(63)
Net (loss)/income	(3,308)	(2,672)
Per Share Data		
Basic	$ (0.77)	$ (0.62)
Diluted	$ (0.77)	$ (0.62)
Weighted Average Shares		
Basic	4,287,500	4,287,500
Diluted	4,287,500	4,287,500

Techni Bharathi Limited (Predecessor)
Selected Summary Balance Sheet Data

(Amounts in Thousand US Dollars)	7-Mar-08	31-Mar-07	31-Mar-06
ASSETS			
Cash and cash equivalents	$ 736	$ 1,208	$ 69
Inventories	1,428	1,284	4,182
Prepaid and other assets	271	1,231	1,275
Property, plant and equipment (net)	1,979	2,265	2,417
LIABILITIES			
Short term borrowings and current portion of long-term loan	2,437	6,079	8,125
Trade payable	2,222	1,502	987
Long term debts, net of current portion	-	2,333	3,656
Advance from customers	824	1,877	2,997
Total Stockholders' equity	$ (397)	$ (4,895)	$ (5,438)

(Amounts in Thousand US Dollars)	31-Mar-05	Unaudited 31-Mar-04
ASSETS		
Cash and cash equivalents	$ 83	$ 107
Inventories	4,459	4,922
Prepaid and other assets	1,765	2,070
Property, plant and equipment (net)	3,463	3,985
LIABILITIES		
Short term borrowings and current portion of long-term loan	6,291	6,614
Trade payable	3,341	2,738
Long term debts, net of current portion	3,897	2,892
Advance from customers	3,057	2,755
Total Stockholders' equity	$ (3,032)	$ 320

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the financial statements and notes thereto included in this prospectus. Except for the historical information contained herein, the discussion in this prospectus contains certain forward-looking statements that involve risk and uncertainties, such as statements of the Company's plans, objectives, expectations and intentions as of the date of this filing. The cautionary statements made in this document should be read as being applicable to all related forward-looking statements wherever they appear in this document. The Company's actual results could differ materially from those discussed here. Factors that could cause differences include those discussed in the "Risk Factors" section as well as discussed elsewhere herein.

Overview

In response to India's rapidly expanding economy, our primary focus is to execute infrastructure projects through our subsidiaries such as constructing interstate highways, rural roads, mining and quarrying, and construction of high temperature cement and steel plants.

IGC, a Maryland corporation was organized on April 29, 2005 as a blank check company for the purpose of acquiring one or more businesses with operations primarily in India through a merger, capital stock exchange, asset acquisition or other similar business combination or acquisition. On March 8, 2006, we completed an initial public offering. On February 19. 2007, we incorporated India Globalization Capital, Mauritius, Limited (IGC-M), a wholly owned subsidiary, under the laws of Mauritius. On March 7, 2008, we consummated an agreement to acquire 63% of Sricon Infrastructure Private Limited (Sricon) and 77% of Techni Bharathi Limited (TBL). The shares of the two Indian companies, Sricon and TBL, are held by IGC-M.

Most of the shares of Sricon and TBL acquired by IGC were purchased directly from the companies. IGC purchased a portion of the shares from the existing owners of the companies. The founders and management of Sricon own 37% of Sricon and the founders and management of TBL own 23% of TBL.

The acquisitions were accounted for under the purchase method of accounting. Under this method of accounting, for accounting and financial purposes, IGC-M, Limited, was treated as the acquiring entity and Sricon and TBL as the acquired entities. The financial statements provided here and going forward are the consolidated statements of IGC, which include IGC-M, Sricon, TBL and their subsidiaries. However, the consolidated financial statements of our business for periods prior to March 7, 2008 (acquisition date) do not include information on Sricon and TBL. We have included the financial statements of both Sricon and TBL prior to March 7, 2008 as separate disclosures.

Sricon was incorporated in 1997 with the Registrar of Companies, Maharashtra in the name of "Srivastava Construction Private Limited." Sricon is located in Nagpur, India. TBL was incorporated in 1982.

Until the formation of Sricon, the infrastructure construction work was carried out in Vijay Engineering Enterprises (partnership concern) ("VEE"). Sricon was incorporated with an objective to execute large scale infrastructure projects in sectors such as Highways, Water Management System, Power and Cement Plants, etc. In an effort to consolidate all infrastructure activities under one company to garner better synergy, business profile, as well as improve cost management, VEE was merged with Sricon effective March 31, 2004.

On February 19, 2009 IGC-M beneficially purchased 100% of IGC Mining and Trading, Limited based in Chennai India. On July 4, 2009 IGC-M beneficially purchased 100% of IGC Materials, Private Limited, and 100% of IGC Logistics, Private Limited. Both these companies are based in Nagpur, India. Indian IGC Materials, Private Limited

(IGC-MPL) and IGC Logistics, Private Limited (IGC-LPL), is also involved in the building of rock quarries, the export of iron ore and the transport of materials.

The financial statements provided here and going forward are the consolidated statements of IGC, which includes all the aforementioned subsidiaries.

Company Overview

We are a construction and materials company engaged in the following core business areas: 1) civil construction of roads and highways, 2) the construction and maintenance of high temperature cement and steel plants, 3) operations and supply of rock aggregate and 4) the export of iron ore to China. Our present and past clients include various Indian government organizations. Including our subsidiaries, we have approximately 400 employees and contractors. Our larger construction subsidiary, Sricon, has the capacity and prior experience to bid on contracts priced at a maximum of about $116 million. We are focused on winning construction contracts, building out rock aggregate quarries and setting up relations and export hubs for the export of iron ore to China.

The Indian government has articulated plans to modernize the Indian Infrastructure. It expects to spend around $22 billion in the next 12 months on roads and highways. We believe that these initiatives will continue to be favorable to our business. Our model is three fold and tightly integrated approach: 1) we bid on construction and engineering contracts which provide us with a backlog which translates into greater revenues and earnings, 2) we are in the process of building rock quarries and selling rock aggregate to the infrastructure industry and 3) we export iron ore to China. There is seasonality in our business as outdoor construction activity slows down during the Indian monsoons. The rains typically last intermittently from June through September.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires us to make significant estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. These items are regularly monitored and analyzed by management for changes in facts and circumstances, and material changes in these estimates could occur in the future. These estimates include, among others, our revenue recognition policies related to the proportional performance and percentage of completion methodologies of revenue recognition of contracts and assessing our goodwill for impairment annually. Changes in estimates are recorded in the period in which they become known. We base our estimates on historical experience and various other assumptions that we believe are reasonable under the circumstances. Actual results will differ and may differ materially from the estimates if past experience or other assumptions do not turn out to be substantially accurate.

The following summaries should be read in conjunction with our most recent annual audited statements and quarterly unaudited consolidated financial statements and the related notes included in this Report. While all accounting policies impact the financial statements, certain policies may be viewed as critical. Critical accounting policies are those that are both most important to the portrayal of financial condition and results of operations and that require management’s most subjective or complex judgments and estimates. Our management believes the policies that fall within this category are the policies on revenue recognition, accounting for stock-based compensation, goodwill and income taxes.

Revenue Recognition

The majority of the revenue recognized for three and six month periods ended September 30, 2009 was derived from the Company’s subsidiaries and as accordingly:

Revenue is recognized based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery.

Revenue from sale of goods is recognized when substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

Revenue from construction/project related activity and contracts for supply/commissioning of complex plant and equipment is recognized as follows:

a) Cost plus contracts: Contract revenue is determined by adding the aggregate cost plus proportionate margin as agreed with the customer and expected to be realized.

b) Fixed price contracts: Contract revenue is recognized using the percentage completion method. Percentage of completion is determined as a proportion of cost incurred-to-date to the total estimated contract cost. Changes in estimates for revenues, costs to complete and profit margins are recognized in the period in which they are reasonably determinable

Full provision is made for any loss in the period in which it is foreseen.

Revenue from property development activity is recognized when all significant risks and rewards of ownership in the land and/or building are transferred to the customer and a reasonable expectation of collection of the sale consideration from the customer exists.

Revenue from service related activities and miscellaneous other contracts are recognized when the service is rendered using the proportionate completion method or completed service contract method.

Foreign Currency Translation

The financial statements are reported in U.S. dollars. The Indian rupee is the functional currency for the Indian Subsidiaries. The translation of the functional currencies into U.S. dollars is performed for assets and liabilities using the exchange rates in effect at the balance sheet date and for revenues, costs and expenses using average exchange rates prevailing during the reporting periods. Adjustments resulting from the translation of functional currency financial statements to reporting currency are accumulated and reported as other comprehensive income/(loss), a separate component of shareholders' equity.

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are expressed in the functional currency at the exchange rates in effect at the balance sheet date. Revenues, costs and expenses are recorded using exchange rates prevailing on the date of transaction. Gains or losses resulting from foreign currency transactions are included in the statement of income.

The exchange rate between the Indian Rupee and the U.S. dollars are as follows:

Period	Average rate used for translating operations. INR to one U.S.D.	Rate used for translating Balance Sheet. INR to one

		U.S.D.
Six months ended September 30, 2008	48.72	47.74
Year ended March 31, 2009	49.75	50.87
Six months ended September 30, 2009	48.42	48.04

22

Employee Stock Options or Share Based Payments

We grant options to purchase our common stock and award restricted stock to our employees and directors under our equity incentive plans. The benefits provided under these plans are share-based payments subject to the provisions of SFAS No. 123R, Share-Based Payment, and SEC Staff Accounting Bulletin 107, Share-Based Payments. Effective April 1, 2009, we use the fair value method to apply the provisions of FAS 123R with the modified prospective application, which provides for certain changes to the method for valuing share-based compensation. Share-based compensation expense recognized under FAS 123R for the 6 month period ended September 30, 2009 was $130,407. At September 30, 2009, total unrecognized estimated compensation expense related to non-vested awards granted prior to that date was zero. Stock options vest immediately.

As a result of FAS 123R, we estimate the value of share-based awards on the date of grant using a Black-Scholes option-pricing model. The determination of the fair value of share-based payment awards on the date of grant using an option-pricing model is affected by our stock price as well as assumptions regarding a number of complex and subjective variables. These variables include our expected stock price volatility over the term of the awards, actual and projected employee stock option exercise behaviors, risk-free interest rate, and expected dividends.

If factors change and we employ different assumptions in the application of FAS 123R during future periods, the compensation expense that we record under FAS 123R may differ significantly from what we have recorded in the current period. Therefore, we believe it is important for investors to be aware of the high degree of subjectivity involved when using option-pricing models to estimate share-based compensation under FAS 123R. Option-pricing models were developed for use in estimating the value of traded options that have no vesting or hedging restrictions, are fully transferable and do not cause dilution. Because our share-based payments have characteristics significantly different from those of freely traded options, and because changes in the subjective input assumptions can materially affect our estimates of fair values, in our opinion, existing valuation models, including the Black-Scholes Option Pricing model, may not provide reliable measures of the fair values of our share-based compensation. Consequently, there is a risk that our estimates of the fair values of our share-based compensation awards on the grant dates may bear little resemblance to the intrinsic values realized upon the exercise, expiration, cancellation, or forfeiture of those share-based payments in the future. Certain share-based payments, such as employee stock options, may expire worthless or otherwise result in zero intrinsic value as compared to the fair values originally estimated on the grant date and expensed in our financial statements. Alternatively, value may be realized from these instruments that are significantly in excess of the fair values originally estimated on the grant date and expensed in our financial statements. There currently is neither a market-based mechanism nor other practical application to verify the reliability and accuracy of the estimates stemming from these valuation models, nor a way to compare and adjust the estimates to actual values. Although the fair value of employee share-based awards is determined in accordance with FAS 123R and SAB 107 using a qualified option-pricing model, that value may not be indicative of the fair value observed in a willing buyer/willing seller market transaction. Estimates of share-based compensation expenses are significant to our financial statements, but these expenses are based on the aforementioned option valuation model and will never result in the payment of cash by us.

The guidance in FAS 123R and SAB 107 is still relatively new, and best practices are not well established. The application of these principles may be subject to further interpretation and refinement over time. There are significant differences among valuation models, and there is a possibility that we will adopt different valuation models in the future. This may result in a lack of consistency in future periods and materially affect the fair value estimate of share-based payments. It may also result in a lack of comparability with other companies that use different models, methods, and assumptions.

Theoretical valuation models and market-based methods are evolving and may result in lower or higher fair value estimates for share-based compensation. The timing, readiness, adoption, general acceptance, reliability, and testing of these methods is uncertain. Sophisticated mathematical models may require voluminous historical information, modeling expertise, financial analyses, correlation analyses, integrated software and databases, consulting fees, customization, and testing for adequacy of internal controls.

For purposes of estimating the fair value of stock options granted during the six months ended September 30, 2009 using the Black-Scholes model, we used the historical volatility of our stock for the expected volatility assumption input to the Black-Scholes model, consistent with the guidance in FAS 123R and SAB 107. The risk-free interest rate is based on the risk-free zero-coupon rate for a period consistent with the expected option term at the time of grant. We do not currently pay nor do we anticipate paying dividends, but we are required to assume a dividend yield as an input to the Black-Scholes model. As such, we use a zero dividend rate. The expected option term is estimated using both historical term measures and projected termination estimates.

Goodwill

We account for goodwill in accordance with SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142"). SFAS No. 142 requires the use of a non-amortization approach to account for purchased goodwill and certain intangibles. Under the non-amortization approach, goodwill and certain intangibles are not amortized into results of operations, but instead are reviewed for impairment at least annually and written down and charged to operations only in the periods in which the recorded value of goodwill and certain intangibles exceeds its fair value. An interim goodwill impairment test would be performed if an event occurs or circumstances change between annual tests that would more likely than not reduce the fair value of a reporting unit below its carrying amount. For purposes of performing the goodwill impairment test, we concluded there is one reporting unit. During the fourth quarter of the fiscal year ending March 31, 2009, we completed the required annual test, which indicated there was no impairment.

Accounting for Income Taxes

In connection with preparing our financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves the assessment of our net operating loss carry forwards and credits, as well as estimating the actual current tax liability together with assessing temporary differences resulting from differing treatment of items, such as reserves and accrued liabilities, for tax and accounting purposes. We then assess the likelihood that deferred tax assets will be recovered from future taxable income, and to the extent we believe that recovery is not likely, we must establish a valuation allowance. Based on historical results, we believe that it is more likely than not that we will not realize the value of our deferred tax assets and therefore have provided a full valuation allowance against our net deferred tax assets.

Consolidated Results of Operations (IGC)

Three Months Ended September 30, 2009 Compared to Three Months Ended September 30, 2008

Revenue - Total revenue was $5.4 million for the three months ended September 30, 2009, as compared $10.5 million for the three months ended September 30, 2008. Due to increased liquidity requirements in maintaining a high level of growth, we curtailed the number of contracts we directly performed by sub-contracting some and cancelling others.

Operating Income (loss) - In the three month period ending September 30, 2009, operating loss was $ 224 thousand compared to operating income of $1.2 million for the three month period ending September 30, 2008.

Total Cost of Revenue and Operating Expenses - Our total cost of revenue and operating expenses principally consist of construction materials, employee compensation and benefits, depreciation and amortization, startup costs, and general and administrative expense. In the three month period ending September 30, 2009, total cost of revenue and operating expenses decreased by $3.7 million, compared to the three month period ending September 30, 2008. This was caused by decreasing business volume and associated costs.

Cost of Revenue - Cost of revenue consists primarily of compensation and related fringe benefits for project-related personnel, department management and all other dedicated project related costs and indirect costs. Cost of Revenue decreased by $3.2 million, compared to the three month period ending September 30, 2008. The decrease was caused by declining business volume and associated costs.

Selling, General and Administrative - Consists primarily of employee-related expenses, professional fees, other corporate expenses and allocated overhead. We expect that in the future, selling, general and administrative expenses will increase as we add personnel and incur additional professional fees and insurance costs related to being a publicly held company. Selling, general and administrative expenses were $666 thousand for the three month period ending September 30, 2009 compared to $1.1 million for the three month period ending September 30, 2008.

Net Income (loss) – Net loss for the three months ended September 30, 2009 was $580 thousand compared to net income of $72 thousand for the three months ended September 30, 2008.

Six Months Ended September 30, 2009 Compared to Six Months Ended September 30, 2008

Revenue - Total revenue was $8.1 million for the six months ended September 30, 2009, as compared to $28.4 million for the six months ended September 30, 2008. Due to increased liquidity requirements in maintaining a high level of growth, we curtailed the number of contracts we directly performed by sub-contracting some and cancelling others.

Operating Income (loss) - In the six month period ending September 30, 2009, operating loss was $232 thousand, compared to operating income of $4.8 million for the six month period ending September 30, 2008.

Total Cost of Revenue and Operating Expenses - Our total cost of revenue and operating expenses principally consist of construction materials, employee compensation and benefits, depreciation and amortization, startup costs, and general and administrative expense. In the six month period ending September 30, 2009, total cost of revenue and operating expenses decreased by $15.3 million, compared to the six month period ending September 30, 2008. This was caused by decreasing business volume and associated costs.

Cost of Revenue - Cost of revenue consists primarily of compensation and related fringe benefits for project-related personnel, department management and all other dedicated project related costs and indirect costs. Cost of Revenue decreased by $14.5 million, compared to the six month period ending September 30, 2008. The decrease was caused by declining business volume and associated costs.

Selling, General and Administrative - Consists primarily of employee-related expenses, professional fees, other corporate expenses and allocated overhead. We expect that in the future, selling, general and administrative expenses will increase as we add personnel and incur additional professional fees and insurance costs related to being a publicly held company. Selling, general and administrative expenses were $1.4 million for the six month period ending September 30, 2009 compared to $2.1 million for the six month period ending September 30, 2008. Additional expenses for the six month period ending September 30, 2009 are $130,407 in non-cash compensation expenses resulting from SFAS 123(R) and loan discount amortization expense of a long-tem loan in the amount of $241,338.

Net Interest Income (Expense) – Net interest expense decreased by $45.8 thousand compared to the six month period ending September 30, 2008. As discussed in the prior section, we booked a non-cash charge of $241,338 for loan amortization expense.

Net Income (loss) – Net loss for the six months ended September 30, 2009 was $1.1 million compared to net income of $1.4 million for the six months ended September 30, 2008.

25

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as defined in Regulation S-K promulgated under the Securities Exchange Act of 1934.

Liquidity and Capital Resources

This liquidity and capital resources discussion compares the consolidated company results for six months period ended September 30, 2009 and 2008.

Cash used for operating activities from continuing operations is our net loss adjusted for certain non-cash items and changes in operating assets and liabilities. During the first six months of 2009, cash used for operating activities was $121 thousand compared to cash used for operating activities of $7.8 million during the first six months of 2008. The uses of cash in the first six months of 2009 relate primarily to the payment of general operating expenses of our subsidiary companies. The large change is due to less business volume.

During the first six months of 2009, investing activities from continuing operations used $517 thousand of cash as compared to $657 thousand used during the comparable period in 2008.

Financing cash flows from continuing operations consist primarily of transactions related to our debt and equity structure. In the first six months of 2009 there was financing cash provided of approximately $855 thousand, compared to cash provided of approximately $2.9 million for the first six months of 2008. The increase of cash from financing was due to the issuance of 1,599,000 shares of stock.

Our future liquidity needs will depend on, among other factors, stability of construction costs, interest rates, and a continued increase in infrastructure contracts in India. We believe that our current cash balances and anticipated operating cash flow, will be sufficient to fund our normal operating requirements for at least the next 12 months. However, we may seek to secure additional capital to fund further growth of our business, or the repayment of debt, in the near term.

Pro Forma and Adjusted Pro Forma Financial Information

In prior annual filings, we compared annual consolidated results of operations and cash flows to the preceding year. Since we acquired both TBL and Sricon at the close of year ending March 31, 2008, we believe a comparison of the December 31, 2009 consolidated results of operations and cash flows to March 31, 2008 is not an adequate comparison. Only the operating results for March 8, 2008 to March 31, 2008 are included in our 2008 consolidated results of operations and cash flows. To reflect a better comparison of operating results, we are presenting in this Management's Discussion and Analysis section, the Pro Forma results of operations for the Company as if the acquisitions occurred on Apri11, 2007 and April 1, 2008, respectively. We are basing our Pro Forma results of operations from (1) the audited financial statements of Sricon for the period ended March 7, 2008, (2) the unaudited financial statements of Sricon for the period March 8, 2008 to March 31, 2008, (3) the audited financial statements of TBL for the period ended March 7, 2008, (4) the unaudited financial statements of TBL for the period March 8, 2008 to March 31, 2008, and (5) the audited consolidated financial statements of the Company for the year ended March 31, 2009 and 2008.

We believe that the presented Pro Forma financial statements and analysis is a more meaningful comparison of our operating results.

The following tables represent our Pro Forma Consolidated Financial Statements.

26

India Globalization Capital, Inc.
Adjusted Pro Forma Consolidated Statements of Operations

(unaudited)

Year Ended