UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K /A

Amendment No. 2

þ Annual report under Section 13 or 15(d) of the Securities Exchange Act of 1934.
For the fiscal year ended March 31, 2011

o Transition report under Section 13 or 15(d) of the Exchange Act.

Commission file number 1-32830

INDIA GLOBALIZATION CAPITAL, INC.
(Name of small business issuer in its charter)

Maryland	20-2760393
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

4336 Montgomery Ave. Bethesda, Maryland 20814
(Address of principal executive offices)

(301) 983-0998
(Issuer's telephone number)
Securities registered under Section 12(b) of the Exchange Act:

Title of Each Class	Name of exchange on which registered
Units, each consisting of one share of Common Stock and two Warrants	NYSE Amex
Common Stock	NYSE Amex
Common Stock Purchase Warrants	NYSE Amex

Securities registered under Section 12(g) of the Exchange Act: None.

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Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
oYes þNo

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
o Yes þ No

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
o Yes þ No (the Registrant is not yet required to submit Interactive Data)

Indicate by check mark disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

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

Large Accelerated Filer o Accelerated Filer o Non-Accelerated Filer o Smaller Reporting Company þ

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

o Yes þ No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter: $12,570,784.

As of June 15, 2011 there were 19,758,771 shares of common stock issued and outstanding.

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Explanatory Note to Amendment No. 2

This Amendment No. 2 to the Annual Report on Form 10-K/A ("Form 10-K/A") amends our Annual Report on Form 10-K for the year ended March 31, 2011, which was filed with the Securities and Exchange Commission ("SEC") on July 14, 2011, as amended by Amendment No. 1 to the Annual Report on Form 10-K/A, which was filed with the SEC on July 27, 2011 ("Form 10-K").
This Form 10-K/A is being filed to supplement the following sections of the Form 10-K for the purpose of providing additional disclosure in response to comments received from the Staff of the SEC in connection with a review of our Form 10-K:

Part I – Item 1A. Risk Factors

We included a new risk factor regarding the lack of availability of timely and sufficient financial information on Sricon India Private Limited ("Sricon"), a company in which we own a 22% stake.

Part II – Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Selling, General and Administrative expenses: we revised our disclosure to indicate how a $1.52 million bad debt write-off that was considered to be irrecoverable arose, and the facts and circumstances that resulted in our determination that such amounts are irrecoverable.

Impairment loss – goodwill: we revised our disclosure to delete a reference to the market potential for the infrastructure business in India.

Liquidity and capital resources: we revised our disclosure to discuss the impact on liquidity if either (1) the NHAI or Cochin Airport receivables were classified as long term assets or (2) the receivables were not collected in the 2012 fiscal year.

Part II - Item 8. Financial Statements and Supplementary Data

Consolidated Balance Sheets: we amended the financial statements to present non-controlling interest as part of the stockholders' equity on the balance sheets, such that the total on the balance sheet is the same as the statement of stockholders' equity. It was previously presented as a separate line item after stockholders' equity. We also added a line to show the equity of the parent company. These changes do not change the aggregate of total liabilities and stockholders' equity.

Consolidated Statements of Operations: we removed the subtotal revenue less cost of revenues (excluding depreciation) for all periods presented and included impairment loss - goodwill as a component of operating income (loss).

Note 11 - Goodwill: we expanded our disclosure to present the facts and circumstances that led to the impairment of our goodwill.

Note 20 - Income Taxes: we restated our rate reconciliation as of March 31, 2010 so that the effective tax rate in our financial statements is in line with the effective tax rate computed in our statement of operations.

Note 25 – Impairment: we expanded our disclosures to: (a) describe the nature of the available information about Sricon that we used when recording an impairment of $2.2 million related to our investment in Sricon, (b) to include a detailed explanation of the methodology as well as an explanation of the information available to us at the time the impairment tests were carried out, (c) to identify the Sricon financial information we relied on, and (d) to disclose the methodology used to determine the recoverability of our receivable and investment in Sricon.

Note 27 – Certain Aged Receivables: we added a new Note 27 to the financial statements explaining why the accounts receivable due from the National Highway Authority of India (“NHAI”) and the Cochin International Airport are booked as current as of March 31, 2011 and 2010. We also added a discussion of the arbitration process and specified when the receivables were first booked.

Note 28 - Re-Classifications to Consolidated Balance Sheets and Consolidated Statements of Operations: we added a new Note 28 to address the re-classifications made to the Consolidated Balance Sheets and Consolidated Statement of Operations, changes that do not affect the total assets and liabilities or net income/loss attributable to common stock holders, respectively.

Effects of Restatement

The restated items are re-classifications that do not impact the Company’s operations.

Except as stated herein, this Form 10-K/A does not change our previously reported financial statements or the other financial disclosures contained in the Form 10-K. Except as stated herein, this Form 10-K/A does not reflect events occurring after the filing of the Form 10-K and no attempt has been made in this Form 10-K/A to modify or update other disclosures as presented in the Form 10-K. Accordingly, this Form 10-K/A should be read in conjunction with our filings made with the SEC subsequent to the filing of the Form 10-K.

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Explanatory Note

Overview of Restatement

In this Annual Report on Form 10-K, India Globalization Capital, Inc.:

(a) Restates its consolidated statements of operations and consolidated cash flows for the year ended March 31, 2010;

(b) Amends its management discussion and analysis as it relates to the year ended March 31, 2010; and

(c) Restates its unaudited quarterly financial data for the quarter ended December 31, 2009

Background of the restatement:

As previously disclosed in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission ("SEC") on June 15, 2011, the Company's management, in consultation with the Company's independent registered public accounting firm, concluded that the financial statements for the year ended March 31, 2010 (the "2010 Annual Financial Statements") included in the Company's Annual Report on Form 10-K for the year then ended, as amended (the "2010 Annual Report") and in the quarterly Form 10-Q for the period ended December 31, 2009 should no longer be relied upon.

The changes described above are non-cash items and do not impact the Company's operations.

The financial statements have been restated to reflect:

(i) A Reclassification in the Company's Statement of Cash Flows: Sricon India Private Limited (SIPL), a subsidiary of IGC Inc., had been deconsolidated effective October 1, 2009. Upon deconsolidation, the cash flows of SIPL for the six months ended September 30, 2009 were re-classified and presented as equity in earnings of affiliates. The cash flows for the year ended 31 March, 2010 have now been restated to contain transactions relating to SIPL up until the date of deconsolidation; and

(ii) Computation of diluted earnings per share: The effect of dilution was inadvertently considered while computing the Earnings Per Share (EPS) although there was a loss by IGC Inc. The restatement now rightly shows the EPS taking into consideration the loss.

Effects of Restatement

The restated items are non-cash and do not impact the Company's operations.

The adjustments made as a result of the restatement are more fully discussed in Note 3, Restatement of Previously Issued Financial Statements, of the Notes to Consolidated Financial Statements included in this Annual Report. To further review and understand the restatement adjustments, see Part II—Item 7—Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Annual Report. For a description of the deficiencies in internal control over financial reporting identified by management as a result of the investigation and our internal reviews, and management's plan to remediate those deficiencies, see Part II—Item 9A—Controls and Procedures.

The previously filed Annual Reports for the period ended March 31, 2010 filed on Form 10-K and quarterly report for the period ended December 31, 2009 filed on Form 10-Q were affected by the restatement and have not been amended. Instead, the amended statements are presented here. Accordingly, investors should no longer rely upon the

Company’s previously released financial statements for these periods and any earnings releases or other previous communications relating to these periods.

All amounts in this Annual Report for the period ended March 31, 2010 are the amounts as restated.

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PART I

Item 1. 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). We acquired Sricon by purchasing a 63% interest for approximately $29 million (based on an exchange rate of 40 INR for $1 USD). Subsequently, we borrowed, through an intermediary company, approximately $17.9 million (based on 40 INR for $1 USD) from Sricon. The shares of the two Indian companies, Sricon and TBL, are held by IGC-M. Effective October 1, 2009, we reduced our stake in Sricon from 63% to 22% in consideration for the set off of the loan owed by IGC approximating $17.9 million.

On February 19, 2009 IGC-M beneficially purchased 100% of IGC Mining and Trading Private Limited (IGC-IMT) based in Chennai, India. IGC-IMT was formed on December 16, 2008 as a privately held start-up company engaged in the business of mining and trading. Its current activity is to operate shipping hubs and to export iron ore to China from India. On July 4, 2009, IGC-M beneficially purchased 100% of IGC Materials, Private Limited (IGC-MPL based in Nagpur, India), which conducts IGC’s quarrying business, and 100% of IGC Logistics, Private Limited (IGC-LPL) based in Nagpur, India, which is involved in the transport and delivery of ore, cement, aggregate and other materials. Each of IGC-IMT, IGC-MPL and IGC-LPL were formed by third parties at the behest of IGC-M to facilitate the creation of the subsidiaries. The purchase price paid for each of IGC-IMT, IGC-MPL, and IGC-LPL was equal to the expenses incurred in incorporating the respective entities with no premium paid. India Globalization Capital, Inc. (the Registrant, the Company, or we) and its subsidiaries are engaged in the sale of construction materials, mining, quarrying and construction.

IGC’s organizational structure is as follows:

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Unless the context requires otherwise, all references in this report to the “Company”, “IGC”, “IGC Inc.”, “we”, “our”, and “us” refer to India Globalization Capital, Inc., together with its wholly owned subsidiary IGC-M, and its direct and indirect subsidiaries (TBL, IGC-IMT, IGC-MPL and IGC-LPL) and Sricon, in which we hold a non-controlling interest.

Overview

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 building materials, as well as, logistical support for the transportation of infrastructure materials. IGC India Mining and Trading (“IGC-IMT”) was incorporated in December 2008 in Chennai, India. IGC-IMT is focused on the export of iron ore to China as well as the sale of iron ore to customers in India. IGC-MPL, IGC-LPL and IGC-IMT are all wholly-owned subsidiaries of IGC-M.

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

Our approach is to offer integrated solutions to our customers such as construction services combined with the sale and transportation of materials.

Core business competencies

As the infrastructure in India is built out and modernized, the demand for basic raw materials like stone aggregate and iron ore (steel) is expected to increase. We offer an integrated set of services to our customers based upon several core competencies. This integrated approach provides us with an advantage over our competitors.

Our core business competencies are:

1. A sophisticated, integrated approach to project modeling, costing, management, and monitoring.
2. In-depth knowledge of southern and central Indian infrastructure development.
3. Knowledge of low cost logistics for moving commodities across long distances in specific parts of India.
4. In-depth knowledge of the licensing process for mines and quarries in southern and central India.
5. Strong relationships with several important construction companies and mine operators in southern and central India.

Our core business areas are:

1. Mining and trading. Our mining and trading activity currently centers on the export of iron ore to China and the resale of iron ore to traders in India. India is the fourth largest producer of iron ore. The Freedonia Group projected in May 2010 that China’s $1.15 trillion construction industry would grow 9.1% every year until 2014. This growth will increase China’s already large demand for steel. China, which accounted for 648 million metric tons of steel production in 2010, is expected to produce between 690 million and 710 million metric tons in 2011. As The Wall Street Journal reported, this production is expected to be almost half of total global output. We believe that IGC is well positioned to provide some Chinese steel mills with the iron ore needed to meet their demand. Our subsidiary IGC Mining and Trading Private Limited (IGC-IMT), based in Chennai, India, is engaged in the iron ore

business. The subsidiary has relationships and in some cases agreements with mine owners in Orissa and Karnataka, two of the largest ore mining belts in India. In addition, it operates facilities at seaports on the west coast of India and to a lesser extent on the east coast of India. The facilities consist of an office and a plot of land within the port to store iron ore. Our staff is experienced in delivering and managing the logistics of ore transport. Our subsidiary services a customer in China by buying ore from Indian mine owners, transporting it to seaports and then subcontracting stevedores to load the ships. Our share of the export market for iron ore is less than 1%.

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2. Quarrying rock aggregate. As Indian infrastructure modernizes, the demand for raw materials like rock aggregate, iron ore and similar resources is projected to greatly increase. In 2009, according to the Freedonia Group, India was the third largest stone aggregate market in the world. The report projected that Indian demand for crushed stone will increase to 770 million metric tons in 2013 and 1.08 billion metric tons in 2018. Our subsidiary, IGC Materials Private Limited ('IGC-MPL'), is responsible for our rock aggregate production. The subsidiary currently has two quarrying agreements with two separate partners. The two quarries being mined near Nagpur, a city in the state of Maharashtra, India, have approximately 10 million to 11 million metric tons of rock aggregate, or about $40,000,000 of reserves at current prices. With the production of these two quarries, our subsidiary is one of the largest suppliers in the immediate area. Our share of the overall market in India is currently less than 1%. However, IGC-MPL has a growing regional presence in the Nagpur area.

All quarrying or mining activities in India require a license. IGC and its subsidiaries do not directly hold any mining or quarrying licenses and therefore there are no licenses or expenses in connection with acquiring the same being reflected in the consolidated financial statements. However, Sricon holds licenses and we quarry under licenses held by our partners. For all quarries, the licenses are granted for two years. The licenses are automatically renewed for additional periods of two years, provided that all royalty payments and taxes to the Indian government are paid up to date. IGC-MPL has applied, on its own, for licenses for mining and quarrying. The process of obtaining a quarrying license is difficult and typically takes between 12-18 months. The process involves a competitive application process. As such, while we have applied for licenses, there is no assurance that we will be granted these licenses. IGC-MPL is also in active negotiations with other land and license owners to expand the number of producing quarries available to it.

3. Highway and heavy construction. The Indian government has developed a plan to build and modernize Indian infrastructure. The Wall Street Journal reported on March 23, 2010 that the government plans to double infrastructure spending from $500 billion to $1 trillion. It will pay for the expansion and construction of rural roads, major highways, airports, seaports, freight corridors, railroads and townships. A significant number of our customers are engaged in highway and heavy construction. Our subsidiary Techni Bharathi Limited ('TBL'), a small road building company, is engaged in highway and heavy construction activities. TBL has constructed highways, rural roads, tunnels, dams, airport runways, and housing complexes, mostly in southern states. TBL, because of its successful execution of contracts, is pre-qualified by the National Highway Authority of India (NHAI) and other agencies. TBL's share of the overall Indian construction market is very small. However, TBL's prequalification and prior track record provides a way to grow the company in highway and heavy construction. Currently, TBL is engaged in the recovery of construction delay claims that it is pursuing against NHAI, the Airport Authority of Cochin, and the Orissa State Works. Our share of the overall market in India is significantly less than 1%.

4. Construction and maintenance of high temperature plants. Through our unconsolidated, minority interest in Sricon Infrastructure Private Limited (Sricon), we engage in the civil engineering, construction and maintenance of high temperature plants. Sricon also has the specialized skills required to build and maintain high temperature chimneys and kilns. Sricon's share of this market in India is less than 1%. We currently hold equity in Sricon.

The following table sets out the revenue contribution from our subsidiaries:

Subsidiary	Year ended March 31, 2011		Year ended March 31, 2010	
TBL	2	%	22	%
Sricon*	-		17	%
IGC-IMT	53	%	56	%
IGC-MPL	44	%	3	%

IGC-LPL	1	%	2	%
Total	100	%	100	%

* - De-consolidated effective October 1, 2009

According to the global market researcher eMpulse, the construction industry's total market size in India is approximately $53 Billion. According to Reuters, India exports about 100 million tons of iron ore per year. Prices for iron ore have averaged around $140 per metric ton. The rock aggregate market is India is approximately $3 billion. As noted above, our share of these markets is less than 1%.

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Customers.

Our present and past customers include the National Highway Authority of India, several state high way authorities, the Indian railways, private construction companies in India and several steel mills in China.

Construction contract bidding process.

In order to create transparency, the Indian government has centralized the contract awarding process for building inter-state roads. The new process is as follows: At the "federal" level, NHAI publishes a Statement of Work for an interstate highway construction project. The Statement of Work has a detailed description of the work to be performed, as well as, the completion time frame. The bidder prepares two proposals in response to the Statement of Work. The first proposal demonstrates technical capabilities, prior work experience, specialized machinery, manpower required, and other qualifications required to complete the project. The second proposal includes a financial bid. NHAI evaluates the technical bids and short-lists technically qualified companies. Next, the short list of technically qualified companies are invited to place a detailed financial bid and show adequate financial strength in terms of revenue, net worth, credit lines, and balance sheets. Generally, the lowest bid wins the contract. Additionally, contract bidders must meet several requirements to demonstrate an adequate level of capital reserves:

1) An earnest money deposit between 2% to 10% of project costs,
2) A performance guarantee of between 5% and 10%,
3) An adequate overall working capital, and
4) Additional capital available for plant and machinery.

Bidding qualifications for larger NHAI projects are set by NHAI and are imposed on each contractor. As the contractor actually executes larger highway projects, then the contractor may qualify for even larger projects.

Growth strategy and business model.

Our growth strategy and business model are to:

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 materials.
3) Leverage our expertise in the logistics and supply of iron ore by increasing the number of shipping hubs we operate from and continue to expand our offering into China and other Asian countries in order to take advantage of their expected strong infrastructure growth.
4) Expand the number of recurring contracts for infrastructure build-out to customers that can benefit from our portfolio of offerings.

Competition.

We operate in an industry that is competitive. However, the industry is fragmented and while a number of our competitors are well qualified and better financed than we are, we believe that the demand for contractors in general will permit us to compete for projects and contracts that are appropriate for our size and capabilities. Large domestic and international firms compete for jumbo contracts over $250 million in size, while locally based contractors vie for contracts worth less than $5 million. We seek to compete in the gap between these two ends of the competitive spectrum. The recent capital markets crisis has made it more difficult for smaller companies to grow to mid-sized companies because their access to capital has been restrained. While we are also constrained by capital we believe that we are in a better position to secure capital than a number of small, purely local competitors. Our construction business is positioned in the $5 million to $50 million contract range, above locally based contractors and below the large firms, creating a distinct technical and financial advantage in this market niche assuming that we can maintain access to capital. Rock aggregate is generally supplied to the industry through small crushing units, which supply low quality material. Frequently, high quality aggregate is unavailable, or is transported over large distances. We fill this gap by providing high quality material in large quantities. We compete on price, quantity and quality. Iron ore is produced in India, where our core assets are located, and exported to China. While this is a fairly established and relatively efficient market, we compete by aggregating ore from smaller suppliers who do not have direct access to customers in China. Further, we expect to install a large iron ore crusher that can grind ore pebbles into fine ore particles, providing a value added service to the smaller mine owners.

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Seasonality.

The road building and construction industries typically experience naturally recurring seasonal patterns throughout India. The Northeast monsoons historically arrive on June 1, followed by the Southwest monsoons which usually continue intermittently until September. Historically, the business in the monsoon months is slower than in other months because of the heavy rains. Activities such as engineering and maintenance of high temperature plants are less susceptible to weather delays, while the iron ore export business slows down somewhat due to the rough seas. Flooding in the quarries can slow production in the stone aggregate industry during the monsoon season. However, our quarries build stone reserves prior to the monsoon season. The monsoon season has historically been used to bid and win contracts for construction and for the supply of ore and aggregate in preparation for work activity when the rains abate.

Employees and consultants.

As of March 31, 2011 we employed a work force of approximately 130 employees and contract workers worldwide. Employees are typically skilled workers including executives, welders, drivers, and other specialized experts. Contract workers require less specialized skills. We make diligent efforts to comply with all employment and labor regulations, including immigration laws in the many jurisdictions in which we operate. In order to attract and retain skilled employees, we have implemented a performance based incentive program, offered career development programs, improved working conditions, and provided United States work assignments, technology training, and other fringe benefits. We hope that our efforts will make our companies more attractive.

Environmental regulations.

India has strict environmental, occupational, health and safety regulations. In most instances, the contracting agency regulates and enforces all regulatory requirements. We internally monitor and manage regulatory issues on a continuous basis. We believe that we are in compliance with all the regulatory requirements of the jurisdictions in which we operate. Furthermore, we do not believe that compliance will have a material adverse effect on our business activities.

Current Chinese currency revaluation.

Bloomberg News reported on December 21, 2010 that U.S. senators are strongly encouraging China to hold up to their promise to re-institute a “managed floating exchange rate.” Also, they reported that the yuan is the best performer of the BRIC countries and has appreciated 24% to the dollar in the past decade. If a similar appreciation occurs, it will increase the purchasing power of Chinese steel mills buying iron ore, which is traded in USD. Chinese firms could buy more ore, even at a higher price, and IGC would benefit from an appreciation of the yuan.

Information and timely financial reporting.

Our operations are located in India where the accepted accounting standard is the Indian GAAP, which, in many cases, is not congruent with the U.S. GAAP. Indian accounting standards are evolving toward IFRS (International Financial Reporting Standards). We engage an independent public accounting firm registered with the U.S. PCAOB to conduct an annual audit of our financial statements. The process of producing financial statements is at times cumbersome and places significant demands upon our existing staff. We believe we are still some time away from having processes and adequately trained personnel in place to meet the reporting timetables set out by U.S. reporting requirements. Until then we may, on occasion, have to file for extensions to meet U.S. reporting timetables and it is possible that we may fail to meet these time tables. Failure to file our reports in a timely fashion can result in severe consequences including the potential delisting of our securities. In addition, our access to capital may become more difficult or limited if we fail to meet reporting deadlines. We will make our annual reports, quarterly reports, proxy statements, and up-to-date investor presentations available on our Web site, www.indiaglobalcap.com as soon as they are available. Our SEC filings are also available, free of charge, at www.sec.gov.

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Item 1A. Risk Factors

THE FOLLOWING RISK FACTORS SHOULD BE CONSIDERED CAREFULLY IN EVALUATING THE COMPANY, ITS BUSINESS CONDITION AND PROSPECTS, FINANCIAL AND OTHERWISE. MANY INVESTMENT OPPORTUNITIES INVOLVE RISK FACTORS OR A RISK OF LOSS AND THE EXISTENCE OF BOTH NORMAL AND EXTRAORDINARY RISKS.

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 expect to increase the amount of money we borrow for working capital and the 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 operating margins, adversely affecting our operating income. Fortunately, most large debt rating agencies, including Standard & Poor's and Moody's, consider India's debt stable.

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

The construction business is dependent on the central government of India, as well as the Indian state governments for contracts. Our operations and financial results may be affected by changes in the government's policy toward building infrastructure. In addition, the recent slowdown in the Indian economy has caused a tightening of credit and a slowdown of companies bidding on government contracts. 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 and believe that government support for infrastructure spending will remain strong but we remain subject to possible changes in Indian government and monetary policies and regulations, which are beyond our control.

The Indian government currently bans the export of ore that has a ferrous content of 64% or more, preferring to keep that high grade ore for the production of steel in India.   The Indian government could further curtail the export of iron ore, thereby hampering our business. If the Government were to impose a ban on the export of lesser quality ore, we would likely be forced to service our customers from sources other than India. In addition, during 2010, the government of Karnataka state banned the transportation and export of iron ore from 10 ports on the west coast of India due to allegations of illegal mining, storage, and transportation. The ban was initially upheld by the Karnataka High Court until regulatory action could be implemented to reduce the illegal activity. Iron ore exporters appealed against the ban to the Indian Supreme Court. The Supreme Court passed an order lifting the ban on iron ore exports from Karnataka in April 2011. This order was again challenged by the state government citing that the government needed more time to institute checks against illegal mining and export of iron ore. The matter is again pending adjudication at the Apex court and is likely to be resolved in the next few months. A significant portion of our iron ore exports along with other companies from Karnataka continue to be impacted by this ban.

The Chinese government imposed a ban on the import of low grade iron ore by traders in China in April 2010. This ban did not extend to Chinese steel mills with licenses to import iron ore. We have generally been in the business of exporting ore with ferrous content between 55% and 58% (low grade). The ban on the import of low quality ore by China, although revoked on September 2010, forced us to look for customers that are steel mills, which we did, and to shift the business to exporting higher quality ore, which we are now doing. We have shifted our business to exporting ore with ferrous content above 60%. However, further restrictions on the import of iron ore by the Chinese government could adversely affect our business and results of operations.

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 things as the rate of growth of gross domestic product, the inflation rate, capital reinvestment, resource self-sufficiency, and balance of payments position. Indian government actions in the future could have a significant effect on the Indian economy, which could have a material adverse effect on our ability to achieve our business objectives.

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Since mid-1991, the Indian government has committed itself to implementing an economic structural reform program with the object 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. According to the 2010 World Factbook published by the U.S. Central Intelligence Agency, the Indian government increased the pace of privatization in its transition from government control and toward a free market economy. A significant component of the program is the promotion of foreign investment in key areas of the economy. While the Indian 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 continue or 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 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 plants and property causing a loss and interruption of business. According to the CIA 2011 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 Pakistan and other neighboring countries. The longstanding dispute with Pakistan over the border Indian states of Jammu and Kashmir, a majority of whose populations are Muslim, remains unresolved. While India and Pakistan resumed formal peace talks, there are no guarantees that these will be successful.

In addition, India continues to struggle with insurgent attacks from Maoist- Naxalite groups. If the Indian government is unable to control the violence and disruption associated with these insurgencies, then the result could be the destabilization of the economy, and, consequently, an adverse effect on our business.

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

While we may have insurance to cover some of these risks and can file claims against the Indian contracting agencies, there can be no guarantee that we will be able to collect in a timely manner. Further, India has a fairly active insurgency and a fairly active communist following. Any serious uprising from these groups could delay our roadwork and disrupt our business. Terrorist attacks, insurgencies, or other threats of violence could slow down road building activity and the production of iron ore and rock aggregate, thereby adversely affecting our business.

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

We are subject to India's rules and regulations on currency conversion. In India, the Foreign Exchange Management Act, FEMA, regulates the conversion of the Indian rupee into foreign currencies. However, as according to the Reserve Bank of India, comprehensive amendments have been made to FEMA to support the government's policy for economic liberalization. Companies are now permitted to operate in India without any special restrictions, effectively placing them on a par with wholly-owned Indian 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 exchange may limit our ability to use our cash flow to fund operations 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. We receive payment in Indian rupees for the construction work and the sale of rock aggregate. Our contracts to supply iron ore to Chinese companies are paid in U.S. dollars. As the results of our operations are reported in U.S. dollars, to the extent that there is a decrease in the exchange rate of Indian rupees relative to U.S. dollars, such a decrease could have a material impact on our operating results or financial condition. This is unlikely because, as The Wall Street Journal reported in mid-April, the rupee in expected to appreciate another 3% against the dollar by the end of the year.

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

Our investments in India will incur tax risks unique to investments in India and in developing economies in general. Income that might otherwise not be subject to the withholding of local income tax under normal international conventions may become subject to the 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 being from sources outside India in other contexts. Additionally, proof of payment for Indian income taxes may be required as part of the remittance procedure. Any Indian taxes paid by us on income from our investments in India may or may not be creditable on our U.S. income tax returns. We may also incur taxes in India on any profits that we may choose to distribute as dividends to our shareholders.

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 their application to us. We have also created a foreign subsidiary in Mauritius, in order to limit the potential tax exposure.

Lack of availability of raw materials at competitive prices may negatively impact our profits.

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 material supply firms increases for procuring raw materials, we could face a disproportionate increase in the price of raw materials that may negatively impact our profitability. To mitigate this risk, we are taking steps to become more vertically integrated, such as producing rock aggregate.

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

The construction business is dependent on central and state Indian government budget allocations to the infrastructure sector. We derive the bulk of our construction revenue from contracts awarded by the Indian central and state governments and their agencies. If there are delays in payments by the government, our working capital requirements could increase. Our materials business is dependent on private sector companies which could be affected by government delays, indirectly burdening our business.

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 U.S. Foreign Corrupt Practices Act, which generally prohibits U.S. public companies from engaging in bribery of or other prohibited payments to foreign officials for the purposes of obtaining or retaining business. While we will take precautions to educate the employees of our subsidiaries on the provisions 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 would have an adverse effect on our business, financial condition, and results of operations.

We may issue additional shares of our capital stock, including through convertible debt securities, which would reduce the equity interest of our stockholders and possibly 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 $0.0001 per share and 1,000,000 shares of preferred stock, par value $0.0001 per share. There are currently approximately 38,485,247 authorized but unissued shares of our common stock available for issuance. This is after appropriate reservation for the issuance of shares upon full exercise of our outstanding warrants and shares and options authorized for issuance under our 2008 Omnibus Incentive Plan. It is also after the reservation for conversion of all of the 1,000,000 shares of preferred stock available for issuance.

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We issued an aggregate of 2,516,389 shares of our common stock in connection with a private placement of debt securities and exchange of previously issued debt securities for new debt securities and common stock in October 2009, November 2010, December 2010, February 2011 and March, 2011, and may engage in similar private placements in the future. In addition, we may from time to time sell shares at the market. The issuance of additional shares of our common stock including the conversion of any debt securities may:

· Significantly reduce the equity interest of our existing shareholders.

· 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 the 2009 and 2010 fiscal years, we sold an aggregate $4,000,000 in private placements of debt securities and may engage in similar private placements in the future. In the current year, we have modified the terms of the debt arrangement to extend the repayment under the agreements and as a consideration for this extension issued equity shares to the debt holders. The incurrence of this debt and any subsequent modifications to the terms may:

· lead to default if our operating revenues are insufficient to pay our debt obligations;

· 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;

· 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;

· 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 securities are outstanding, or to the extent our existing leverage discourages other potential investors; and

· potentially lead to a dilution of our ownership if there are any subsequent issues of equity shares as consideration for further modifications or settlements.

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. If we are unable to obtain required additional capital, we may have to curtail our growth plans or cut back on existing business. Furthermore, 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. These costs may be increased because we may not currently be able to use a short-form registration statement on Form S-3 which will increase the costs and timing for any registered offering of our securities. In addition, to the extent that we are unable to provide timely reporting of our financial results it may further impair our ability to raise capital. 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.

Assessment of penalties for time overruns and lack of quality may adversely affect our economic performance.

TBL executes construction contracts primarily in the roads and infrastructure development sectors. TBL typically enters into high value contracts for these activities, which impose penalties if the contracts are not executed in a timely manner. If TBL is unable to meet the performance criteria prescribed by the contracts, then levied penalties may adversely affect our financial performance. Furthermore, we may pay demurrage for some of our iron ore delivery contracts, if ore is not loaded onto ships in the time prescribed by delivery contracts. The payment of demurrage may adversely affect our financial performance. The ore shipped by us from India is shipped with a quality certificate from a leading company. However the buyers in China also perform quality measurements, which could differ from the initial quality certificate. This may result in negative price adjustments affecting our profit margins. The rock aggregate business is less sensitive to time overruns and quality.

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

Our business requires developing and maintaining strategic alliances with contractors that undertake turnkey contracts for infrastructure development projects and with 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.

Substantial portions of our assets are invested in Sricon. We currently do not have sufficient financial information about Sricon and the lack of such financial statements may impact our ability to accurately value our investment in Sricon.

We own 22% of the outstanding stock of Sricon Infrastructure Private Limited ("Sricon"). Despite our efforts to obtain current audited financial statements and other information from Sricon, they have refused to voluntarily supply such information. We have initiated legal actions, petitioning the Company Law Board ("CLB") in India to compel Sricon to supply the relevant information for the financial years ended March 31, 2011 and 2010. While we expect the CLB to ultimately grant us relief
and while we have been able to obtain some information, including Sricon's unaudited balance sheet as of December 31, 2009, contract claims Sricon is pursuing in the courts and independent valuations of Sricon's real estate plant and machinery, all of which we have used in testing the impairment of the our receivable and investment in Sricon, the absence of other current financial information makes it difficult to accurately assess the value of our investment in Sricon. Further, we did not have the audited financial statements of Sricon for the year ended March 31, 2010 when we prepared our financial statements for that period.

In order to protect our investment in Sricon the Company has taken the following additional steps. In November 2010 the Company petitioned the high Court of Nagpur, India, for relief on its receivable and informed the court that it had a claim on Sricon's assets. In January 2011 the Company received an order from the Company Law Board in India, a quasi-court that has jurisdiction over Indian companies, freezing all assets and stopping Sricon from incurring additional liability. The CLB also ordered Sricon to allow the Company to inspect its books. The January order notwithstanding, we further petitioned the CLB to compel Sricon to provide financial information and grant access to review and inspect the book of records, including financials, bank data, board meetings, property, plant and equipment register, and other relevant information as required. Pursuant to the CLB order, the Company has visited Sricon to conduct inspections in January 2011, February 2011, April 2011 and June 2011. While we have been able to obtain some information, we are not able to monitor Sricon on a day-to-day basis nor do we yet have complete financial information for Sricon. This makes it difficult to accurately monitor the value of our investment in Sricon. As of March 31, 2011 we carry the Sricon investment on our books at $6.4 million and this value may be reduced in the future.

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. U.S. senior management and the senior management of our subsidiaries have played a significant role in developing and executing the overall business plan. They are also vitally important to maintaining client relationships, proprietary processes, and technology. While no one is irreplaceable, the loss of the services of any of our officers would be disrupting 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 this risk factor we are recruiting professional managers and expanding our executive ranks, as well as, developing a succession plan, but there can be no guarantees that our 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. During the monsoon season, the heavy rains slow down construction work resulting in an overall slowdown of the supply of materials and 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.

· The availability of enough ships to transport iron ore during any particular quarter.

· Commencement, completion and termination of contracts during any particular quarter.

· Additions and departures of key personnel.

· Claims filed for delays in the execution and changes in the scope of contracts, among others, can sometimes enter arbitration and take time to settle. This could result in a tightening of working capital.

· Strategic decisions made by us and our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments and changes in business strategy.

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

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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 and investment associated with any of our businesses in the future.

We review our goodwill balance and investments 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 their carrying amounts may not be recoverable. In the fourth quarter of our 2011 fiscal year, we performed our annual test for goodwill and investment impairment and determined that our goodwill arising on account of the acquisition of TBL and our investment in Sricon was further impaired. Similarly, in the future, if our projected discounted cash flows or the recoverable value of the underlying assets associated with our businesses do not exceed the carrying value of their net assets, we may be required to record further write downs of the carrying value of other long-lived assets associated with our businesses. If that is the case, then our operating results and the market price of our common stock may be adversely affected.

Our subsidiaries may become involved in litigation in the future.

Our construction and aggregate contracts are subject to the jurisdiction of the Indian courts. Our iron ore contracts frequently are subject to the jurisdiction of other foreign countries. Our subsidiaries may have to initiate actions in the Indian courts or in foreign courts to enforce their rights and may also be drawn into litigation. The expenses of litigation and any judgments against us could have an adverse effect on us.

We face competition in the infrastructure industry.

The Indian real estate and infrastructure industries, including the mining industries, are increasingly attracting foreign capital. We currently have competition from international and 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 downturn in the economy could adversely affect our business, financial condition, results of operations and future prospects.

A generally adverse financial global economy or a regional recession including one in India and/or in China 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 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. This might result in the suspension of operations, and may 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 the summer months and during the monsoon season, which restrict our ability to carry on construction 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 and 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 and build material reserves, temporarily reducing profitability.

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

As part of a public company with substantial operations, we are experiencing an increase in legal, accounting and other expenses. In addition, the Sarbanes-Oxley Act of 2002 and new rules implemented by the SEC and the NYSE Amex have imposed various requirements on public companies, including requiring changes in corporate governance practices. Our management and other personnel need to devote a substantial amount of time to these compliance initiatives. We have completed the testing of internal controls in all our subsidiaries. We expect to carry out the evaluations and install improved systems and processes as required. However, we cannot be certain as to the timing or completion of the remediation actions, or their impact on our operations. Furthermore, it is difficult to hire personnel in India who are familiar with U.S. GAAP. However, we have hired several competent consultants to help review our internal reporting and disclosures, and to train our Indian staff in SEC reporting and U.S. GAAP. We do not foresee a risk other than the time required to adequately complete the training and to implement the improved processes.

The audit report provided by Yoganandh and Ram (Y&R) will require a review by a U.S. firm.

While our audit firm, Yoganandh & Ram, is registered with the U.S. 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. During the year ended March 31, 2010, the PCAOB conducted an inspection of Yoganandh & Ram. One result of the inspection is an expected increase in our auditing expense.

The Company has 12,972,532 warrants outstanding, the exercise of 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.

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 declared effective, in which case our warrant holders may not be able to exercise our public warrants and such warrants may expire worthless.

We have issued warrants to purchase our common stock in three public offerings: our initial public offering in March 2006, a registered direct offering in September 2009 and a public offering in December 2010. In the absence of an applicable exemption, holders of warrants issued in our public offerings 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 respective warrant agreements relating to such warrants, 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 as soon as possible, we do not have such a registration statement currently effective and we cannot assure the warrant holders that we will be able to do so in the future. We may not be currently eligible to register the warrants on a short-form registration on Form S-3 which will likely increase the time it will take to obtain an effective registration statement for exercise of the warrants. If we fail to comply with our contractual obligations we could be liable to the holders of the warrants. 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 (provided that the holders of the warrants issued in our September 2009 and December 2010 offerings are entitled to cash payments if we fail to deliver shares issuable upon exercise of the warrants in a timely fashion). 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 even expire worthless. The warrants issued in our initial public offering that were to expire on March 3, 2011, now expire on March 8, 2013 since we exercised our right to extend the terms of those warrants. The warrants issued in our September 2009 and December 2010 offerings expire on September 18, 2012 and December 8, 2017 respectively. The outstanding warrants issued in our September 2009 and December 2010 offerings, currently exercisable for an aggregate of 1,117,410 shares of common stock, give the holders of such warrants the right to exercise the warrants on a cashless basis if at the time of exercise there is not an effective registration statement available for the issuance of the shares issuable upon exercise of the warrants. We would not receive any proceeds from the cashless exercise of the warrants.

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With respect to any warrants sold by us in private placements pursuant to an exemption from registration requirements under the federal securities laws, the holders of the warrants sold in such private placements would 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 would not have any material restrictions with respect to the exercise of their warrants.

The issuance of certain of securities by us may not have been made in compliance with the federal and state securities laws, which exposes us to potential liabilities, including potential rescission rights.

On July 14, 2010 we filed our Form 10-K for the fiscal year ended March 31, 2010. The Form 10-K contained audited financial statements included a qualified opinion from our auditors pending completion of their audit procedures in respect of the deconsolidation of one of our subsidiaries. We subsequently filed an amended Form 10-K which includes an unqualified audit opinion.

On January 19, 2011, the Securities and Exchange Commission (the "Commission") notified us that the initial financial statements filed on July 14, 2010 did not comply with the requirements of Rule 2-02 under Regulation S-X for audited financial statements because the financial statements contained a qualified opinion. As noted above, the amended Form 10-K filed on January 28, 2011 contains audited financial statements with an unqualified opinion that comply with Rule 2-02. The Commission has indicated that as the initial Form 10-K filed on July 14, 2010 was materially deficient as a result of the inclusion of the qualified audit opinion. It was therefore deemed not to have been filed with the Commission in accordance with applicable requirements, thus making us delinquent in its filings with the Commission.

The Commission has informed us that as a result of the deemed failure to timely file a Form 10-K, it is the Staff's view that as of July 14, 2010 we ceased to be eligible to use SEC Form S-3 for the registration of the Company's securities. As the financial statements included in the original Form 10-K were also included in a registration statement on Form S-1 (File No. 333-163867) pursuant to which we offered its common stock and warrants to purchase common stock in December 2010 (the "December 2010 Offering"), the Commission has also indicated that such registration statement failed to comply with the requirements of Form S-1 due to the lack of the inclusion of unqualified audited financial statements in compliance with Commission requirements.

Since the Commission has informed us that it is the Commission's view that as of July 14, 2010 we ceased to be eligible to use Form S-3 for the registration of our securities, it is possible that any sales of our securities pursuant to our registration statements on Form S-3 since July 14, 2010 may be deemed to be unregistered sales of its securities. Since July 14, 2010, we have sold an aggregate of 2,292,760 shares of its common stock for an aggregate price of $ 1,536,886 pursuant to an at-the-market offering ("ATM") of its common stock on Form S-3 (File No. 333-160993) in sales that occurred between September 7, 2010 and January 19, 2011. In addition, we may be deemed to have made unregistered sales of the 2,575,830 shares of common stock and warrants to purchase an aggregate of 858,610 shares of common stock at an exercise price of $0.90 per share sold for an aggregate gross purchase price of $1,545,498 sold pursuant to such registration statement with respect to the December Offering. Alternatively, to the extent that the sales are deemed to be registered as a result of being sold pursuant to registration statements declared effective by the Commission as the registration statements in question either incorporated, in the case of the Form S-3 or included, in the case of the Form S-1, a qualified audit report the registration statements could be deemed to be materially incomplete.

If it is determined that persons who purchased our securities after July 14, 2010 purchased securities in an offering deemed to be unregistered or that the registration statements for such offerings were incomplete or inaccurate, then such persons may be entitled to rescission rights. In addition, the sale of unregistered securities could subject us to enforcement actions or penalties and fines by federal or state regulatory authorities. We are unable to predict the likelihood of any claims or actions being brought against us related to these events, and there is a risk that any may have a material adverse effect on us. To date, we have not received any rescission requests.

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

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

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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.

If we fail to comply with the NYSE Amex listing requirements, we could be delisted from the NYSE Amex equities market. Any such delisting could potentially limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.

If we fail to comply with the listing requirements of the NYSE Amex we could be delisted from the NYSE Amex equities market. If at any time in the future, the NYSE Amex delists our securities from trading on its exchange, we could face significant adverse consequences, including a:

· limited availability of market quotations for our securities;

· determination that our common stock is a "penny stock" which will require brokers trading in our common stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for our common stock;

· limited amount of news and analyst coverage for our company; and

· decreased ability to issue additional securities or obtain additional financing in the future

If our common stock were delisted and determined to be a "penny stock," a broker-dealer may find it more difficult to trade our common stock and an investor may find it more difficult to acquire or dispose of our common stock in the secondary market.

If our common stock were removed from listing with the NYSE Amex, it may be subject to the so-called "penny stock" rules. The SEC has adopted regulations that define a penny stock to be any equity security that has a market price per share of less than $5.00, subject to certain exceptions, such as any securities listed on a national securities exchange. For any transaction involving a penny stock, unless exempt, the rules impose additional sales practice requirements on broker-dealers, subject to certain exceptions. If our common stock were delisted and determined to be a penny stock, a broker-dealer may find it more difficult to trade our common stock and an investor may find it more difficult to acquire or dispose of our common stock on the secondary market. Investors in penny stocks should be prepared for the possibility that they may lose their whole investment.

Item 1B. Unresolved Staff Comments

Not applicable

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Item 2. Properties

We do not own any real estate or other physical properties materially important to our operation. Our headquarters are located at 4336 Montgomery Avenue, Bethesda, Maryland, 20814. TBL's headquarters are located at 34/136 A Edappally Bypass Road, Cochin 682024, Kerala, India. In addition, we have offices in Mauritius, Nagpur, Chennai and Bangalore, India. We have temporary facilities at each of our work centers in the states of Karnataka, Maharashtra, Tamil Nadu, and Goa.

The Company is not involved in investments in real estate or interests in real estate, real estate mortgages, or securities of or interests in persons primarily engaged in real estate activities, as all of its land rights are used for production purposes.

Item 3. Legal Proceedings

In January 2011, one of our subsidiaries -IGC-M- initiated legal proceedings against the Sricon management requesting the Company Law Board in India to stay any transactions -such as purchase, sale or a further creation of charge on Sricon's fixed properties including land and plant and machinery - citing mismanagement of company affairs by the present management. IGC-M has also sued for recovery of the investment in Sricon and suitable compensation thereon.
Subsequently in January 2011, the Company received a favorable order from the Company Law Board granting the requested stay. The proceedings for the recovery of investment and a suitable compensation are currently pending adjudication at the Company Law Board, Mumbai.

Item 4. [Reserved.]

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PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The Company consummated its initial public offering on March 8, 2006. In the initial public offering, the Company offered units for purchase. A unit in the Company is comprised of one share of common stock of the Company and two warrants to purchase one share of common stock. On April 13, 2006, there was a voluntary separation of the Company's units into shares of common stock and warrants to purchase common stock which permitted separate trading of the common stock and warrants. The common stock, units and warrants trade on the NYSE Amex under the symbols "IGC," "IGC.U," and "IGC.WT," respectively.

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
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	$ 2.20	$ 1.33	$ 0.22	$ 0.04	$ 2.50	$ 1.34
March 31, 2010	$ 1.67	$ 1.17	$ 0.13	$ 0.03	$ 1.41	$ 1.20
June 30, 2010	$ 2.05	$ 0.92	$ 0.12	$ 0.03	$ 2.45	