India Globalization Capital, Inc.
Form 424B3
March 03, 2006

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As filed pursuant to Rule 424(b)(3)
Registration No. 333-124942

PROSPECTUS

$58,980,000
India Globalization Capital, Inc.
9,830,000 Units

India Globalization Capital, Inc. is a blank check company recently formed for the purpose of acquiring, through a merger, capital stock exchange, asset acquisition or other similar business combination, one or more operating businesses with primary operations in India.

This is an initial public offering of our securities. Each unit that we are offering consists of:

- one share of our common stock; and
- two warrants.

The units are being offered at a price of $6.00 per unit.

Each warrant entitles the holder to purchase one share of our common stock at a price of $5.00. Each warrant will become exercisable on the later of our completion of a business combination or March 3, 2007, and will expire on March 3, 2011, or earlier upon redemption.

We have granted the underwriters a 45-day option to purchase up to 1,474,500 additional units solely to cover over-allotments, if any (over and above the 9,830,000 units referred to above). The over-allotment will be used only to cover the net syndicate short position resulting from the initial distribution. We have also agreed to sell to Ferris, Baker Watts, Inc., the representative of the underwriters, for $100, an option to purchase up to a total of 500,000 units at $7.50 per unit (125% of the price of the units sold in the offering). The units issuable upon exercise of this option are identical to those offered by this prospectus, except that each of the warrants underlying such units entitles the holder to purchase one share of our common stock at a price of $6.25 (125% of the exercise price of the warrants included in the units sold in the offering). The purchase option and its underlying securities have been registered under the registration statement of which this prospectus forms a part.

Our officers and directors have purchased an aggregate of 170,000 units at a price of $6.00 per unit ($1,020,000 in the aggregate) in a private placement immediately prior to this offering. Such units were identical to the units in this offering. These individuals will not have any right to any liquidation distributions with respect to the shares included in such private placement units in the event we fail to consummate a business combination. The shares comprising such units may not be sold, assigned or transferred until we consummate a business combination. Such individuals have further agreed to waive their right to any liquidation distributions with respect to such shares in the event we fail to consummate a business combination.

There is presently no public market for our units, common stock or warrants. Our units have been listed on the American Stock Exchange under the symbol IGC.U. Once the securities comprising the units begin separate trading, the common stock and warrants will also be listed on the American Stock Exchange under the symbols IGC and IGC.WS, respectively. We cannot assure you, however, that any of such securities will continue to be listed on the American Stock Exchange. In the event that the securities are not listed on the American Stock Exchange, we anticipate that the units will be quoted on the OTC Bulletin Board but we cannot assure you that our securities will be so quoted or, if quoted, will continue to be quoted.

Investing in our securities involves a high degree of risk. See Risk Factors beginning on page 10 of this prospectus for a discussion of information that should be considered in connection with an investment in our securities.

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

	Public Offering	Underwriting Discount and

	Price	Commission(1)	Proceeds, Before Expenses, to Us
Per unit	$ 6.00	$ .48	$ 5.52
Total	$ 58,980,000	$ 4,718,400	$ 54,261,600

(1) Includes a non-accountable expense allowance in the amount of 3% of the gross proceeds, or $.18 per unit ($1,769,400 in total), payable to Ferris, Baker Watts, Inc., the representative of the underwriters. Ferris, Baker Watts, Inc. has agreed to deposit 3% of the gross proceeds attributable to the non-accountable expense allowance ($.18 per Unit) into the trust account until the earlier of the completion of a business combination or the liquidation of the trust account. They have further agreed to forfeit any rights to or claims against such proceeds unless we successfully complete a business combination.

Of the proceeds of this offering, $57,210,600 (approximately $5.82 per unit) will be deposited into a trust account at United Bank Inc. maintained by Continental Stock Transfer & Trust Company acting as trustee. This amount includes up to $1,769,400 ($0.18 per unit) which will be paid to the underwriters if a business combination is consummated, but which will be forfeited by the underwriters if a business combination is not consummated. This amount also includes the net proceeds from the 170,000 units which were purchased in a private placement immediately prior to this offering by our officers and directors, which they have agreed to forfeit if a business combination is not consummated. This amount also includes loans from our founders in the aggregate amount of $870,000 which will be repaid from the interest accrued on the amount in escrow, but will not be repaid from the principal in escrow. As a result, our public stockholders will receive $5.82 per unit (97% of the initial purchase price of the units) (plus residual interest earned but net of $1,855,000 ($2,150,000 if the over-allotment option is exercised in full) in working capital and taxes payable) in the event of a liquidation of our company prior to consummation of a business combination.

We are offering the units for sale on a firm-commitment basis. Ferris, Baker Watts, Inc., acting as representative of the underwriters, expects to deliver our securities to investors in the offering on or about March 8, 2006.

Ferris, Baker Watts
Incorporated

Ladenburg Thalmann & Co. Inc.

First Albany Capital

Merriman Curhan Ford & Co.

SOCIETE GENERALE

The date of this Prospectus is March 3, 2006

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not and the underwriters have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where the offer is not permitted.

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PROSPECTUS SUMMARY

This summary highlights certain information appearing elsewhere in this prospectus. For a more complete understanding of this offering, you should read the entire prospectus carefully, including the risk factors set forth in the section below entitled Risk Factors and the financial statements, and the related notes and schedules thereto. Unless otherwise stated in this prospectus, references to we, us or our refer to India Globalization Capital, Inc. sometimes referred to herein as IGC, Inc. You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where that offer is not permitted. Unless we tell you otherwise, the information in this prospectus assumes that the underwriters have not exercised their over-allotment option.

Unless we tell you otherwise, the term business combination as used in this prospectus means an acquisition of, through a merger, capital stock exchange, asset acquisition or other business acquisition, one or more operating businesses. In addition, unless we tell you otherwise, the term public stockholder as used in this prospectus refers to those persons that purchase the securities offered by this prospectus including any of our existing stockholders that purchase these securities either in this offering or afterwards; provided that our existing stockholders status as public stockholders shall exist only with respect to those securities so purchased in this offering or afterwards. Unless we tell you otherwise, references in this prospectus to units include 170,000 units that certain of our officers and directors purchased in a private placement immediately prior to this offering. Certain numbers in this prospectus have been rounded.

IGC, Inc. is a recently organized Maryland blank check company formed on April 29, 2005, for the purpose of acquiring, through a merger, capital stock exchange, asset acquisition or other similar business combination or acquisition, one or more businesses with operations primarily in India. To date, our efforts have been limited to organizational activities.

We believe that the future potential of the Indian economy and current market conditions present favorable opportunities for acquisitions of Indian companies. According to the World Factbook published by the U.S. Central Intelligence Agency, the Indian economy has posted a growth rate of approximately 6.8% since 1994, and has become the fourth largest economy in the world. According to the World Factbook, the Indian economy had a Gross Domestic Product in 2004 of approximately $3.319 trillion and its growth rate in 2004 was approximately 6.2%.

In addition, according to Mega Ace Consultancy, an India-based think tank studying the Indian economy, 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. Mega Ace s principals include a former economic advisor to the Central Bank Reserve Bank of India and a former CEO of the Bombay Stock Exchange. Mega Ace s projects include serving as chief consultant to an agency looking to promote investment in France among Indian investors and serving as a south-Asian consultant to a project devoted to forming links between small and medium sized enterprises in the UK and Europe with companies based in South Asia. According to Mega Ace, 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. As a result, we believe the regulatory environment for foreign investment has become more favorable. There are already a number of industry sectors, including, but not limited to, telecommunications, drug and pharmaceuticals, banking and insurance, airports and airlines and mining and petroleum that have been deregulated whereby foreign investors can own and control Indian companies and where profits can be reinvested in India or repatriated to the U.S.

While we are not limiting our acquisition of target businesses in India to any particular sector, we believe that the following two sectors are illustrative of the opportunities that we may consider for prospective target businesses: (1) business process outsourcing and information technology and (2) infrastructure. Our strategy in any sector will be to identify potential market sector leaders which we think will grow at a substantially faster rate than the overall

economy.

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Our management team is experienced in starting, financing, growing, operating, sourcing, structuring and consummating business combinations in India as well as in North America, Europe and Asia. Through our management team, directors and our advisors, we believe that we have extensive contacts and sources, including private equity and venture capital funds, public and private companies, investment bankers, attorneys and accountants, from which to generate acquisition opportunities. Our management team intends to use its operating and transaction experience to find and evaluate potential target companies and to maintain and build on the relationships that they have developed through their years of experience in the U.S. and Indian business arenas.

While we may seek to effect business combinations with more than one target business, our initial business acquisition must be with one or more operating businesses whose fair market value, collectively, is at least equal to 80% of our net assets (excluding any fees and expenses held in the trust account for the benefit of Ferris, Baker Watts, Inc.) at the time of such acquisition. Consequently, if we cannot identify and acquire multiple operating businesses contemporaneously, we will need to identify and acquire a larger single operating business. There are also certain risks associated with investing in a development stage company such as ours. Certain state administrators may disallow an offering of a development stage company if the initial equity investment by a company s promoters does not equal a certain percentage of the aggregate public offering price. For a more complete discussion of certain states requirements concerning promoter s equity percentage in a development stage company, please see the section below entitled Risk Factors Risks associated with our business.

IGC, Inc is a Maryland corporation formed on April 29, 2005. Our offices are located at 4336 Montgomery Avenue, Bethesda, Maryland 20814. Our telephone number is (301) 983-0998.

Private Placement

Certain of our officers and directors have purchased from us an aggregate of 170,000 units at $6.00 per unit in a private placement immediately prior to this offering.

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THE OFFERING

In making your decision on whether to invest in our securities, you should take into account not only the backgrounds of the members of our management team, but also the special risks we face as a blank check company, as well as the fact that this offering is not being conducted in compliance with Rule 419 promulgated under the Securities Act of 1933, as amended, and, therefore, you will not be entitled to protections normally afforded to investors in Rule 419 blank check offerings. You should carefully consider these and the other risks set forth in the section below entitled Risk Factors beginning on page 10 of this prospectus.

Securities Offered:	9,830,000 units, at $6.00 per unit, each unit consisting of: one share of common stock; and two warrants. The units will begin trading on or promptly after the date of this prospectus. Each of the common stock and warrants will trade separately on the 90th day after the date of this prospectus unless Ferris, Baker Watts, Inc. determines that an earlier date is acceptable, based upon its assessment of the relative strengths of the securities market and small capitalization companies in general, and the trading pattern of, and demand for, our securities in particular. In no event will Ferris, Baker Watts, Inc. allow separate trading of the common stock and warrants until we file an audited balance sheet reflecting our receipt of the gross proceeds of this offering. We will file a Current Report on Form 8-K, including an audited balance sheet, upon the consummation of this offering, which is anticipated to take place three business days from the date the units commence trading. The audited balance sheet will include proceeds we receive from the exercise of the over-allotment option if the over-allotment option is exercised prior to the filing of the Current Report on Form 8-K. If the over-allotment option is exercised after our initial filing of a Form 8-K, we will file an amendment to the Form 8-K to provide updated financial information to reflect the exercise of the over-allotment option. We will also include in this Form 8-K, or amendment thereto, or in a subsequent Form 8-K information indicating if Ferris, Baker Watts, Inc. has allowed separate trading of the common stock and warrants prior to the 90th day after the date of this prospectus.
Common Stock:	
Number of shares that will be outstanding before this offering and the private placement:	2,500,000 shares
Number of shares to be outstanding after this offering and the private placement:	12,500,000 shares

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Warrants:	
Number of warrants outstanding before this offering and the private placement:	0 warrants
Number of warrants to be outstanding after this offering and the private placement:	20,000,000 warrants
Exercisability:	Each warrant is exercisable for one share of common stock.
Exercise price:	$5.00
Exercise period:	The warrants will become exercisable on the later of: the completion of a business combination on terms as described in this prospectus; or March 3, 2007. The warrants will expire at 5:00 p.m., Washington, DC time, on March 3, 2011 or earlier upon redemption. None of the warrants may be exercised until after the consummation of a business combination and, thus, after the proceeds of the trust account have been disbursed. Upon exercise of the warrants and disbursement of the trust, the warrant exercise price will be paid directly to us.
Redemption:	We may redeem the outstanding warrants (including warrants held by Ferris, Baker Watts, Inc. as a result of the exercise of the purchase option): in whole and not in part; at a price of $.01 per warrant at any time after the warrants become exercisable; upon a minimum of 30 days prior written notice of redemption; and if, and only if, the last sales price of our common stock equals or exceeds $8.50 per share for any 20 trading days within a 30 trading day period ending three business days before we send the notice of redemption.

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	We have established our redemption criteria to provide warrant holders with a premium to the initial warrant exercise price as well as a reasonable cushion against a negative market reaction, if any, to our redemption call. If the foregoing conditions are satisfied, we will call the warrants and each warrant holder will be entitled to exercise his or her warrants prior to the date scheduled for redemption. There can be no assurance, however, that the price of the common stock will exceed $8.50 or the warrant exercise price after the redemption call is made.
Proposed American Stock Exchange symbols for our securities:	
Units:	IGC.U
Common Stock:	IGC
Warrants:	IGC.WS
Offering proceeds to be held in trust:	$57,210,600 of the proceeds of this offering and the private placement (approximately $5.82 per unit) will be placed in a trust account at United Bank maintained by Continental Stock Transfer & Trust Company acting as trustee, pursuant to an agreement to be signed on the date of this prospectus. These proceeds consist of $55,441,200 from the net proceeds payable to us and $1,769,400 of the proceeds attributable to the underwriters non-accountable expense allowance. These proceeds will not be released until the earlier of (i) the completion of a business combination on the terms as described in this prospectus or (ii) our liquidation. Therefore, unless and until a business combination is consummated, these proceeds held in the trust account will not be available for our use for any expenses related to this offering or expenses which we may incur related to the investigation and selection of a target business and the negotiation of an agreement to effect the business combination. These expenses will be paid prior to a business combination only from the interest earned by the principal in the trust accounts up to an aggregate of $1,855,000 (or $2,150,000 if the underwriters exercise their over-allotment option in full). The $1,769,400 of the proceeds attributable to the underwriters non-accountable expense allowance which are being held in the trust account will be released to Ferris, Baker Watts, Inc. upon completion of a business transaction on the terms described in this prospectus or to our public stockholders upon our liquidation and will in no event be available for use by us.

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We may use a portion of the funds not held in the trust account to make a deposit or fund a no-shop, standstill provision with respect to a prospective business combination. In the event that we are required to forfeit such funds (whether as a result of a breach of the agreement relating to such payment or otherwise), we may not have sufficient working capital available to pay expenses related to locating a suitable business combination without securing additional financing. In such event, if we are unable to secure additional financing, we may not consummate a business combination in the proscribed time period and we will be forced to liquidate and dissolve.

Prior to the consummation of a business combination, there will be no fees, reimbursements or cash payments made to our existing stockholders and/or officers and directors other than:

- Repayment of loans in the aggregate principal amount of $870,000 with interest at the rate of 4% per annum made by our chief executive officer and our chairman to us to cover offering expenses and working capital;
- Payment of up to $4,000 per month to affiliates of our existing stockholders for office space and administrative expenses;
- Reimbursement for any expenses incident to the offering and finding a suitable business combination; and
- Fees payable to our officers, directors and advisers in kind for services to be rendered.

Other than the agreement with IGN, LLC, with respect to rent for office space and administrative expenses, there are no current agreements or understandings with any of our existing stockholders or any of their respective affiliates with respect to the payment of compensation of any kind subsequent to a business combination. However, there can be no assurance that such agreements may not be negotiated in connection with, or subsequent to, a business combination.

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The stockholders must approve business combination:	We will seek stockholder approval before we effect our initial business combination, even if the nature of the acquisition would not ordinarily require stockholder approval under applicable state law. In connection with the vote required for our initial business combination, all of our existing stockholders, including all of our officers, directors and special advisors, have agreed to vote the shares of common stock owned by them (whether purchased prior to, during or after the consummation of the offering or the private placement) in accordance with the majority of the shares of common stock voted by the public stockholders other than our existing stockholders. We will proceed with a business combination only if: (i) a majority of the shares of common stock voted by the public stockholders are voted in favor of the business combination and (ii) public stockholders owning less than 20% of the shares sold in this offering subsequently exercise their conversion rights described below.
Conversion rights for stockholders voting to reject a business combination:	Public stockholders voting against a business combination will be entitled to convert their stock into a pro rata share of the trust account (approximately $5.82 per share), plus any interest earned on their portion of the trust account, net, of working capital (up to a maximum of $1,855,000 (or $2,150,000 if the underwriters exercise their over-allotment option in full)) and taxes, if the business combination is approved and consummated. In order for a business combination to be approved a majority of the shares of common stock voted by the public stockholders would need to vote in favor of the combination and our existing shareholders, as described above, would be required to vote their shares in accordance with the vote of the majority to approve the business combination. Accordingly, since they did not vote against the business combination, our existing stockholders would not be entitled to exercise conversion rights with respect to the stock they own. In order to exercise this right, the public stockholders must make an affirmative election. Voting against a business combination does not automatically trigger the conversion right. Public stockholders who convert their shares of stock into their share of the trust account will continue to have the right to exercise any warrants they may hold.

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Liquidation if no business combination:	We will dissolve and promptly distribute only to our public stockholders the amount in our trust account inclusive of the $1,769,400 attributable to the underwriters non-accountable expense allowance, plus any remaining net assets, if we do not effect a business combination within 18 months after consummation of this offering (or within 24 months after the consummation of this offering if a letter of intent, agreement in principle or definitive agreement has been executed within 18 months after consummation of this offering and the business combination relating thereto has not yet been consummated within such 18-month period). The existing stockholders have agreed to waive their respective rights to participate in any liquidation distribution occurring upon our failure to consummate a business combination, but only with respect to those shares of common stock acquired by them prior to this offering and with respect to the shares included in the 170,000 units our officers and directors have purchased in the private placement; they will participate in any liquidation distribution with respect to any shares of common stock acquired in connection with or following this offering.
Escrow of existing stockholder shares:	On the date of this prospectus, all of our existing stockholders (which includes all of our officers, directors and special advisors) will place the shares of common stock they own prior to this offering and the private placement into an escrow account maintained by Continental Stock Transfer & Trust Company, acting as escrow agent. Subject to certain limited exceptions, such as transfers to family members and trusts for estate planning purposes and upon death, while in each case remaining in the escrow account, these shares will not be released from escrow until six months after the consummation of a business combination. The shares will only be released prior to that date if we are forced to liquidate, in which case the shares would be destroyed, or if we were to consummate a transaction after the consummation of a business combination which results in all of the stockholders of the combined entity having the right to exchange their shares of common stock for cash, securities or other property.

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Summary Financial Data

The following table summarizes the relevant financial data for our business and should be read in conjunction with our financial statements, and the related notes and schedules thereto, which are included in this prospectus. To date, our efforts have been limited to organizational activities so only balance sheet data is presented.

	December 31, 2005	
	Actual	**As Adjusted(1)**
Balance Sheet Data:		
Working capital (deficiency)	$ (762,218)	$ 54,460,681
Total assets	762,463	55,441,200
Total liabilities	767,982	980,519
Value of common stock that may be converted to cash[2]		11,082,696
Stockholders equity (deficiency)	$ (5,519)	43,377,985

(1) Excludes the $100 purchase price of the purchase option payable by Ferris, Baker Watts, Inc.

(2) If the business combination is approved and completed, public stockholders who voted against the combination will be entitled to redeem their stock for approximately $5.82 per share, which amount represents approximately $5.64 per share representing the net proceeds of the offering and the private placement deposited in the trust account and the proceeds of loans in the aggregate amount of $870,000 made by the founders and an additional $105,000 in deferred expenses from vendors which are being deposited in the trust account, and $0.18 per share representing the underwriters non-accountable expense allowance which the underwriters have agreed to deposit into the trust account and to forfeit to pay redeeming stockholders, without taking into account interest earned on the trust account.

The working capital excludes $756,699 of costs related to this offering and the private placement which were paid or accrued prior to December 31, 2005. These deferred offering costs have been recorded as a long-term asset and are reclassified against stockholders equity in the as adjusted column.

The as adjusted information gives effect to the sale of the units in this offering and the private placement, including the application of the estimated gross proceeds and the payment of the estimated remaining costs from such sale.

The working capital (as adjusted) and total assets (as adjusted) amounts will be available to us only upon the consummation of a business combination within the time period described in this prospectus. If a business combination is not so consummated, we will be dissolved and the proceeds held in the trust account will be distributed solely to our public stockholders.

We will not proceed with a business combination if public stockholders owning 20% or more of the shares sold in this offering vote against the business combination and then subsequently exercise their conversion rights. Accordingly, if public shareholders owning a majority of the shares sold in this offering approve a business combination, we may effect that business combination even if public stockholders owning up to approximately 19.99% of the shares sold in this offering exercise their conversion rights. If this occurs, we would be required to convert to cash up to approximately 19.99% of the 10,000,000 shares of common stock sold in this offering, or 1,965,017 shares of common stock, at an initial per-share conversion price of approximately $5.82, without taking into account interest earned on the trust account. The actual per-share conversion price will be equal to the amount deposited in the trust account, including all accrued interest, through the record date for the determination of stockholders entitled to vote on the proposed business combination.

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RISK FACTORS

An investment in our securities involves a high degree of risk. You should consider carefully all of the material risks described below, together with the other information contained in this prospectus, before making a decision to invest in our securities. If any of the following risks occur, our business and financial conditions may be materially adversely affected. In that event, the trading price of our securities could decline, and you could lose all or part of your investment. Additional risks not currently known to us, or that we deem immaterial, may also harm us or affect your investment. We make various statements in this section which constitute forward-looking statements . See Forward-Looking Statements.

Risks associated with our business

We are a development stage company with no operating history and, accordingly, you will have no basis upon which to evaluate our ability to achieve our business objective.

We are a recently incorporated development stage company with no operating results to date. Therefore, our ability to begin operations is dependent upon obtaining financing through the public offering of our securities. Because we do not have an operating history, you will have no basis upon which to evaluate our ability to achieve our business objective, which is to acquire one or more operating businesses with primary operations in India. We have not conducted any discussions and we have no plans, arrangements or understandings with any prospective acquisition candidates. We will not generate any revenues (other than interest income on the proceeds of this offering) until, at the earliest, after the consummation of a business combination. We cannot assure you as to when or if a business combination will occur.

We may not be able to consummate a business combination within the required time frame, in which case, we would be forced to liquidate.

We must complete a business combination with a fair market value of at least 80% of our net assets (excluding any fees and expenses held in the trust account for the benefit of Ferris, Baker Watts, Inc.) at the time of acquisition within 18 months after the consummation of this offering (or within 24 months after the consummation of this offering if a letter of intent, agreement in principle or a definitive agreement has been executed within 18 months after the consummation of this offering and the business combination relating thereto has not yet been consummated within such 18-month period). If we fail to consummate a business combination within the required time frame, we will be forced to liquidate our assets. We may not be able to find suitable target businesses within the required time frame. In addition, our negotiating position and our ability to conduct adequate due diligence on any potential target may be reduced as we approach the deadline for the consummation of a business combination. We do not have any specific merger, capital stock exchange, asset acquisition or other similar business combination under consideration and have not had any discussions, formal or otherwise, with respect to such a transaction.

Under Maryland law, the requirements and restrictions relating to this offering contained in our amended and restated articles of incorporation may be amended, which could reduce or eliminate the protection afforded to our stockholders by such requirements and restrictions.

Our amended and restated articles of incorporation set forth certain requirements and restrictions relating to this offering that shall apply to us until the consummation of a business combination. Specifically, our amended and restated articles of incorporation provides, among other things, that:

prior to the consummation of our initial business combination, we shall submit such business combination to our stockholders for approval;

we may consummate our initial business combination if: (i) approved by a majority of the shares of common stock voted by the public stockholders, and (ii) public stockholders owning less than 20% of the shares purchased by the public stockholders in this offering exercise their conversion rights;

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if our initial business combination is approved and consummated, public stockholders who voted against the business combination and exercised their conversion rights will receive their pro rata share of the trust account;

if a business combination is not consummated or a letter of intent, an agreement in principle or a definitive agreement is not signed within the time periods specified in this prospectus, then we will be dissolved and distribute to all of our public stockholders their pro rata share of the trust account; and

we may not consummate any other merger, capital stock exchange, stock purchase, asset acquisition or similar transaction other than a business combination that meets the conditions specified in this prospectus, including the requirement that our initial business combination be with one or more operating businesses whose fair market value, either individually or collectively, is equal to at least 80% of our net assets at the time of such business combination.

Our amended and restated articles of incorporation prohibit the amendment of the above-described provisions. However, the validity of provisions prohibiting amendment of the articles of incorporation under Maryland law has not been settled. A court could conclude that the prohibition on amendment violates the stockholders implicit rights to amend the corporate charter. In that case, the above-described provisions would be amendable and any such amendment could reduce or eliminate the protection afforded to our stockholders. However, we view the foregoing provisions as obligations to our stockholders, and we will not take any actions to waive or amend any of these provisions.

If we are forced to liquidate before a business combination, our public stockholders will receive less than $6.00 per share upon distribution of the trust account and our warrants will expire worthless.

If we are unable to complete a business combination and are forced to liquidate our assets, the per-share liquidation will be less than $6.00 because of the expenses related to this offering, our general and administrative expenses and the anticipated costs of seeking a business combination. Furthermore, the warrants will expire worthless if we liquidate before the completion of a business combination. For a more complete description on the effects on our stockholders if we are unable to complete a business combination, see the section below entitled Proposed Business Effecting a business combination Liquidation if no business combination.

You will not be entitled to protections normally afforded to investors of blank check companies under federal securities laws.

Because the net proceeds of this offering are intended to be used to complete a business combination with one or more operating businesses that have not been identified, we may be deemed to be a blank check company under the federal securities laws. However, since we will have net tangible assets in excess of $5,000,000 upon the successful consummation of this offering and our units are being offered at an initial price of $6.00 per unit, we believe that we are exempt from rules promulgated by the SEC to protect investors of blank check companies such as Rule 419. Accordingly, investors will not be afforded the benefits or protections of those rules. Because we do not believe we are subject to Rule 419, our units will be immediately tradeable and we have a longer period of time within which to complete a business combination in certain circumstances. For a more detailed comparison of our offering to offerings under Rule 419, see the section below entitled Proposed Business Comparison to offerings of blank check companies.

If third parties bring claims against us, the proceeds held in trust could be reduced and the per-share liquidation or conversion price received by stockholders may be less than approximately $5.82 per share.

Our placing of funds in trust may not protect those funds from third party claims against us. Although we will seek to have all vendors, prospective target businesses or other entities we engage execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account for the benefit of our public stockholders, there is no guarantee that they will execute such agreements, or even if they execute such agreements that they would be prevented from bringing claims against the trust account. If any third party refused to execute an agreement waiving such claims to the monies held in the trust

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account, we would perform an analysis of the alternatives available to us if we chose not to engage such third party and evaluate if such engagement would be in the best interest of our stockholders if such third party refused to waive such claims. Examples of possible instances where we may engage a third party that refused to execute a waiver include the engagement of a third party consultant whose particular expertise or skills are believed by management to be significantly superior to those of other consultants that would agree to execute a waiver or in cases where management is unable to find a provider of required services willing to provide the waiver. In addition, there is no any guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the trust account for any reason. Accordingly, the proceeds held in trust could be subject to claims which could take priority over the claims of our public stockholders and the per-share liquidation price could be less than approximately $5.82 plus partial interest, due to claims of such creditors. If we are unable to complete a business combination and are forced to liquidate, our officers and directors will be personally liable under certain circumstances to ensure that the proceeds in the trust account are not reduced by the claims of various vendors, prospective target businesses or other entities that are owed money by us for services rendered or products sold to us. However, we cannot assure you that our officers and directors will be able to satisfy those obligations. In addition, such third party claims may result in the per share conversion price received by stockholders who vote against a business combination and elect to convert their shares into cash being less than approximately $5.82 per share.

Because we have not currently selected any prospective target businesses with which to complete a business combination, investors in this offering are unable to currently ascertain the merits or risks of any particular target business operations.

Because we have not yet identified any prospective target businesses, investors in this offering have no current basis to evaluate the possible merits or risks of any particular target business operations. To the extent we complete a business combination with a financially unstable company or an entity in its development stage, we may be affected by numerous risks inherent in the business operations of those entities. Although our management will endeavor to evaluate the risks inherent in a particular target business, we cannot assure you that we will properly ascertain or assess all of the significant risk factors, or that we will have adequate time to complete due diligence. We also cannot assure you that an investment in our units will not ultimately prove to be less favorable to investors in this offering than a direct investment, if an opportunity were available, in any particular target business. For a more complete discussion of our selection of target businesses, see the section below entitled Proposed Business Effecting a business combination We have not identified any target businesses.

We may issue shares of our capital stock, including through convertible debt securities, to complete a business combination, 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. Immediately after this offering (assuming no exercise of the underwriters over-allotment option), there will be 41,000,000 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 all of the 1,000,000 shares of preferred stock available for issuance. Although we have no commitments as of the date of this offering to issue any securities, we may issue a substantial number of additional shares of our common stock or preferred stock or a combination of both, including through convertible debt securities, to complete a business combination. The issuance of additional shares of our common stock including upon conversion of any debt securities:

- may significantly reduce the equity interest of investors in this offering;
- will likely cause a change in control if a substantial number of our shares of common stock or voting preferred are issued, which may affect, among other things, our ability to use our net operating loss

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carry forwards, if any, and most likely also result in the resignation or removal of our present officers and directors;

may adversely affect the voting power or other rights of holders of our common stock if we issue preferred stock with dividend, liquidation, compensation or other rights superior to the common stock; and

may adversely affect prevailing market prices for our common stock, warrants or units.

For a more complete discussion of the possible structure of a business combination, see the section below entitled Proposed Business Effecting a business combination Selection of target businesses and structuring of a business combination.

We may issue notes or other debt securities, or otherwise incur substantial debt, to complete a business combination, which may adversely affect our leverage and financial condition.

Although we have no commitments as of the date of this offering to incur any debt, we may choose to incur a substantial amount of debt to finance a business combination. The incurrence of debt:

may lead to default and foreclosure on our assets if our operating revenues after a business combination 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.

For a more complete discussion of the possible structure of a business combination, see the section below entitled Proposed Business Effecting a business combination Selection of target businesses and structuring of a business combination.

Our current officers and directors may resign upon consummation of a business combination.

Our ability to successfully effect a business combination will be totally dependent upon the efforts of our key personnel. The future role of our key personnel, particularly Dr. Ranga Krishna, our Chairman of the Board, Ram Mukunda, our Chief Executive Officer and President and John Cherin, our Chief Financial Officer, Treasurer, following a business combination, however, cannot presently be ascertained. While several of our management and other key personnel, particularly Messrs. Mukunda and Cherin, have indicated their willingness to remain associated with us following a business combination, we have no current expectation that they will do so, and we may employ other personnel following the business combination. Moreover, our current management will only be able to remain with the combined company after the consummation of a business combination if they are able to negotiate the same as part of any such combination. If we acquired a target business in an all-cash transaction, it would be more likely that current members of management would remain with us if they chose to do so. If a business combination were structured as a merger whereby the stockholders of the target company were to control the combined company following a business combination, it may be less likely that management would remain with the combined company unless it was negotiated as part of the transaction via the acquisition agreement, an employment agreement or other arrangement. In making the determination as to whether current management should remain with us following the business combination, management will analyze the experience and skill set of the target business management and negotiate as part of the business combination that certain members of current management remain if it is believed that it is in the best interests of the combined company post-business combination. If management negotiates to be retained post-business combination as a condition to any potential business combination, such negotiations may result in a conflict of interest.

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Our ability to successfully effect a business combination and to be successful afterwards will be completely dependent upon the efforts of our key personnel, some of whom may join us following a business combination and whom we would have only a limited ability to evaluate.

We may employ other personnel following a business combination regardless of whether our existing personnel remain with us. While we intend to closely scrutinize any additional individuals we engage after a business combination, we cannot assure you that our assessment of these individuals will prove to be correct. These individuals may be unfamiliar with the requirements of operating a public company as well as United States securities laws, which could cause us to have to expend time and resources helping them become familiar with such laws. This could be expensive and time-consuming and could lead to various regulatory issues that may adversely affect our operations.

Our officers, directors and special advisors may allocate their time to other businesses, thereby causing conflicts of interests in their determination as to how much time to devote to our affairs. This may have a negative impact on our ability to consummate a business combination.

Our officers, directors and special advisors are not required to, and will not, commit their full time to our affairs, which may result in a conflict of interest in allocating their time between our operations and other businesses. This could have a negative impact on our ability to consummate a business combination. We do not intend to have any full time employees prior to the consummation of a business combination. Each of our officers is engaged in several other business endeavors and are not obligated to contribute any specific number of hours per week to our affairs, although we expect Mr. Mukunda to devote an average of approximately fifteen hours per week to our business, for Mr. Cherin and Dr. Krishna to devote an average of approximately ten hours a week to our business and for Mr. Mukunda to devote substantially all of his time to our business during the process of conducting due diligence on a target company. For example, Mr. Mukunda, our Chief Executive Officer and President, serves as chairman and chief executive officer, and is a managing member for Integrated Global Networks, LLC and Global Starlink LLC, both privately-held telecommunications companies. If Messrs. Mukunda and Cherin s and Dr. Krishna s other business affairs require them to devote substantial amounts of time to such affairs in excess of their current commitment levels, it could limit their ability to devote time to our affairs and could have a negative impact on our ability to consummate a business combination. We cannot assure you that these conflicts will be resolved in our favor. For a complete discussion of the potential conflicts of interest that you should be aware of, see the section below entitled Certain Relationships and Related Transactions.

Our officers, directors and special advisors are and may in the future become affiliated with entities engaged in business activities similar to those intended to be conducted by us and, accordingly, may have conflicts of interest in determining to which entity a particular business opportunity should be presented.

Our officers, directors and special advisors may in the future become affiliated with entities, including other blank check companies, engaged in business activities similar to those intended to be conducted by us. Additionally, our officers, directors and special advisors may become aware of business opportunities that may be appropriate for presentation to us as well as the other entities with which they are or may be affiliated. Our officers, directors and special advisors involved in businesses similar to what we may intend to conduct following a business combination may have fiduciary or contractual obligations to present opportunities to those entities first. We cannot assure you that any such conflicts will be resolved in our favor. For a complete discussion of our management s business affiliations and the potential conflicts of interest that you should be aware of, see the sections below entitled Management Directors and Executive Officers and Certain Relationships and Related Transactions.

Because all of our officers, directors and our special advisors own shares of our securities that will not participate in liquidation distributions, they may have a conflict of interest in determining whether a particular target business is appropriate for a business combination.

All of our officers, directors and our special advisors own stock in our company, but have, with respect to those shares of common stock acquired by them prior to this offering, waived their right to receive

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distributions upon our liquidation in the event we fail to complete a business combination. Additionally, Mr. Mukunda and certain of our other officers and directors collectively purchased, in the aggregate 170,000 units in a private placement immediately prior to this offering, but have waived their right to liquidation distributions with respect to the shares included in such units. Those shares and warrants owned by our officers, directors and our special advisors will be worthless if we do not consummate a business combination. The personal and financial interests of our officers and directors may influence their motivation in identifying and selecting target businesses and completing a business combination in a timely manner. Consequently, our officers and directors discretion in identifying and selecting suitable target businesses may result in a conflict of interest when determining whether the terms, conditions and timing of a particular business combination are appropriate and in our stockholders best interest.

If our common stock becomes subject to the SEC s penny stock rules, broker-dealers may experience difficulty in completing customer transactions and trading activity in our securities may be adversely affected.

If at any time we have net tangible assets of $5,000,000 or less and our common stock has a market price per share of less than $5.00, transactions in our common stock may be subject to the penny stock rules promulgated under the Securities Exchange Act of 1934, as amended. Under these rules, broker-dealers who recommend such securities to persons other than institutional accredited investors must:

make a special written suitability determination for the purchaser;

receive the purchaser s written agreement to a transaction prior to sale;

provide the purchaser with risk disclosure documents that identify certain risks associated with investing in penny stocks and that describe the market for these penny stocks as well as a purchasers legal remedies; and

obtain a signed and dated acknowledgment from the purchaser demonstrating that the purchaser has actually received the required risk disclosure document before a transaction in a penny stock can be completed.

If our common stock becomes subject to these rules, broker-dealers may find it difficult to effect customer transactions and trading activity in our securities may be adversely affected. As a result, the market price of our securities may be depressed, and you may find it more difficult to sell our securities.

It is probable that we will only be able to complete one business combination, which may cause us to be solely dependent on a single business and a limited number of products or services.

The net proceeds from this offering and the private placement will provide us with approximately $55,441,200 (subject to reduction resulting from shareholders electing to convert their shares into cash), which we may use to complete a business combination. While we may seek to effect a business combination with more than one target business, our initial business acquisition must be with one or more operating businesses whose fair market value, collectively, is at least equal to 80% of our net assets (excluding any fees and expenses held in the trust account for the benefit of Ferris, Baker Watts, Inc.) at the time of such acquisition. At the time of our initial business combination, we may not be able to acquire more than one target business because of various factors, including insufficient financing or the difficulties involved in consummating the contemporaneous acquisition of more than one operating company; therefore, it is probable that we will have the ability to complete a business combination with only a single operating business, which may have only a limited number of products or services. The resulting lack of diversification may:

result in our dependency upon the performance of a single or small number of operating businesses;

result in our dependency upon the development or market acceptance of a single or limited number of products, processes or services; and

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subject us to numerous economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact upon the particular industry in which we may operate subsequent to a business combination.

In this case, we will not be able to diversify our operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities that may have the resources to complete several business combinations in different industries or different areas of a single industry so as to diversify risks and offset losses. Further, the prospects for our success may be entirely dependent upon the future performance of the initial target business or businesses we acquire.

We will not generally be required to obtain a determination of the fair market value of a target business from an independent, unaffiliated third party.

The initial target business or businesses with which we entered into a business combination must have a collective fair market value equal to at least 80% of our net assets at the time of such acquisition. The fair market value of such business generally will be determined by our board of directors based upon standards generally accepted by the financial community, such as actual and potential sales, earnings and cash flow and book value. We will obtain an opinion from an unaffiliated, independent investment banking firm that is a member of the National Association of Securities Dealers, Inc. with respect to the satisfaction of the 80% requirement only if our board is not able to independently determine that the target businesses have a sufficient fair market value or if a conflict of interest exists with respect to such determination, such as the target business being affiliated with one or more of our officers or directors or with Ferris, Baker Watts, Inc. or SG Americas Securities, LLC and their respective affiliates. We will not be required to obtain an opinion from an investment banking firm as to the fair market value if our board of directors independently determines that the target business has sufficient fair market value or if no such conflict exists.

We have substantial discretion as to how to spend the proceeds in this offering which are outside of the trust.

Our management has broad discretion as to how to spend the proceeds in this offering which are held outside of the trust account and may spend these proceeds in ways with which our stockholders may not agree. If we choose to invest some of the proceeds held outside of the trust account, we cannot predict that investment of the proceeds will yield a favorable return, if any.

Because of our limited resources and the significant competition for business combination opportunities, we may not be able to consummate an attractive business combination.

We expect to encounter intense competition from other entities having a business objective similar to ours, including venture capital funds, leveraged buyout funds and operating businesses competing for acquisitions. Many of these entities are well established and have extensive experience in identifying and effecting business combinations directly or through affiliates. Many of these competitors possess greater technical, human and other resources than we do and our financial resources will be relatively limited when contrasted with those of many of these competitors. While we believe that there are numerous potential target businesses that we could acquire with the net proceeds of this offering and the private placement, together with additional financing if available, our ability to compete in acquiring certain sizable target businesses will be limited by our available financial resources. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target businesses. Further:

our obligation to seek stockholder approval of a business combination may delay the consummation of a transaction;

our obligation to convert into cash the shares of common stock in certain instances may reduce the resources available for a business combination; and

our outstanding warrants and the purchase option granted to Ferris, Baker Watts, Inc., and the future dilution they potentially represent, may not be viewed favorably by certain target businesses.

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In addition, because our business combination may entail the contemporaneous acquisition of several operating businesses and may be with different sellers, we will need to convince such sellers to agree that the purchase of their businesses is contingent upon the simultaneous closings of the other acquisitions.

Any of these obligations may place us at a competitive disadvantage in successfully negotiating a business combination.

Because there are numerous companies with a business plan similar to ours seeking to effectuate a business combination, it may be more difficult for us to do so.

Since August 2003, based upon publicly available information, approximately 40 similarly structured blank check companies have completed initial public offerings. Of these companies, only four companies have consummated a business combination, while seven other companies have announced that they have entered into a definitive agreement for a business combination, but have not consummated such business combination. Accordingly, there are approximately 29 blank check companies with approximately $1.8 billion in trust that are seeking to carry out a business plan similar to our business plan. While, like us, some of those companies have specific industries that they must complete a business combination in, a number of them may consummate a business combination in any industry they choose. We may therefore be subject to competition from these and other companies seeking to consummate a business plan similar to ours, which will, as a result, increase demand for privately-held companies to combine with companies structured similarly to ours. Further, the fact that only two of such companies has completed a business combination and five of such companies have entered into a definitive agreement for a business combination may be an indication that there are only a limited number of attractive target businesses available to such entities or that many privately-held target businesses may not be inclined to enter into business combinations with publicly held blank check companies like us. We cannot assure you that we will be able to successfully compete for an attractive business combination. Additionally, because of this competition, we cannot assure you that we will be able to effectuate a business combination within the required time periods. If we are unable to find a suitable target business within such time periods, we will be forced to liquidate.

We may be unable to obtain additional financing, if required, to complete a business combination or to fund the operations and growth of the target business, which could compel us to restructure or abandon a particular business combination.

Although we believe that the net proceeds of this offering will be sufficient to allow us to consummate a business combination, in as much as we have not yet identified any prospective target businesses, we cannot ascertain the capital requirements for any particular business combination. If the net proceeds of this offering prove to be insufficient, either because of the size of the business combination or the depletion of the available net proceeds in search of target businesses, or because we become obligated to convert into cash a significant number of shares from dissenting stockholders, we will be required to seek additional financing through the issuance of equity or debt securities or other financing arrangements. We cannot assure you that such financing would be available on acceptable terms, if at all. To the extent that additional financing proves to be unavailable when needed to consummate a particular business combination, we would be compelled to restructure or abandon that particular business combination and seek alternative target business candidates. In addition, if we consummate a business combination, we may require additional financing to fund the operations or growth of the target businesses. The failure to secure additional financing could have a material adverse effect on the continued development or growth of the target businesses. None of our officers, directors or stockholders is required to provide any financing to us in connection with or after a business combination.

Our existing stockholders, including our officers, directors and special advisors, control a substantial interest in us and thus may influence certain actions requiring stockholder vote.

Upon consummation of our offering, our existing stockholders, including our officers, directors and special advisors, will collectively own approximately 21% of our issued and outstanding shares of common stock (including the purchase of 170,000 units in the private placement).

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In connection with the vote required for our initial business combination, all of our existing stockholders, including all of our officers, directors and special advisors, have agreed to vote the shares of common stock owned by them (whether purchased prior to, during or after the offering) in accordance with the majority of the shares of common stock voted by the public stockholders.

Our board of directors is divided into three classes (Class A, Class B, and Class C), each of which will generally serve for a term of three years with only one class of directors being elected in each year. It is unlikely that there will be an annual meeting of stockholders to elect new directors prior to the consummation of a business combination, in which case all of the current directors will continue in office at least until the consummation of the business combination. If there is an annual meeting, as a consequence of our staggered board of directors, only a minority of the board of directors will be considered for election and our existing stockholders, because of their ownership position, will have considerable influence regarding the outcome. Accordingly, our existing stockholders will continue to exert control at least until the consummation of a business combination. In addition, our existing stockholders and their affiliates and relatives are not prohibited from purchasing units in this offering or shares in the aftermarket, and they will have full voting rights with respect to any shares of common stock they may acquire, either through this offering or in subsequent market transactions. If they do, we cannot assure you that our existing stockholders will not have considerable influence upon the vote in connection with a business combination.

Our existing stockholders paid an aggregate of $25,000, or an average of approximately $.01 per share for their shares and, accordingly, you will experience immediate and substantial dilution from the purchase of our common stock.

The difference between the public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock after this offering and the private placement constitutes the dilution to you and the other investors in this offering. The fact that our existing stockholders acquired their shares of common stock at a nominal price has significantly contributed to this dilution. Assuming the offering and the private placement are completed, you and the