India Globalization Capital, Inc.
Form 10-Q
November 17, 2017

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

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended September 30, 2017

Transition report under Section 13 or 15(d) of the Exchange Act of 1934

Commission file number 1-32830

INDIA GLOBALIZATION CAPITAL, INC.
(Exact name of registrant as specified 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)	(Zip Code)

(301) 983-0998
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant 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).
Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

There were approximately 28,065,272 shares of our common stock, par value $0.0001, issued and outstanding as of November 13, 2017.

INDIA GLOBALIZATION CAPITAL, INC. AND SUBSIDIARIES
QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2017

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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

INDIA GLOBALIZATION CAPITAL, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

(All amounts in USD, except number of shares and per share amounts)

	As of	
	30-Sept- 17 (unaudited)	31-March - 17 (audited)
ASSETS		
Current assets:		
Cash and cash equivalents	$597,026	$538,029
Accounts receivable, net of allowances	1,033,608	752,926
Prepaid expenses and other current assets	393,579	410,408
Short-term investments	-	1,880,000
Total current assets	$2,024,213	$3,581,363
Goodwill	198,169	198,169
Intangible assets	111,691	-
Property, plant and equipment, net	953,257	953,936
Investments in affiliates	773,111	773,111
Investments-others	5,240,166	5,238,003
Other non-current assets	691,745	539,720
Total long-term assets	$7,968,139	$7,702,939
Total assets	$9,992,352	$11,284,302
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Trade payables	613,131	416,532
Accrued expenses	197,716	181,465
Other current liabilities	409,597	691,714
Total current liabilities	$1,220,444	$1,289,711
Long-term borrowings	350,794	452,080
Loans - others	399,726	392,226
Notes payable	1,800,000	1,800,000
Total non-current liabilities	$2,550,520	$2,644,306
Total liabilities	$3,770,964	$3,934,017
Stockholders' equity:		
Common stock — $.0001 par value; 150,000,000 shares authorized; 28,272,667 issued and outstanding as of March 31, 2017 and 28,005,272 issued and outstanding as of September 30, 2017.	$2,801	$2,827
Additional paid-in capital	60,974,013	61,413,533
Accumulated other comprehensive income	(2,058,702)	(2,047,780)
Retained earnings/(Deficit)	(52,687,870)	(52,009,459)
Total equity attributable to Parent	$6,230,242	$7,359,121
Non-controlling interest	$(8,854)	$(8,836)
Total stockholders' equity	$6,221,388	$7,350,285

Total liabilities and stockholders' equity	$9,992,352	$11,284,302

See accompanying Notes to Consolidated Financial Statements below in this report and Notes to the Audited Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2017 filed with the SEC on July 14, 2017.

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INDIA GLOBALIZATION CAPITAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	All amounts in USD except share data		All amounts in USD except share data	
	Three months ended September 30,		Six months ended September 30,	
	2017	2016	2017	2016
Revenues	$235,648	$162,163	$288,573	$237,563
Cost of revenues (excluding depreciation)	(163,170)	(90,534)	(170,051)	(154,589)
Selling, general and administrative expenses	(331,146)	(339,585)	(709,960)	(636,802)
Depreciation	(4,344)	(97,842)	(10,309)	(195,514)
Loss on investments/associates /joint ventures	-	(183,835)	-	(183,835)
Operating income (loss)	$(263,012)	$(549,633)	$(601,747)	$(933,177)
Interest expense	(40,832)	(51,410)	(85,378)	(89,956)
Interest income	100	114	101	114
Other income, net/(loss)	(144)	11,985	8,210	13,740
Income before income taxes and minority interest attributable to non-controlling interest	$(303,888)	$(588,944)	$(678,814)	$(1,009,279)
Income taxes benefit/(expense)	-	-	-	-
Net income/(loss)	$(303,888)	$(588,944)	$(678,814)	$(1,009,279)
Non-controlling interests in earnings of subsidiaries	(84)	(5,073)	(403)	(11,239)
Net income/(loss) attributable to common stockholders	$(303,804)	$(583,871)	$(678,411)	$(998,040)
Earnings/(loss) per share attributable to common stockholders:				
Basic	$(0.01)	$(0.02)	$(0.02)	$(0.04)
Diluted	$(0.01)	$(0.02)	$(0.02)	$(0.04)
Weighted-average number of shares used in computing earnings per share amounts:				
Basic	27,355,826	23,636,403	27,355,826	23,636,403
Diluted	29,051,771	23,636,403	29,051,771	23,636,403

See accompanying Notes to Consolidated Financial Statements below in this report and Notes to the Audited Consolidated Financial Statements contained in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2017 filed with the SEC on July 14, 2017.

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INDIA GLOBALIZATION CAPITAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(All amounts in USD, except number of shares and per share amounts)

	Three months ended September 30,					
	2017			2016		
	IGC	Non-controlling interest	Total	IGC	Non-controlling interest	Total
Net income / (loss)	$(303,804)	$ (84)	$(303,888)	$(583,871)	$ (5,073)	$(588,944)
Foreign currency translation adjustments	(12,679)	-	(12,679)	8,775	-	8,775
Comprehensive income/(loss)	$(316,483)	$ (84)	$(316,567)	$(575,096)	$ (5,073)	$(580,169)

	Six months ended September 30,					
	2017			2016		
	IGC	Non-controlling interest	Total	IGC	Non-controlling interest	Total
Net income/(loss)	$(678,411)	$ (403)	$(678,814)	$(998,040)	$ (11,239)	$(1,009,279)
Foreign currency translation adjustments	(10,922)	-	(10,922)	38,412	-	38,412
Comprehensive income/(loss)	$(689,333)	$ (403)	$(689,736)	$(959,628)	$ (11,239)	$(970,867)

See accompanying Notes to Consolidated Financial Statements below in this report and Notes to the Audited Consolidated Financial Statements contained in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2017 filed with the SEC on July 14, 2017.

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INDIA GLOBALIZATION CAPITAL, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(All amounts in USD, except number of shares and per share amounts)

	Six months ended September 30, 2017	2016
Cash flows from operating activities:		
Net income (loss)	$(678,814)	$(1,009,279)
Adjustment to reconcile net income/(loss) to net cash:		
Depreciation	10,309	195,514
Bad debts written off/Creditors restated	24	-
Loss from Investments /joint venture /associates	-	183,835
Non-cash interest expenses	67,500	71,315
ESOP shares	306,798	-
Changes in:		
Accounts receivable	$(280,893)	$(2,462)
Prepaid expenses and other assets	16,828	(4,836)
Trade payables	196,602	200,688
Other current liabilities	(282,118)	(33,414)
Other non-current liabilities	-	(36,191)
Non-current assets	-	723
Accrued Expenses	16,251	(242,621)
Net cash provided/(used) in operating activities	$(627,513)	$(676,728)
Cash flow from investing activities:		
Proceeds from non-current investment	$(2,342)	$(55,000)
Purchase of property and equipment	(927)	(4,504)
Capital work in progress	(8,563)	(95,843)
Non-current assets	(136,280)	-
Net cash provided/(used) by investing activities	$(148,112)	$(155,347)
Cash flows from financing activities:		
Issuance of equity stock	$1,015,628	$242,562
Proceeds /(repayment) from long-term borrowing	(101,286)	140,933
Proceeds from loans	7,500	(64,250)
Expense related to stock	(76,911)	-
Net cash provided/(used) by financing activities	$844,931	$319,245
Effects of exchange rate changes on cash and cash equivalents	(10,309)	(38,578)
Net increase/(decrease) in cash and cash equivalents	58,997	(551,408)
Cash and cash equivalent at the beginning of the period	538,029	1,490,693
Cash and cash equivalent at the end of the period	$597,026	$939,285
Supplementary information:		
Cash paid for interest	$17,878	$18,641
Non-cash items:		
Common stock issued for interest payment on notes payable	$67,500	$71,315

Common stock issued including ESOP, Consultancy and Other	$348,798	$-

See accompanying Notes to Consolidated Financial Statements below in this report and Notes to the Audited Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2017 filed with the SEC on July 14, 2017.

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INDIA GLOBALIZATION CAPITAL, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1 – OVERVIEW OF INDIA GLOBALIZATION CAPITAL, INC. (“IGC”)

IGC develops cannabis-based combination therapies to treat Alzheimer’s, pain, nausea, eating disorders, several end points of Parkinson’s, and epilepsy in humans, dogs and cats. In support of this effort, IGC has assembled a portfolio of patent filings and four lead product candidates addressing these conditions. In India, the Company is engaged in heavy equipment rental, and in Malaysia, real-estate management.

The Company is a Maryland Corporation formed in April 2005. In March 2006, we completed an initial public offering of our common stock. Our registered office in the U.S. is located in Bethesda, Maryland. We have a facility in Washington State, where we conduct our R&D. Our back office is located in Kochi, Kerala India. In addition, many of our staff and advisors work from their home offices.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation of financial statements

The Company has prepared the accompanying unaudited Condensed Consolidated Financial Statements (“Financial Statements”) in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by United States generally accepted accounting principles (“GAAP”) for complete financial statements and management used estimates and assumptions that could affect the amounts reported in these condensed consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates. The results for interim periods do not necessarily indicate the results that may be expected for any other interim period or for the full year. The significant accounting policies adopted by the Company, in respect of these consolidated financial statements, are set out in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2017. Therefore, the Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and respective notes contained in the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2017 filed with the SEC on July 14, 2017. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation have been included in the Financial Statements. The consolidated financial statements include the accounts of the Company and all its subsidiaries that are more than 50% owned and controlled. The Company consolidates the subsidiaries into its consolidated financial statements. Transactions between the Company and its subsidiaries have been eliminated in the consolidated financial statements.

In the quarter ended September 30, 2017, in addition to the US, IGC operates in India and Malaysia and a substantial portion of the Company’s sales are denominated in INR and RM. As a result, changes in the relative values of the U.S. dollar and INR or the RM affect revenues and profits as the results are translated into U.S. dollars in the consolidated and pro forma financial statements. The accompanying financial statements are reported in U.S. dollars. The INR and the RM are the functional currencies for the Company. The translation of the functional currencies into U.S. dollars is performed for assets and liabilities using the exchange rates in effect at the balance sheet date and for revenues, costs and expenses using average exchange rates prevailing during the reporting periods. Adjustments resulting from the translation of functional currency financial statements to reporting currency are accumulated and reported as other comprehensive income/(loss), a separate component of shareholders’ equity.

The Company’s current fiscal year ends on March 31, 2018. Unless the context requires otherwise, all references in this report to “IGC,” “we,” “our” and “us” refer to India Globalization Capital, Inc., together with its subsidiaries, as listed and described in its Annual Report on Form 10-K filed with the SEC on July 14, 2017. We exclude our investments and minority non-controlling interests, and any information provided by them is not incorporated by reference in this report, and you should not consider it a part of this report. Our filings are available on www.sec.gov. The information contained on our website, www.igcinc.us, is not incorporated by reference in this report, and you should not consider it a part of this report.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable, net of allowances, amounted to $1,033,608 and $752,926 as of September 30, 2017 and March 31, 2017, respectively. The accounts receivable net of reserves for the quarter ended September 30, 2017 come primarily from construction management and rental of heavy construction equipment.

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NOTE 4 – OTHER CURRENT AND NON-CURRENT ASSETS

Prepaid expenses and other current assets consist of the following:

	As of September 30, 2017	As of March 31, 2017
Prepaid /preliminary expenses	$ 6,750	$ 6,750
Advance to suppliers, others & services	364,049	352,850
Security/statutory advances	16,420	14,216
Prepaid and accrued interest	1,427	1,436
Deposit and other current assets	4,933	35,156
Total	$ 393,579	$ 410,408

Other non-current assets consist of the following:

	As of September 30, 2017	As of March 31, 2017
Statutory/Other advances	$ 510,164	$ 539,720
Product Formulation	181,581	-
Total	$ 691,745	$ 539,720

On May 21, 2012, TBL entered into an agreement with Weave & Weave for the purchase of land. TBL gave Weave and Wave an advance of $375,191. As of the date of this filing, the parties are in the process of negotiating a settlement that includes the purchase and sale of land as well as the refund of the advance given by TBL. Product Formulation is the capitalized part of expenses related to developing product formulations.

NOTE 5 – INTANGIBLE ASSETS AND GOODWILL

The movement in intangible assets and goodwill is given below.

	As of September 30, 2017	As of March 31, 2017
Intangible assets at the beginning of the period	$ -	$ 113,321
Amortization	-	(113,321)
Patent filings and rights	111,691	-
Total Intangible assets	$ 111,691	$ -
Goodwill of Cabaran Ultima Sdn Bhd	198,169	198,169
Total Goodwill	$ 198,169	198,169

The value of goodwill for the two periods shown is $198,169 and is associated with the acquisition of Cabaran Ultima. The capitalized patent expenses are direct expenses, legal, filing fees etc, associated with filing patents in North America, Europe and Canada.

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NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

Category	Useful Life (years)	As of September 30, 2017	As of March 31, 2017
Building (flat)	25	$239,519	$241,181
Plant and machinery	20	1,698,270	1,710,055
Computer equipment	3	154,396	157,349
Office equipment	5	118,733	119,528
Furniture and fixtures	5	68,228	70,368
Vehicles	5	253,847	292,764
Assets under construction	N/A	965,790	957,880
Total		$3,498,783	$3,549,125
Less: Accumulated depreciation		$(2,545,526)	$(2,595,189)
Net Assets		$953,257	$953,936

Depreciation expense for the six months ended September 30, 2017 and 2016 was $10,309 and $195,514 respectively. Capital work-in-progress represents the cost of property and equipment not put to use before the balance sheet date.

NOTE 7 – INVESTMENTS – OTHERS

Investments – others for each of the periods ended September 30, 2017 and March 31, 2017 consisted of the following:

	As of September 30, 2017	As of March 31, 2017
Investment in equity shares of unlisted company & associates	$65,555	$63,392
Investment in land	5,174,611	5,174,611
Total	$5,240,166	$5,238,003

NOTE 8 – Intentionally Left Blank

NOTE 9 – OTHER CURRENT AND NON-CURRENT LIABILITIES

Other current liabilities consist of the following:

	As of September 30, 2017	As of March 31, 2017
Statutory payables	$14,454	$15,203
Employee related liabilities	395,143	676,511
Total	$409,597	$691,714

For the quarter ended September 30, 2017, there were no other non-current liabilities.

NOTE 10 – RELATED PARTY TRANSACTIONS

As of September 30, 2017, the Company has (i) a balance of $81,834 due and payable to our CEO inclusive of certain unpaid salaries from previous years and (ii) a long-term loan of $350,794 due by Cabaran to a Director of Cabaran (RM 1,480,000), for a loan made to Cabaran.

We pay an affiliate of our CEO $4,500 per month for office space and certain general and administrative services rendered in Maryland. In addition, we pay another affiliate of our CEO $6,100 per month for office and facilities in Washington State. We believe, based on rents and fees for similar services in the Washington, D.C. metropolitan area, and Washington State that the fee charged by the affiliates are at least as favorable as we could have obtained from an unaffiliated third party and these payments are not considered, or meant to be compensation to our CEO. The rental agreement for the Maryland location is on a month-to-month basis and may be terminated by our Board of Directors of the Company at any time without notice. The rental agreement for Washington State facilities expires on December 31, 2017, unless renewed by mutual consent. During the quarter ended September 30, 2017, the total rent paid to the affiliates were $13,500 for the office space (and services) in Maryland, and $18,300 for the facilities in Washington State is payable.

All compensation, cash and non-cash (stock) paid to the CFO is paid to his wholly owned limited liability company (LLC). There are no other payments made directly to the CFO.

Loans by Related Parties:
We have a working capital loan that has a loan balance of $112,500 as of September 30, 2017 and $97,500 as of March 31, 2017 from an affiliate of our CEO, at an annual interest rate of zero percent, due February 23, 2022. There is no prepayment penalty. The assets of the Company secure the loan.

Loans to Related Parties
On April 30, 2015, FYE 2016, we loaned Apogee Financial Services $70,000 as working capital for Midtown partners. The loan is outstanding as of September 30, 2017.

NOTE 11 – NOTES PAYABLE AND LOANS – OTHERS

The Company has an unsecured Note Payable to Bricoleur Partners, L.P. in the amount of $1,800,000 (“2012 Security”), which was extended to July 31, 2016, subject to the same terms of the 2012 Agreement. Up to July 2014, the Company was making monthly interest payments of 17,100 shares of common stock. Starting on August 2014 and as per Amendment No. 2 to the 2012 Security, the Company started making a monthly interest payment of 23,489 shares of common stock. Contractually, there is no cash interest paid to Bricoleur on the Note. Instead, the parties have agreed that the Company will make a payment (booked under interest payment) of 30,000 shares of common stock for each month the loan remains unpaid, regardless of the trading price of the stock. The arrangement allows the Company and Bricoleur to pursue permanent conversion of the principal to common stock, or repayment of the principal using common stock. During the quarter ended September 30, 2017, the Company issued a total of 90,000 shares valued at $30,900 to this debt holder, which constitutes non-tax-deductible interest payments for the Company.

As of September 30, 2017, the Company has five loans categorized as Loans Others totaling $399,726 at an average annual interest rate of 10%, as follows: Loan 1: We have a loan for $59,726, due on April 25, 2018 bearing 10% annual interest rate. This loan is from one of our Advisors and former director. Loan 2: We have a loan from an individual for $100,000, at an annual interest rate of 24%, due February 23, 2022. There is no prepayment penalty. The assets of the Company secure the loan. Loan 3: We have a loan from an individual for $50,000, at an annual interest rate of 15%, due February 23, 2022. There is no prepayment penalty. The assets of the Company secure the loan. Loan 4: We have a loan of $77,500 from an affiliate of our CEO, at an annual interest rate of 15%, due February 23, 2022. There is no prepayment penalty. The assets of the Company secure the loan. Loan 5: We have a working capital loan that has a loan balance as of September 30, 2017 of $112,500 from an affiliate of our CEO, at an annual interest rate of zero percent, due February 23, 2022. There is no prepayment penalty. The assets of the Company secure the loan.

NOTE 12 – COMMITMENTS AND CONTINGENCY

No significant contingencies or commitments were made or existed during the three months ended September 30, 2017.

NOTE 13 – COMMON STOCK

Our common stock trades on the NYSE AMERICAN under the symbol “IGC” with CUSIP number 45408X308, $0.0001 par value (“Common Stock”). This security is also available for trading on the Borse Frankfurt, Stuttgart, and Berlin Exchanges (ticker symbol: IGS1). The Common stock of the Company is also available for trading on the Borse Frankfurt, Borse Berlin, and Borse Stuttgart (XETRA2) exchanges in Germany. The Warrants and Units now trade on the OTC Markets. We have redeemable Warrants (CUSIP number 45408X118 expiring on March 6, 2019) to purchase Common Stock (ticker symbol: IGC.WT) and Units consisting of one share of Common Stock and two redeemable warrants to purchase Common Stock that are not listed. The Unit holders are requested to contact the Company to get their existing Units separated into Common Stock and Warrants.

During the quarter ended September 30, 2017, the Company issued 90,000 shares valued at $30,900 to Bricoleur Partners, L.P. for the outstanding $1,800,000 promissory note (“2012 Security”), which constituted an element of repayment of interest.

On May 20, 2016, IGC entered into a new At-The-Market Agency Agreement (“ATM Agreement”) with IFS Securities, Inc. (dba Brinson Patrick, a division of IFS Securities, Inc.), as sales agent (“Brinson Patrick” or the “Agent”). IGC intends to use the net proceeds from the sale of securities offered for working capital needs, repayment of indebtedness and other general corporate purposes. During the quarter ended September 30, 2017, the Company issued 1,012,252 shares of Common Stock valuated at $367,931 under this agreement.

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Under the December 18, 2014 Purchase Agreement with Apogee, we issued 1,200,000 common shares of IGC valued at $888,000 for the purchase of 24.9% ownership interest in Midtown Partners & Co., LLC. Pending downward adjustments, subject to certain balance sheet items of MTP, a total of 500,000 shares of IGC common stock have been held back. Pending the resolution of these balance sheet items, the shares that have been held back may be cancelled. The agreement had a deadline of June 30, 2015, for Apogee and Midtown Partners to obtain the requisite approvals from FINRA. Apogee did not file for approval on time, and consequently pursuant to the terms of the Agreement, there are several penalties that will apply, including the cancellation of 700,000 shares of IGC stock and a penalty of $125,000 owed by Apogee to us. We are not seeking to consummate the acquisition of the remaining interest in Midtown Partners at this time.

The Company has granted (1) its Advisors options to purchase a total of 440,000 shares of common stock at exercise prices ranging from $0.10 to $0.30, all of which are outstanding and exercisable as of September 30, 2017 and (2) 100,000 shares to acquire the exclusive right to the license of the U.S. patent filing entitled "THC as a Potential Therapeutic Agent for Alzheimer's Disease" by the University of South Florida. Further, pursuant to IGC's employee stock option plan and during the quarter ended September 30, 2017, IGC granted no shares to its directors or its employees. As of September 30, 2017, IGC has 28,005,272 shares of Common Stock issued and outstanding.

NOTE 14 – STOCK-BASED COMPENSATION

On April 1, 2009, the Company adopted ASC 718, "Compensation-Stock Compensation" (previously referred to as SFAS No. 123 (revised 2004), Share Based Payment). ASC 718 requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on their fair values. As of September 30, 2017, under the 2008 Omnibus Plan, 4,374,899 shares of common stock have been awarded. As of September 30, 2017, there are 440,000 stock options available to IGC's advisors. No shares of common stock under the 2008 ESOP plan are available for future grants of options or stock awards.

NOTE 15 – SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses were $709,960 for the six months ended September 30, 2017 as compared to $636,802 for the six months ended September 30, 2016. Selling, general and administrative expenses include compensation expenses to management, legal and professional expenses, investor-relations expenses, acquisition related expenses and travel expenses.

NOTE 16 – IMPAIRMENT

None during fiscal quarter ended September 30, 2017.

NOTE 17 – OTHER INCOME

Other income for the three-month periods ended September 30, 2017 and 2016 amounted to $(144) and $11,985, respectively, and included income received from the supply of skilled operators for the heavy equipment rental business and from the rent of the apartment belonging to TBL, which is in Kochi, India.

NOTE 18 – RECONCILIATION OF EPS

The historical weighted average per share for our shares through September 30, 2017, was applied using the treasury method of calculating the fully diluted shares. The weighted average number of shares outstanding as of September 30, 2017 and 2016 used for the computation of basic earnings per share ("EPS") is 27,355,826 and 23,636,403, respectively. Due to the loss incurred during the three-month period ended September 30, 2017, all the potential equity shares are anti-dilutive and accordingly, the fully diluted EPS is equal to the basic EPS.

NOTE 19 – INCOME TAXES

The Company adopted ASC 740, Accounting for Uncertainty in Income Taxes. In assessing the recoverability of its deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of the deferred tax assets is dependent on the generation of future taxable income during the periods in which those temporary differences become deductible. The management considers historical and projected future taxable income, and tax planning strategies in making this assessment.

The Company's effective tax rate was 0% for both the quarters ended September 30, 2017 and 2016. The Company has US deferred tax assets, which have been offset by valuation allowance because of historical and expected losses. As the Company reverses its losses and becomes profitable, we will reassess the likelihood of recovering a portion or all of the deferred tax assets.

The Company recorded an income tax gain/expense of $0 resulting from operational results of its foreign entities for both three-month periods ended September 30, 2017 and 2016. As of September 30, 2017, and 2016, there was no significant liability for income tax associated with unrecognized tax benefits. As of September 30, 2017, IGC could not use its net operating losses.

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NOTE 20 – SEGMENT INFORMATION

Accounting pronouncements establish standards for the manner in which public companies report information about operating segments in annual and interim financial statements. Operating segments are components of an enterprise that have distinct financial information available and evaluated regularly by the chief operating decision-maker ("CODM") to decide how to allocate resources and evaluate performance. The Company's CODM is considered to be the Company's chief executive officer ("CEO"). The CEO reviews financial information presented on an entity level basis for purposes of making operating decisions and assessing financial performance. Therefore, the Company has determined that it operates in a single operating and reportable segment.

The following provides information required by ASC 280-10-50-38 Entity-Wide Information:

1) The table below shows revenue reported by product and service:

Product & Service	Amount	% on total revenues
Rental / Trading/Real estate	$288,573	100 %
TOTAL	$288,573	100 %

2(a) The table below shows the revenue attributed to the country of domicile (USA) and foreign countries. Revenue is attributed to an individual country if the invoice made to the customer originates in that country. The basis for originating an invoice is the underlining agreement.

Geographic Location	Amount	% on total revenues
India	$233,271	81 %
Malaysia	55,302	19 %
TOTAL	$288,573	100 %

2(b) The table below shows the long-term assets other than financial instruments held in the country of domicile and foreign countries.

Nature of Assets	USA (Country of Domicile)	Foreign Countries (India and Malaysia)	Total
Goodwill	$-	$198,169	$198,169
Intangible assets	111,691	-	111,691
Property, Plant and Equipment, net	896,283	56,974	953,257
Investments in Affiliates	773,111	-	773,111
Investments-Others	5,174,611	65,555	5,240,166
Other Non-Current Assets	181,581	510,164	691,745
Total Long-Term Assets	$7,137,277	$830,862	$7,968,139

NOTE 21 – CERTAIN AGED RECEIVABLES

The receivable and other assets as of September 30, 2017 and March 31, 2017, include certain aged receivables in the amount of $427,721. The aged receivables are due from the Cochin International Airport. Cochin International Airport is partially owned by the State Government of Kerala. The receivables have been due for periods in excess of one year as of September 30, 2017. These receivables are included in accounts receivable and have been classified as current because the arbitration process has concluded and ruling was given in our favor. The Company continues to carry the full value of the receivables without interest and without any impairment, because the Company believes that there is minimal risk that this organization will become insolvent and unable to make payment.

NOTE 22 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of the Company's current assets and current liabilities approximate their carrying value because of their short-term nature. Such financial instruments are classified as current and are expected to be liquidated within the next twelve months.

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NOTE 23 – LEFT INTENTIONALLY BLANK

NOTE 24 – INVESTMENT IN AFFILIATES

Pursuant to the December 18, 2014 Purchase Agreement with Apogee, we issued 1,200,000 common shares of IGC valued at $888,000 for the purchase of 24.9% ownership interest in Midtown Partners & Co., LLC. The Purchase Agreement expired on June 30, 2015, and the Company is pursuing its rights under the terms of the Purchase Agreement to recover certain damages.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our unaudited condensed financial statements and related notes that appear elsewhere in this Quarterly Report on Form 10-Q, and the Annual Report on Form 10-K filed with the SEC on July 14, 2017. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed in our Annual Report on Form 10-K filed with the SEC on July 14, 2017, including the risk factors set out in Item 1A therein. Therefore, the financial statements included in this Report should be read in conjunction with the audited Consolidated Financial Statements contained in the Company's Annual Report on Form 10-K filed with the SEC on July 14, 2017.

Company Background

IGC, a Maryland based corporation, develops cannabis-based combination therapies to treat Alzheimer's, pain, nausea, eating disorders, several end points of Parkinson's, and epilepsy in humans, dogs and cats. In support of this effort, IGC has assembled a portfolio of patent filings and four lead product candidates addressing these conditions. In India, the Company is engaged in heavy equipment rental, and in Malaysia, real-estate management.

Business Strategy

Our long-term goal is to establish IGC as a specialty-pharmaceutical provider of phytocannabinoid-based pharmaceutical and Complimentary Alternative Medicine ("CAM", "nutraceutical") products. Our short-term goal is to conduct human and veterinarian medical trials on our four product candidates. Our medium-term goal is to market CAM based therapies through joint ventures and partnerships.

Business Organization

We are a Maryland corporation formed in April 2005. In March 2006, we completed an initial public offering of our common stock. Our principal office in the U.S. is in Bethesda Maryland, in addition we have a facility in Washington State. Our back office is located in Kochi, Kerala India. In addition, many of our staff and advisors work from their home offices. We maintain a website at http://www.igcinc.us and our telephone number is +1-301-983-0998. The information contained on our website is not incorporated by reference in this report, and you should not consider it a part of this report. As of September 30, 2017, our operational subsidiaries are located in India and Malaysia. Our filings are available on www.sec.gov.

Products

Cannabinoids are chemical compounds that exert a range of effects on the body, including impacting the immune response, gastrointestinal maintenance and motility, muscle functioning, and nervous system response and functioning. Phytocannabinoids are cannabinoids that occur naturally in the cannabis plant, they are abundant in the viscous resin produced by glandular structures called trichomes. There are over 480 different compounds in the cannabis plant. Many of them have been identified as cannabinoids. Of these THC (delta-9-tetrahydrocannabinol) is the main psychoactive component ("high") in the plant with many therapeutic uses. The other broadly pursued non-psychoactive phytocannabinoid, CBD (Cannabidiol), is pleiotropic influencing many pathways in humans, dogs, and cats and may be used to provide relief to a variety of symptoms including pain, seizures, and eating disorders.

The Company is focused on four products that it is preparing for medical trials: Natrinol is a natural substitute for Marinol, or synthetic THC. This product is aimed at relieving nausea, vomiting and increasing appetite in patients with AIDS and Cancer. Caesafin uses combination therapy to alleviate seizures in dogs and cats. Serosapse addresses several end points in Parkinson's disease including Rapid Eye Movement (REM) sleep disorder, anxiety, and dyskinesia. Hyalolex is aimed at reducing the buildup of beta-amyloid in Alzheimer's patients.

Services

The Company provides construction management services for the construction of a 7-star hotel in Genting Malaysia through its subsidiary Cabaran Ultima. In India, through its subsidiary Techni Bharati Private Limited, the Company rents heavy equipment with operators to construction companies.

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Patents, Development Pipeline, and Licenses

Although, the Company believes the registration of patents is an important part of its business strategy and its success depends in part on such registration, the Company cannot guarantee that such patent filings will result in a successful registration with the USPTO. Please see risk factors.

We have filed six provisional patents with the United States Patent and Trademark Office ("USPTO"), in the phytocannabinoid-based combination therapy space, for the indications of pain, medical refractory epilepsy, and cachexia. In addition, in May 2017, we acquired an exclusive license to a patent filed by the University of South Florida Research Foundation entitled "THC as a Potential Therapeutic Agent for Alzheimer's Disease". The table below provides a status of the patent filings:

Indication	Provisional Filing	PCT Filing	Subsequent Activity
Pain (IGC-501)	9/16/14	9/16/15	US National Case Filed – 6/15/16
Seizures (IGC-502)	6/15/15	6/14/16	US National Case Filed – 6/15/16
Seizures (IGC-503)	4/1/15	4/1/16	PCT Application Published- 10/6/16
Eating Disorders (IGC-504)	8/12/15	8/11/16	US and National Filing Anticipated 2/12/18
Seizures (IGC-505)	6/15/16	6/15/16	US National Filing Anticipated 12/15/18
Eating Disorders (IGC-506)	2/28/17	Anticipated- 2/28/18	US and National Filing Anticipated 8/28/19
Alzheimer's (IGC-AD1)	7/30/2015	Anticipated -2017	US and National Filing Anticipated in 2017

For more in-depth information regarding our industry, products, services and corporate history, please refer to the Company's Annual Report on Form 10-K filed with the SEC on July 14, 2017.

Results of Operations

Three Months ended September 30, 2017 Compared to Three Months ended September 30, 2016

Revenue - Total revenue was $235,648 for the three months ended September 30, 2017 as compared to $162,163 for the three months ended September 30, 2016. In the three-month period ended September 30, 2016, the revenue consisted of trading, real estate management and rental of heavy equipment. The increase in revenue during the same period in 2017 is from the steel trading, real estate management and from rental business. We continue to operate the real estate management and rental of heavy equipment businesses.

Cost of Revenue (excluding depreciation) – Cost of revenue for the three months ended September 30, 2017 was $163,170 as compared to $90,534 for the three months ended September 30, 2016. The increase in cost of revenue stems from an increase in the volume of business as reflected in the revenue and is related to steel trading and real estate and rental business.

Selling, General and Administrative - Selling, general and administrative expenses were $331,146 for the three months ended September 30, 2017 as compared to $339,585 for the three months ended September 30, 2016. Most of the expenses are public-company related expenses, including legal fees.

Depreciation – The depreciation expense was approximately $4,344 in the three months ended September 30, 2017 as compared to $97,842 in the three months ended September 30, 2016. The decrease in depreciation is from the curtailment of the iron-ore mining business in China.

Interest and other financial expenses – The interest expense and other financial expenses for the three months ended September 30, 2017 were approximately $40,832 as compared to approximately $51,410 for the three months ended

September 30, 2016. Most of the interest is paid with common shares of the Company and is therefore non-cash.

Other income/(loss) – Other income was $(144) for the three-month period ended September 30, 2017 as compared to $11,985 in September 30, 2016. Other income includes the rent of apartment owned by one of the subsidiaries and the income by supply of skilled operators for the heavy equipment rental business.

Consolidated Net Income/(loss) – In the three months ended September 30, 2017, the Company reported a GAAP net income loss of $303,804 and a GAAP EPS loss of $0.01 compared to a GAAP net income loss of $583,871 and a GAAP EPS loss of $0.02 for the three months ended September 30, 2016.

Six Months ended September 30, 2017 Compared to Six Months ended September 30, 2016

Revenue - Total revenue was $288,573 for the six months ended September 30, 2017 as compared to $237,563 for the six months ended September 30, 2016. In the six-month period ended September 30, 2016, the revenue consisted of trading, real estate management and rental of heavy equipment. We continue to operate the real estate management and rental of heavy equipment businesses.

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Cost of Revenue (excluding depreciation) – Cost of revenue for the six months ended September 30, 2017 was $170,051 as compared to $154,589 for the six months ended September 30, 2016. The increase in cost of revenue stems from an increase in the volume of business as reflected in the increase in revenue and is related to the steel trading, real estate and rental business.

Selling, General and Administrative - Selling, general and administrative expenses were $709,960 for the six months ended September 30, 2017 as compared to $636,802 for the six months ended September 30, 2016. Most of the expenses are public-company related expenses, including legal fees.

Depreciation – The depreciation expense was approximately $10,309 in the six months ended September 30, 2017 as compared to $195,514 in the six months ended September 30, 2016. The decrease in depreciation is from the curtailment of the iron-ore mining business in China.

Interest and other financial expenses – The interest expense and other financial expenses for the six months ended September 30, 2017 were approximately $85,378 as compared to approximately $89,956 for the six months ended September 30, 2016. Most of the interest is paid with common shares of the Company and is therefore non-cash.

Other income/(loss) – Other income was $8,210 for the six-month period ended September 30, 2017 as compared to $13,740 in September 30, 2016. Other income includes the rent of apartment owned by one of the subsidiaries and the income by supply of skilled operators for the heavy equipment rental business.

Consolidated Net Income/(loss) – In the six months ended September 30, 2017, the Company reported a GAAP net income loss of $678,411 and a GAAP EPS loss of $0.02 compared to a GAAP net income loss of $998,040 and a GAAP EPS loss of $0.02 for the six months ended September 30, 2016.

Off-Balance Sheet Arrangements

We do not have any undisclosed investments in special purpose entities or undisclosed borrowings or debt.

Liquidity and Capital Resources

This liquidity and capital resources discussion compares the consolidated company financial position for the six-month periods ended September 30, 2017 and 2016.

During the six months ended September 30, 2017, cash used in operating activities was $627,513 compared to $676,728 used during the six months ended September 30, 2016.

During the six months ended September 30, 2017, $148,112 of cash was used in s activities from continuing operations as compared to $155,347 used during the same period in 2016.

For the quarter ended September 30, 2017, our non-GAAP cash burn was approximately $268,536 after adjusting for $4,344 of depreciation, $30,900 of non-cash interest and $24 bad debts.

At the end of September 30, 2017, our cash and cash equivalents along with restricted cash was $597,026 and working capital of $803,769. We expect to raise money to further our patent portfolio, testing and commence marketing and licensing our Alzheimer’s product, one of the Company’s four cannabis-related health products.

Critical Accounting Policies

While all accounting policies impact the financial statements, certain policies may be viewed as critical. Critical accounting policies are those that are both most important to the portrayal of financial condition and results of operations and that require management's most subjective or complex judgments and estimates. Our management believes the policies that fall within this category are the policies on revenue recognition, accounting for stock-based compensation, goodwill, and income taxes.

Please see our disclosures on Note 2 - Summary of Significant Accounting Policies of the Notes to the unaudited Consolidated Financial Statements in this report and Note 2 - Significant Accounting Policies of the Notes to the audited Consolidated Financial Statements in Part II of our Annual Report on Form 10-K, filed with the SEC on July 14, 2017 for a discussion of all our significant accounting policies.

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Forward-Looking Statements and Important Factors

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. This report and the documents incorporated in this report by reference contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Additionally, we, or our representatives may, from time to time, make other written or verbal forward-looking statements and discuss plans, expectations and objectives regarding our business, financial condition and results of operations. Without limiting the foregoing, statements that are in the future tense, and all statements accompanied by terms such as "believe," "project," "expect," "trend," "estimate," "forecast," "assume," "intend," "plan," "target," "anticipate," "outlook," "preliminary," "will likely result," "will continue" and them and similar terms are intended to be "forward-looking statements" as defined by federal securities laws. We caution you not to place undue reliance on forward-looking statements, which are based upon assumptions, expectations, plans and projections. Forward-looking statements are based upon certain assumptions and subject to risks and uncertainties, including those identified in the "Risk Factors" included in our annual report on Form 10-K for the fiscal year ending March 31, 2017, filed with the SEC on July 14, 2017, and in the documents incorporated by reference that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. Forward-looking statements speak only as of the date when they are made. Except as required by federal securities law, we do not undertake any obligation to update forward-looking statements to reflect events, circumstances, changes in expectations, or the occurrence of unanticipated events after the date of those statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Pursuant to Item 305(e) of Regulation S-K, the Company is not required to provide the information required by this Item as it is a "smaller reporting company."

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, management conducted an evaluation, under the supervision and with the participation of its Chief Executive Officer (CEO) and its principal financial and accounting officer (PFAO), of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 of the Securities Exchange Act of 1934. Based upon that evaluation, our CEO and PFAO concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in reports under the Exchange Act is recorded, processed and reported within the time periods specified in the SEC rules and forms; and accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes in our internal controls over financial reporting during our fiscal quarter ended September 30, 2017 which were identified in conjunction with Management's evaluation required by paragraph (d) of Rule 13a-15 and 15d-15 under the Exchange Act that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Limitations on the Effectiveness of Disclosure Controls and Procedures

Our management, including our CEO and PFAO, do not expect that our internal control over financial reporting will prevent all errors and all fraud. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree or compliance with the policies or procedures may deteriorate.

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PART II – OTHER INFORMATION

Item 1. Legal Proceedings

There are no material legal proceedings against the Company.

Item 1A. Risk Factors

There have not been any material changes with regard to the risk factors previously disclosed in the Company's annual report on Form 10-K for the fiscal year ended March 31, 2017.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

3.1	Amended and Restated Articles of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Form 8-K, as filed on August 6, 2012).
3.2	By-laws (incorporated by reference to Exhibit 3.2 to the Company's Registration Statement on Form S-1, as amended and filed on February 14, 2006 (Reg. No. 333-124942)).
31.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.*
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*

*Filed herewith.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INDIA GLOBALIZATION CAPITAL, INC.

Date: November 17, 2017 By: /s/ Ram Mukunda
Ram Mukunda
Chief Executive Officer and President
(Principal Executive Officer)

Date: November 17, 2017 By: /s/ Rohit Goel
Rohit Goel
Co-Principal Accounting Officer