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 June 30, 2021

☐ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission file number: 001-32830

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.)
10224 Falls Road, Potomac, Maryland	**20854**
(Address of principal executive offices)	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	IGC	NYSE American LLC

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 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 ☑	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

49,784,017 shares of our common stock were outstanding as of August 3, 2021.

INDIA GLOBALIZATION CAPITAL, INC.
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2021

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q and the documents incorporated herein by reference contain "forward-looking statements." 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 variations of them and similar terms are intended to be "forward-looking statements" as defined by federal securities laws. Such statements are based on currently available information, which management has assessed but which is dynamic and subject to rapid change due to risks and uncertainties that affect our business.

For the next several years, we believe our success is highly correlated with improvement in the Hong Kong and Indian economies, particularly their recovery from the ongoing SARS-CoV-2 ("COVID-19") pandemic and with the outcome of our clinical trials and secondarily on the sale of our products and services. The Company may not be able to complete human trials on our investigational drug candidates, or, once conducted, the results of human trials may not be favorable or as anticipated or may reflect lack of efficacy in humans or animals. Precautions including social distancing and travel restrictions, among others, surrounding the COVID-19 pandemic could lead to delays or expenses greater than anticipated or projected. Failure or delay with respect to any of the above factors could have a material adverse effect on our business, future results of operations, stock price, and financial condition.

Our projections and investments anticipate certain regulatory changes and stable pricing, which may not hold out over the next several years. We may not be able to protect our intellectual property adequately or receive patents. We may not receive regulatory approval for our products, or trials. The patent applications we have licensed may not be granted by the United States Patent and Trademark Office ("USPTO"), even if the Company is in full compliance with USPTO requirements. We may not have adequate resources including financial resources, to successfully conduct all requisite clinical trials, to bring a product based on the above-referenced patented formulations to market, or to pay applicable maintenance fees over time. We may not be able to successfully commercialize our products even if they are successful and receive regulatory approval, including, but not limited to, based on the Food & Drug Administration's ("FDA") current position on hemp and hemp-based products. Failure or delay with respect to any of the factors above could have a material adverse effect on our business, future results of operations, stock price, and financial condition.

This document also contains statements that are not approved by the FDA, including statements on hemp and hemp extracts and their potential efficacy on humans and animals. While these statements and claims are intended to be in compliance with federal and state laws, we cannot guarantee such compliance.

We caution you not to place undue reliance on forward-looking statements, which are based upon assumptions, expectations, plans and projections subject to risks and uncertainties, including those identified in the "Risk Factors" set forth in this report and in our annual report on Form 10-K for the fiscal year ended March 31, 2021, filed with the Securities and Exchange Commission ("SEC") on June 14, 2021 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.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

India Globalization Capital, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(Unaudited)

	June 30, 2021 ($)	March 31, 2021 ($)
ASSETS		
Current assets:		
Cash and cash equivalents	13,319	14,548
Accounts receivable, net	162	175
Inventory	5,476	5,478
Non-marketable securities	-	80
Deposits and advances	3,233	3,236
Total current assets	**22,190**	**23,517**
Intangible assets, net	405	407
Property, plant and equipment, net	10,704	10,840
Non-marketable securities	11	12
Claims and advances	596	603
Operating lease asset	538	488
Total long-term assets	**12,254**	**12,350**
Total assets	**34,444**	**35,867**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	567	476
Accrued liabilities and others	1,542	1,588
Short-term loans	3	304
Total current liabilities	**2,112**	**2,368**
Long-term loans	147	276
Other liabilities	15	15
Operating lease liability	433	405
Total non-current liabilities	**595**	**696**
Total liabilities	**2,707**	**3,064**
Commitments and Contingencies – See Note 12		
Stockholders' equity:		
Preferred stock, $0.0001 par value: authorized 1,000,000 shares, no shares issued or outstanding as of June 30, 2021 and March 31, 2021.	-	-
Common stock and additional paid-in capital, $0.0001 par value: 150,000,000 shares authorized; 48,284,017 and 47,827,273 shares issued and outstanding as of June 30, 2021 and March 31, 2021, respectively.	110,528	109,720
Accumulated other comprehensive loss	(2,860)	(2,774)
Accumulated deficit	(75,931)	(74,143)
Total stockholders' equity	**31,737**	**32,803**
Total liabilities and stockholders' equity	**34,444**	**35,867**

The accompanying notes should be read in connection with these Condensed Consolidated Financial Statements.

India Globalization Capital, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except loss per share and share data)
(Unaudited)

	Three months ended June 30, 2021 ($)	Three months ended June 30, 2020 ($)
Revenue	77	584
Cost of revenue	(51)	(538)
Gross profit	**26**	**46**
Selling, general and administrative expenses	(1,776)	(1,755)
Research and development expenses	(444)	(222)
Operating loss	**(2,194)**	**(1,931)**
Impairment of investment	(37)	-
Other income, net	443	49
Loss before income taxes	**(1,788)**	**(1,882)**
Net loss attributable to common stockholders	**(1,788)**	**(1,882)**
Foreign currency translation adjustments	(86)	(58)
Comprehensive loss	**(1,874)**	**(1,940)**
Loss per share attributable to common stockholders:		
Basic & diluted	$ (0.04)	$ (0.05)
Weighted-average number of shares used in computing loss per share amounts:	47,910,866	40,189,222

The accompanying notes should be read in connection with these Condensed Consolidated Financial Statements.

India Globalization Capital, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands)
(Unaudited)

	Number of Common Shares	Common Stock and Additional Paid in Capital ($)	Accumulated Deficit ($)	Accumulated Other Comprehensive Loss ($)	Total Stockholders' Equity ($)
Balances as of March 31, 2020	**39,320**	**94,754**	**(65,367)**	**(2,850)**	**26,537**
Common stock-based compensation & expenses, net	1,776	166	-	-	**166**
Issuance of equity stock through offering (net of expenses)	-	-	-	-	-
Common stock issued for investment	100	100	-	-	**100**
Net loss	-	-	(1,882)	-	**(1,882)**
Loss on foreign currency translation	-	-	-	(58)	**(58)**
Balances as of June 30, 2020	**41,196**	**95,020**	**(67,249)**	**(2,908)**	**24,863**
Balances as of March 31, 2021	**47,827**	**109,720**	**(74,143)**	**(2,774)**	**32,803**
Common stock-based compensation & expenses, net	-	125	-	-	125
Issuance of equity stock through offering (net of expenses)	500	726	-	-	726
Common stock issued for investment	-	-	-	-	-
Other adjustments	(43)	(43)	-	-	(43)
Net loss	-	-	(1,788)	-	(1,788)
Loss on foreign currency translation	-	-	-	(86)	(86)
Balances as of June 30, 2021	**48,284**	**110,528**	**(75,931)**	**(2,860)**	**31,737**

The accompanying notes should be read in connection with these Condensed Consolidated Financial Statements.

India Globalization Capital, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(Unaudited)

	Three months ended June 30, 2021 ($)	Three months ended June 30, 2020 ($)
Operating activities:		
Net loss	(1,788)	(1,882)
Adjustment to reconcile net loss to net cash:		
Depreciation and amortization	157	77
Impairment of investment	37	-
Common stock-based compensation and expenses, net	125	166
Forgiveness of PPP Loan	(430)	-
Changes in:		
Accounts receivables	13	(157)
Inventory	2	(2,277)
Deposits and advances	4	(479)
Claims and advances	7	24
Accounts payable	90	377
Accrued and other liabilities	(46)	163
Operating lease asset	(50)	-
Operating lease liability	28	-
Net cash used in operating activities	**(1,851)**	**(3,988)**
Investing activities:		
Purchase of property, plant, and equipment	(93)	(944)
Investment in marketable securities	-	(17)
Investment in non-marketable securities	-	(149)
Acquisition and filing cost of patents and rights	(2)	(26)
Net cash used in investing activities	**(95)**	**(1,136)**
Financing activities:		
Issuance of equity stock through offering (net of expenses)	726	-
Proceeds from long- term loan	-	580
Net cash provided by financing activities	**726**	**580**
Effects of exchange rate changes on cash and cash equivalents	(9)	(11)
Net decrease in cash and cash equivalents	**(1,229)**	**(4,555)**
Cash and cash equivalents at the beginning of the period	14,548	7,258
Cash and cash equivalents at the end of the period	**13,319**	**2,703**
Supplementary information:		
Non-cash items:		
Common stock issued/granted including ESOP, consultancy, and patent acquisition	125	166
Amortization of operating lease	27	21
Forgiveness of PPP Loan	(430)	-

The accompanying notes should be read in connection with these Condensed Consolidated Financial Statements.

India Globalization Capital, Inc.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
THREE MONTHS ENDED JUNE 30, 2021
(in thousands, except for share data and loss per share, unaudited)

Unless the context requires otherwise, all references in this report to "IGC," "the Company," "we," "our" and/or "us" refer to India Globalization Capital, Inc., together with our subsidiaries and beneficially owned subsidiary. Our filings are available on www.sec.gov. The information contained on our various websites, including www.igcinc.us, is not incorporated by reference in this report, and you should not consider such information to be a part of this report. 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 such information to be a part of this report.

NOTE 1 – BUSINESS DESCRIPTION

Business

Since 2014, we have focused a portion of our business on application of phytocannabinoids such as Tetrahydrocannabinol ("THC") and Cannabidiol ("CBD"), among others, in combination with other compounds, to address efficacy for various ailments, especially Alzheimer's disease. As previously disclosed, IGC submitted IGC-AD1, our investigational drug candidate for Alzheimer's, to the U.S. Food and Drug Administration ("FDA") under Section 505(i) of the Federal Food, Drug, and Cosmetic Act and received approval, on July 30, 2020, to proceed with the Phase 1 trial, on Alzheimer's patients. The Company has completed all dose escalation studies associated with the Phase 1 trial and is in the process of compiling safety and tolerability data for submission to the FDA. The Company is motivated by the potential that, with future successful results from appropriate further trials, IGC-AD1 could contribute to relief for some of the 50 million people around the world expected to be impacted by Alzheimer's disease by 2030 (WHO, 2020).

The Company has filed twelve patent applications to address various diseases such as Alzheimer's, Central Nervous System ("CNS") disorders, pain, stammering, seizures in cats and dogs, eating disorders, stress-relief and calm-restoring beverage, and fatigue. As of June 30, 2021, we have been awarded three patents. In addition, we license a patent filing from the University of South Florida titled "Ultra-Low dose THC as a potential therapeutic and prophylactic agent for Alzheimer's Disease."

The USPTO issued patent (#11,065,225) for this filing on July 20, 2021. The granted patent relates to IGC's proprietary formulation, IGC-AD1, intended to assist in the treatment of individuals living with Alzheimer's disease.

The Company is developing three brands, including Holief™, among others. Holief is a non-GMO, vegan, natural, women's line of over-the-counter ("OTC") products, aimed at addressing dysmenorrhea and pre-menstrual-symptoms ("PMS") in women. Holief, in development, seeks to connect, via a cloud-based platform, women with health care professionals who can help address dysmenorrhea, or period cramps, and PMS. Approximately 31.3 million (Statista, 2021) women in America suffer from dysmenorrhea and PMS.

Since our inception, the Company has operated its Infrastructure business segment from India. The infrastructure business segment involves: (a) the execution of construction contracts, (b) the rental of heavy construction equipment, and (c) the purchase and resale of physical commodities used in infrastructure. Information about our infrastructure products and service offerings is available at www.igcinc.us. The infrastructure sector has been severely hampered by the COVID-19 pandemic, especially in India and Hong Kong.

COVID-19 update

We believe that the current COVID-19 pandemic and its impact on certain aspects of the economy have negatively impacted our revenue and increased our expenses. In response, we have made and continue to make efforts to decrease our overhead expenses and have oriented our primary focus on the human trials on IGC-AD1. IGC remains committed to its Infrastructure business line and intends to continue pursuing the execution of construction contracts, the purchase and resale of physical commodities used in infrastructure, and the rental of heavy construction equipment as the COVID-19 pandemic allows.

Business Organization

As of June 30, 2021, the Company had the following direct operating subsidiaries: Techni Bharathi Private Limited ("TBL"), IGCare, LLC ("IGCare"), Holi Hemp, LLC ("Holi Hemp"), IGC Pharma, LLC ("IGC Pharma"), SAN Holdings, LLC ("SAN Holdings"), Sunday Seltzer, LLC ("Sunday Seltzer") and Colombia-based beneficially owned subsidiary Hamsa Biochem SAS ("Hamsa"). The Company's fiscal year is the 52-week or 53-week period that ends on March 31. The Company is a Maryland corporation established in 2005. The Company's filings are available on www.sec.gov.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying unaudited condensed consolidated financial statements ("interim statements") of the Company have been prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP") as determined by the Financial Accounting Standards Board (the "FASB") within its Accounting Standards Codification ("ASC") and under the rules and regulations of the Securities Exchange Commission ("SEC"). Accordingly, they do not include all the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of Management, all adjustments, and disclosures necessary for a fair presentation of these interim statements have been included. The results reported in these interim statements are not necessarily indicative of the results that may be reported for the entire year. These interim statements should be read in conjunction with the Company's audited consolidated financial statements for the fiscal year ended March 31, 2021 ("Fiscal 2021") contained in the Company's Form 10-K for Fiscal 2021, filed with the SEC on June 14, 2021, specifically in Note 2 to the consolidated financial statements.

Principles of consolidation

The interim statements include the consolidated accounts of the Company and its subsidiaries. Intercompany accounts and transactions have been eliminated. In the opinion of the Management, the interim statements reflect all adjustments, which are normal and recurring in nature, necessary for fair financial statement presentation.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Management believes that the estimates and assumptions used in the preparation of the consolidated financial statements are prudent and reasonable. Significant estimates and assumptions are generally used for, but not limited to, allowance for uncollectible accounts receivable; sales returns; normal loss during production; future obligations under employee benefit plans; the useful lives of property, plant equipment; intangible assets; valuations; impairment of goodwill and investments; recoverability of advances; the valuation of options granted and warrants issued; and income tax and deferred tax valuation allowances, if any. Actual results could differ from those estimates. Appropriate changes in estimates are made as Management becomes aware of changes in circumstances surrounding the estimates. Critical accounting estimates could change from period to period and could have a material impact on IGC's results, operations, financial position, and cash flows. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the condensed consolidated financial statements.

Presentation and functional currencies

IGC operates in India, U.S., Colombia and Hong Kong and a portion of the Company's financials are denominated in the Indian Rupee ("INR"), the Hong Kong Dollar ("HKD") or the Colombian Peso ("COP"). As a result, changes in the relative values of the U.S. Dollar ("USD"), the INR, the HKD or the COP affect our financial statements.

The accompanying financial statements are reported in USD. The INR, HKD and COP are the functional currencies for certain subsidiaries of 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 and expenses using average exchange rates prevailing during the reporting periods. Adjustments resulting from the translation of functional currency financial statements to reporting currency are accumulated and reported as other comprehensive income/(loss), a separate component of shareholders' equity. Transactions in currencies other than the functional currency during the year are converted into the functional currency at the applicable rates of exchange prevailing when the transactions occurred. Transaction gains and losses are recognized in the consolidated statements of operations.

Impairment of long – lived assets

The Company reviews its long-lived assets, with finite lives, for impairment whenever events or changes in business circumstances indicate that the carrying amount of assets may not be fully recoverable. Such circumstances include, though are not limited to, significant or sustained declines in revenues or earnings, future anticipated cash flows, business plans and material adverse changes in the economic climate, such as changes in operating environment, competitive information, and impact of changes in government policies. For assets that the Company intends to hold for use, if the total of the expected future undiscounted cash flows produced by the assets or subsidiary company is less than the carrying amount of the assets, a loss is recognized for the difference between the fair value and carrying value of the assets. For assets, the Company intends to dispose of by sale, a loss is recognized for the amount by which the estimated fair value less cost to sell is less than the carrying value of the assets. Fair value is determined based on quoted market prices, if available, or other valuation techniques including discounted future net cash flows. Unlike goodwill, long-lived assets are assessed for impairment only where there are any specific indicators for impairment.

No impairment has been recorded for the three months ended June 30, 2021, and 2020.

Short-term and long-term investments

Our policy for short-term and long-term investments is to establish a high-quality portfolio that preserves principal, meets liquidity needs, avoids inappropriate concentrations, and delivers an appropriate yield in relationship to our investment guidelines and market conditions. Short-term and long-term investments consist of corporate, various government agency and municipal debt securities, as well as certificates of deposit that have maturity dates that are greater than 90 days. Certificates of deposit and commercial paper are carried at cost which approximates fair value. Available-for-sale securities: Investments in debt securities that are classified as available for sale shall be measured subsequently at fair value in the statement of financial position.

Investments are initially measured at cost, which is the fair value of the consideration given for them, including transaction costs. Where the Company's ownership interest is in excess of 20% and the Company has a significant influence, the Company has accounted for the investment based on the equity method in accordance with ASC Topic 323, "*Investments – Equity method and Joint Ventures*". Under the equity method, the Company's share of the post-acquisition profits or losses of the equity investee is recognized in the consolidated statements of operations and its share of post-acquisition movements in accumulated other comprehensive income / (loss) is recognized in other comprehensive income / (loss). Where the Company does not have significant influence, the Company has accounted for the investment in accordance with ASC Topic 321, "*Investments-Equity Securities*". As of June 30, 2021, the Company does not have any investment in marketable securities.

Stock – based compensation

The Company accounts for stock-based compensation to employees and non-employees in conformity with the provisions of ASC Topic 718, "*Stock-Based Compensation*". The Company expenses stock-based compensation to employees over the requisite vesting period based on the estimated grant-date fair value of the awards. The Company accounts for forfeitures as they occur. Stock-based awards are recognized on a straight-line basis over the requisite vesting period. For stock-based employee compensation cost recognized at any date will be at least equal to the amount attributable to the share-based compensation that is vested at that date. The Company estimates the fair value of stock option grants using the Black-Scholes option-pricing model. The assumptions used in calculating the fair value of stock-based awards represent Management's best estimates. Generally, the closing share price of the Company's common stock on the date of grant is considered the fair-value of the share. The volatility factor is determined based on the Company's historical stock prices. The expected term represents the period that our stock-based awards are expected to be outstanding. The Company has never declared or paid any cash dividends.

Accounts receivable

We make estimates of the collectability of our accounts receivable by analyzing historical payment patterns, customer concentrations, customer creditworthiness, and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required. We had $162 thousand of accounts receivable, net of provision for doubtful debt of $63 thousand as of June 30, 2021, as compared to $175 thousand of accounts receivable, net of provision for doubtful debt of $63 thousand as of March 31, 2021.

Inventory

Inventory is valued at the lower of cost or net realizable value, which is defined as estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Inventory consists of raw materials, finished goods related to wellness products, hand sanitizers, finished hemp-based products, beverages, among others as well as work-in-progress such as extracted crude oil, hemp-based isolate, growing crops, and herbal oils, among others. Work-in-progress also includes product manufacturing in process, costs of growing hemp, in accordance with applicable laws and regulations including but not limited to labor, utilities, fertilizers and irrigation. Inventory is primarily accounted for using the weighted average cost method. Primary costs include raw materials, packaging, direct labor, overhead, shipping and the depreciation of manufacturing equipment. Manufacturing overhead and related expenses include salaries, wages, employee benefits, utilities, maintenance, and property taxes.

Harvested crops are measured at net realizable value, with changes recognized in profit or loss only when the harvested crop:

- has a reliable, readily determinable, and realizable market value;
- has relatively insignificant and predictable costs of disposal; and
- is available for immediate delivery.

The Company believes its harvested crops do not have a readily available market. Hence, the Company values its harvested crops at cost. Please refer to Note 3 – "Inventory", for further information.

Abnormal amounts of idle facility expense, freight, handling costs, scrap, discontinued products and wasted material (spoilage) are expensed in the period they are incurred.

Fair value of financial instruments

ASC 820, "*Fair Value Measurement*" defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It also establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1: Observable inputs such as quoted prices in active markets;
Level 2: Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
Level 3: Unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The carrying amounts of the Company’s financial instrument includes cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, approximate their fair values due to the nature of the items. Please refer to Note 15 - “Fair Value of Financial Instruments”, for further information.

Loss per share

The computation of basic loss per share for the three months ended June 30, 2021, excludes potentially dilutive securities of approximately 1.9 million shares which includes share options, unvested shares such as restricted shares and restricted share units, granted to employees and advisors, and shares from the conversion of outstanding units, if any, because their inclusion would be anti-dilutive.

The weighted average number of shares outstanding for the three months ended June 30, 2021 and 2020, used for the computation of basic earnings per share (“EPS”) is 47,910,866 and 40,189,222 respectively. Due to the loss incurred by the Company during the three months ended June 30, 2021 and 2020, all the potential equity shares are anti-dilutive and accordingly, the fully diluted EPS is equal to the basic EPS.

Cybersecurity

We have a cybersecurity policy in place and have taken cybersecurity measures that we expect are likely to safeguard the Company against breaches. In the three months ended June 30, 2021, there were no impactful breaches in cybersecurity.

Intangible assets

The Company's intangible assets are accounted for in accordance with ASC Topic 350, *Intangibles – Goodwill and Other.*
Intangible assets having indefinite lives are not amortized, but instead are reviewed annually or more frequently if events or changes in circumstances indicate that the assets might be impaired, to assess whether their fair value exceeds their carrying value. We perform an impairment analysis on March 1 annually on the indefinite-lived intangible assets following the steps laid out in ASC 350-30-35-18. Our annual impairment analysis includes a qualitative assessment to determine if it is necessary to perform the quantitative impairment test. In performing a qualitative assessment, we review events and circumstances that could affect the significant inputs used to determine if the fair value is less than the carrying value of the intangible assets. If a quantitative analysis is necessary, we would analyze various aspects including revenues from the business, associated with the intangible assets. In addition, intangible assets will be tested on an interim basis if an event or circumstance indicates that it is more likely than not that an impairment loss has been incurred. The Company has analyzed a variety of factors in light of the known impact to date of the COVID-19 pandemic on its business to determine if a circumstance could trigger an impairment loss, and, at this time and based on the information presently known, does not believe it is more likely than not that an impairment loss has been incurred.

Intangible assets with finite useful lives are amortized using the straight-line method over their estimated period of benefit. In accordance with ASC 360-10-35-21, definite lived intangibles are reviewed annually or more frequently if events or changes in circumstances indicate that the assets might be impaired, to assess whether their fair value exceeds their carrying value.

The Company intends to capitalize trademarks and related expenses exceeding $2,500 per trademark. Management may also capitalize trademarks and related expenses up to $2,500 per trademark based on its potential and benefit in coming years.

Revenue Recognition

The Company recognizes revenue under ASC 606, *Revenue from Contracts with Customers* (ASC 606). The core principle of this standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

ASC 606 prescribes a 5-step process to achieve its core principle. The Company recognizes revenue from trading, rental, or product sales as follows:

I. Identify the contract with the customer.
II. Identify the contractual performance obligations.
III. Determine the amount of consideration/price for the transaction.
IV. Allocate the determined amount of consideration/price to the performance obligations.
V. Recognize revenue when or as the performing party satisfies performance obligations.

The consideration/price for the transaction (performance obligation(s)) is determined as per the agreement or invoice (contract) for the services and products in the Infrastructure and Life Sciences segment.

Revenue in the Infrastructure Business is recognized for the renting business when the equipment is rented, and terms of the agreement have been fulfilled during the period. The revenue from the purchase and resale of physical infrastructure commodities is recognized once the bill of lading along with the invoice have been transferred to the customer. Revenue from the execution of infrastructure contracts is recognized on the basis of the output method as and when part of the performance obligation has been completed and approval from the contracting agency has been obtained after survey of the performance completion as of that date. In the Life Sciences segment, the revenue from the wellness and lifestyle business is recognized once goods have been sold to the customer and the performance obligation has been completed. In retail sales, we offer consumer products through our online stores. Revenue is recognized when control of the goods is transferred to the customer. This generally occurs upon our delivery to a third-party carrier or, to the customer directly. Revenue from tolling services is recognized when the performance obligation, such as processing of the material, has been completed and output material has been transferred to the customer. We license our products to processors. The royalty income from licensing is recognized once goods have been sold by the processor to its customers.

Net sales disaggregated by significant products and services for the three months ended June 30, 2021 and 2020 are as follows:

	(in thousands) ***Three months ended June 30,***	
	2021 ($)	**2020 ($)**
Infrastructure segment		
Rental income (1)	-	-
Construction contracts (2)	15	-
Purchase and resale of physical commodities (3)	-	-
Life Sciences segment		
Wellness and Lifestyle (4)	62	584
Tolling/White labeling service (5)	-	-
Total	**77**	**584**

(1) Rental income consists of income from rental of heavy construction equipment.
(2) Construction income consists of the execution of contracts directly or through subcontractors.
(3) Relates to the income from purchase and resale of physical commodities used in infrastructure, like steel, wooden doors, marble, and tiles.
(4) Relates to revenue from wellness and lifestyle segment such as sale of hand sanitizer, bath bombs, lotion, gummies, beverages, hemp crude extract, hemp isolate, and hemp distillate and royalty income from the sale of Hyalolex™, now named Hyalolex™ Drops of Clarity™.
(5) Relates to income from tolling and white label services.

Leases

Lessor Accounting

Under the current ASU guidance, contract consideration will be allocated to its lease components and non-lease components (such as maintenance). For the Company as a lessor, any non-lease components will be accounted for under ASC Topic 606, "*Revenue from Contracts with Customers*", unless the Company elects a lessor practical expedient to not separate the non-lease components from the associated lease component. The amendments in ASU 2018-11 also provide lessors with a practical expedient, by class of underlying asset, to not separate non-lease components from the associated lease component and, instead, to account for those components as a single component if the non-lease components otherwise would be accounted for under the new revenue guidance ("Topic 606"). To elect the practical expedient, the timing and pattern of transfer of the lease and non-lease components must be the same and the lease component must meet the criteria to be classified as an operating lease if accounted for separately. If these criteria are met, the single component will be accounted for under either Topic 842 or Topic 606 depending on which component(s) are predominant. The lessor practical expedient to not separate non-lease components from the associated component must be elected for all existing and new leases.

As lessor, the Company expects that post-adoption substantially all existing leases will have no change in the timing of revenue recognition until their expiration or termination. The Company expects to elect the lessor practical expedient to not separate non-lease components such as maintenance from the associated lease for all existing and new leases and to account for the combined component as a single lease component. The timing of revenue recognition is expected to be the same for most the Company's new leases as compared to similar existing leases; however, certain categories of new leases could have different revenue recognition patterns as compared to similar existing leases.

For leases that are accounted for as operating leases, income is recognized on a straight-line basis over the term of the lease contract. Generally, when a lease is more than 180 days delinquent (where more than three monthly payments are owed), the lease is classified as being on nonaccrual and the Company stops recognizing leasing income on that date. Payments received on leases in nonaccrual status generally reduce the lease receivable. Leases on nonaccrual status remain classified as such until there is sustained payment performance that, in the Company's judgment, would indicate that all contractual amounts will be collected in full.

Lessee Accounting

The Company adopted ASU 2016-02 effective April 1, 2019 using the modified retrospective approach. The standard establishes a right-of-use model ("ROU") that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the income statement. In connection with the adoption, the Company will elect to utilize the modified retrospective presentation whereby the Company will continue to present prior period financial statements and disclosures under ASC Topic 840. In addition, the Company will elect the transition package of three practical expedients permitted within the standard, which eliminates the requirements to reassess prior conclusions about lease identification, lease classification and initial direct costs. Further, the Company will adopt a short-term lease exception policy, permitting us to not apply the recognition requirements of this standard to short-term leases (i.e., leases with terms of 12 months or less), and an accounting policy to account for lease and non-lease components as a single component for certain classes of assets.

Under ASU 2016-02 (Topic 842), lessees are required to recognize the following for all leases (with the exception of short-term leases) on the commencement date: (i) lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (ii) right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term.

At the commencement date, the Company recognizes the lease liability at the present value of the lease payments not yet paid, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate for the same term as the underlying lease. The right-of-use asset is recognized initially at cost, which primarily comprises the initial amount of the lease liability, plus any initial direct costs incurred, consisting mainly of brokerage commissions, less any lease incentives received. All right-of-use assets are reviewed for impairment. There was no impairment for right-of-use lease assets as of June 30, 2021.

The Company categorizes leases at their inception as either operating or finance leases. On certain lease agreements, the Company may receive rent holidays and other incentives. The Company recognizes lease costs on a straight-line basis without regard to deferred payment terms, such as rent holidays, that defer the commencement date of required payments. Please refer "Note 9 - Leases", for further information.

Recently issued and adopted accounting pronouncements

Changes to U.S. GAAP are established by the FASB in the form of accounting standards updates (ASUs) to the FASB's Accounting Standards Codification. The Company considers the applicability and impact of all ASUs. Newly issued ASUs not listed below are expected to have no impact on the Company's consolidated financial position and results of operations, because either the ASU is not applicable, or the impact is expected to be immaterial.

NOTE 3 – INVENTORY

	(in thousands)	
	As of June 30, 2021 ($)	As of March 31, 2021 ($)
Raw materials	2,329	2,294
Work-in-Progress	2,199	2,199
Finished goods	948	985
Total	**5,476**	**5,478**

Inventory in the form of work-in-progress as of June 30, 2021, is comprised of, but not limited to, various hemp-based extracts such as crude oil, hemp distillate, and hemp isolate. Inventory also includes cost related to growing crops like seeds, fertilizer, other raw materials, labor, farm related overheads and the depreciation of farming equipment, hand sanitizers, gummies, lotions, beverages, and personal protection equipment, among others.

During the three months ended June 30, 2021, there was write down of inventory of approximately $60 thousand. Write downs are due to abnormal amounts of idle facility expense, freight, handling costs, scrap, and wasted material (spoilage). This charge was recorded in Selling, General and Administrative expenses.

As previously reported, one of our vendors holding $1.74 million of our inventory had reported a theft at their facility. The vendor has filed an insurance claim. The Company moved the amount associated with the stolen inventory to Deposits and Advances. The Company continues to pursue the vendor for compensation.

NOTE 4 – DEPOSITS AND ADVANCES

	(in thousands)	
	As of June 30, 2021 ($)	As of March 31, 2021 ($)
Advances to suppliers and consultants	1,273	1,295
Advances for property, plant and equipment	12	4
Other receivables	1,741	1,741
Prepaid expense and other current assets	207	196
Total	**3,233**	**3,236**

The Advances to suppliers and consultants primarily relate to advances to suppliers in our Life Sciences and Infrastructure segment. Advances for Property, Plant and Equipment include an advance paid for equipment. Prepaid and other current assets include approximately $36 thousand statutory advances as of June 30, 2021, as compared to $29 thousand as of June 30, 2020. Please refer to Note 3, “Inventory,” for details of Other receivables.

NOTE 5 – INTANGIBLE ASSETS

Amortized intangible assets	(in thousands)	
	As of June 30, 2021 ($)	As of March 31, 2021 ($)
Patents	220	220
Other intangibles	32	32
Accumulated amortization	(31)	(26)
Total amortized intangible assets	**221**	**226**
Indefinite lived intangible assets		
Patents	184	181
Other intangibles	-	-
Total unamortized intangible assets	**184**	**181**
Total intangible assets	**405**	**407**

The value of intangible assets includes the cost of acquiring patent rights, supporting data, and the expense associated with filing 12 patents. It also includes acquisition costs related to domains and licenses.

The amortization of patent and patent rights with finite life is up to 20 years, commencing from the date of grant or acquisition. The amortization expense in the three months ended June 30, 2021 and 2020, amounted to approximately $5 thousand and $3 thousand, respectively.

The Company regularly reviews its intangible assets to determine if any intangible asset is other-than-temporarily impaired, which would require the Company to record an impairment charge in the period and concluded that, as of June 30, 2021, there was no impairment.

Estimated amortization expense	***(in thousands)*** ***($)***
For the year ended 2022	22
For the year ended 2023	24
For the year ended 2024	27
For the year ended 2025	29
For the year ended 2026	32

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

		(in thousands, except useful life)	
	Useful Life (years)	**As of June 30, 2021 ($)**	**As of March 31, 2021 ($)**
Land	N/A	4,530	4,606
Buildings & facilities	25	3,817	3,817
Plant and machinery	5-20	4,555	4,579
Computer equipment	3	224	216
Office equipment	3-5	130	111
Furniture and fixtures	5	132	130
Vehicles	5	164	165
Construction in progress	N/A	108	50
Total gross value		**13,660**	**13,674**
Less: Accumulated depreciation		(2,956)	(2,834)
Total property, plant and equipment, net		**10,704**	**10,840**

The depreciation expense in the three months ended June 30, 2021, and 2020, amounted to approximately $152 thousand and $74 thousand, respectively. The net decrease in total Property, Plant & Equipment is primarily due to depreciation and foreign exchange translations. The net decrease in land is primarily due to foreign exchange translations because of a decline in value of foreign currencies. The construction in progress relates to the Maryland facility extension . For more information, please refer to Note 16 – Segment Information for the non-current assets other than financial instruments held in the country of domicile and foreign countries.

NOTE 7 – INVESTMENTS IN NON-MARKETABLE SECURITIES

Short-term investment

	(in thousands)	
	As of June 30, 2021 ($)	**As of March 31, 2021 ($)**
Investment in Evolve I (i)	-	80
Total	-	**80**

(i) On May 12, 2020, the Company acquired an approximately 19.8% shareholding in Evolve I, Inc., a Washington corporation ("Evolve") under the terms of a Share Subscription Agreement ("SSA") for a consideration of approximately $249 thousand. However, based on an assessment of the business environment, the Company decided to dispose the holding and exit the acquisition. As of June 30, 2021, the Company received back partial shares of IGC common stock, which had been given pursuant to the SSA, in exchange for the return of its shareholding in Evolve. Accordingly, the Company cancelled the partial shares received by it and impaired its remaining investment of approximately $37 thousand.

Long-term investment

	(in thousands)	
	As of June 30, 2021 ($)	**As of March 31, 2021 ($)**
Investment in equity shares of unlisted company	11	12
Total	**11**	**12**

The Company regularly reviews its investment portfolio to determine if any security is permanently impaired, which would require the Company to record an impairment charge in the period.

NOTE 8 – CLAIMS AND ADVANCES

	(in thousands)	
	As of June 30, 2021 ($)	**As of March 31, 2021 ($)**
Claims receivable (1)	375	382
Non-current deposits	18	18
Non-current advances (2)	203	203
Total	**596**	**603**

(1) The claims receivable is due from the Cochin International Airport ("CIA") that is partially owned by the State Government of Kerala. While the Company has initiated collection proceedings in the Commercial Court of Ernakulam, the Company believes it will be difficult to receive the amount in the next 12 months because of the time required for legal collection proceedings. The decrease in claims receivable was mainly due to foreign exchange translation as a result of a decrease in value of Indian Rupee.

(2) Includes a loan of $200 thousand to one of our manufacturers for the purchase of equipment.

NOTE 9 – LEASES

The Company has short-term leases primarily consisting of spaces with the remaining lease term being less than or equal to 12 months. The total short-term lease expense and cash paid for the three months ended June 30, 2021 and 2020 are approximately $31 thousand and $63 thousand, respectively. The Company also has four operating leases as of June 30, 2021.

U.S: In November 2019, the Company entered into an office lease agreement with a lease term of less than 12 months. This lease was amended in March 2020, with a new lease term from March 1, 2020, to November 30, 2025. The annual lease expense is approximately $120 thousand. The lease contract does not contain any material residual value guarantees or material restrictive covenants. The remaining lease term for the operating lease is 4.42 years with a discount rate of 7%. The lease does not provide a readily determinable implicit rate. Therefore, the Company discounts lease payments based on an estimate of its incremental borrowing rate.

India: The Company renewed three lease agreements for terms between three to four years expiring between 2023 and 2024. The total annual lease expense is approximately $26 thousand. The lease contracts do not contain any material residual value guarantees or material restrictive covenants. The remaining lease term for the operating leases is between 2.7-3.5 years with a discount rate of 7%. The lease does not provide a readily determinable implicit rate. Therefore, the Company discounts lease payments based on an estimate of its incremental borrowing rate.

	(in thousands) Three months ended June 30, 2021 ($)	***(in thousands) Three months ended June 30, 2020 ($)***
Operating lease costs	37	31
Short term lease costs	31	63
Variable lease costs	-	-
Total lease costs	**68**	**94**

Right of use assets and lease liabilities for our operating leases were recorded in the consolidated balance sheet as follows:

	(in thousands) As of June 30, 2021 ($)	***(in thousands) As of March 31, 2021 ($)***
Assets		
Operating lease asset	538	488
Total lease assets	**538**	**488**
Liabilities		
Current liabilities:		
Accrued liabilities and others (current portion – operating lease liability)	114	90
Noncurrent liabilities:		
Operating lease liability (non-current portion – operating lease liability)	433	405
Total lease liability	**547**	**495**

	(in thousands) As of June 30, 2021 ($)
Supplemental cash flow and non-cash information related to leases is as follows:	
Cash paid for amounts included in the measurement of lease liabilities	
– Operating cash flows from operating leases	27
Right-of-use assets obtained in exchange for operating lease obligations	538

As of June 30, 2021, the following table summarizes the maturity of our lease liabilities:

Jun-22	145
Jun-23	150
Jun-24	150
Jun-25	132
Jun-26	54
Less: Present value discount	(84)
Total lease liabilities	**547**

NOTE 10 – ACCRUED AND OTHER LIABILITIES

	(in thousands)	
	As of June 30, 2021 ($)	**As of March 31, 2021 ($)**
Compensation and other contributions	816	849
Provision for expenses	255	309
Other current liability	471	430
Total	**1,542**	**1,588**

Compensation and other contribution related liabilities consist of accrued salaries to employees. Provision for expenses include provision for legal, professional, and marketing expenses. Other current liability also includes $114 thousand and $90 thousand of current operating lease liability and statutory payables of approximately $35 thousand and $24 thousand as of June 30, 2021 and March 31, 2021, respectively.

NOTE 11 – LOANS AND OTHER LIABILITIES

Forgiveness of Paycheck Protection Program Promissory Note:

On May 3, 2020, the Company signed the Paycheck Protection Program Promissory Note (the "PPP Note") and Agreement for a loan of approximately $430 thousand. The Loan was established pursuant to the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and administered by the U.S. Small Business Administration ("SBA"). The PPP Note was to mature after 2 years on May 3, 2022, with monthly repayments of approximately $18 thousand commencing November 1, 2020 and interest accrued on the outstanding principal balance at an annual fixed rate of 1.00%. On June 10, 2021, the Company received forgiveness for the full amount borrowed of approximately $430 thousand. This is accounted as other income, net.

Loan as of June 30, 2021:

On June 11, 2020, the Company received an Economic Injury Disaster Loan ("EIDL") for approximately $150 thousand at an annual interest rate of 3.75%. The Company must pay principal and interest payments of $731 every month beginning June 5, 2021. The SBA will apply each installment payment first to pay interest accrued to the day SBA receives the payment and will then apply any remaining balance to reduce principal. All remaining principal and accrued interest is due and payable in 30 years from the date of the loan. For the three months ended June 30, 2021, the interest expense for the EIDL was approximately $469. As of June 30, 2021, approximately $147 thousand of the loan is classified as Long-term loans and approximately $3 thousand as Short-term loans.

Other Liability:

	(in thousands) As of	
	June 30, 2021 ($)	**March 31, 2021 ($)**
Statutory reserve	15	15
Total	**15**	**15**

The statutory reserve is a gratuity reserve for employees in our subsidiaries in India.

NOTE 12 – COMMITMENTS AND CONTINGENCIES

The Company may be involved in legal proceedings, claims and assessments arising in the ordinary course of business. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. There are no such matters that are deemed material to the condensed consolidated financial statements as of June 30, 2021, except as disclosed below.

As of June 30, 2021, several law firms have filed shareholder lawsuits, two of which have been consolidated and remain pending, citing, among other things, the Company's September 25, 2018, press release and the NYSE American delisting proceedings initiated in October 2018 (and overturned in February 2019) and subsequent fall in share price. The Company filed a motion to dismiss on October 11, 2019, which the court denied on January 29, 2021. Class Action Defendants, including the Company, have reached a preliminary agreement in principle to settle the litigation, subject to agreement to final settlement terms and approval by the United States District Court for the District of Maryland. The Company anticipates that a final settlement will be executed and approved sometime in Fiscal 2022, although there can be no assurance thereof. The Company has created a provision for $200,000 as of June 30, 2021. For the current state of the consolidated Shareholder Class Action Litigation, please refer to Part II, Item 1 – Legal Proceedings.

In the U.S., we provide health insurance, life insurance, and a 401(k) plan wherein the Company matches up to 6% of the employee's pre-tax contribution up to a maximum annual amount determined by the IRS. In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the Company. In addition, employees receive benefits from a provident fund, a defined contribution plan. The employee and employer each make monthly contributions to the plan equal to 12% of the covered employee's salary. The contribution is made to the Indian Government's provident fund.

NOTE 13 – SECURITIES

As of June 30, 2021, the Company was authorized to issue up to 150,000,000 shares of common stock, par value $0.0001 per share, and 48,284,017 shares of common stock were issued and outstanding. The Company is also authorized to issue up to 1,000,000 shares of preferred stock, par value $0.0001 per share, and no preferred shares were issued and outstanding as of June 30, 2021.

We have one security listed on the NYSE American: common stock, $.0001 par value (ticker symbol: IGC). This security also trades on the Frankfurt, Stuttgart, and Berlin stock exchanges (ticker symbol: IGS1). The Company also has 91,472 units outstanding that can be separated into common stock. Ten units may be separated into one share of common stock. The unit holders are requested to contact the Company or our transfer agent, Continental Stock Transfer & Trust, to separate their units into common stock.

On January 13, 2021, the Company entered into a Sales Agreement (the "Agreement") with The Benchmark Company, LLC (the "Sales Agent") pursuant to which the Sales Agent is acting as the Company's sales agent with respect to the issuance and sale of up to $75,000,000 of the Company's shares of common stock, par value $0.0001 per share (the "Shares"), from time to time in an "at the market" ("ATM") offering as defined in Rule 415(a)(4) of the Securities Act of 1933, as amended. During the three months ended June 30, 2021, the Company raised approximately $726 thousand of net proceeds from issuance of equity stock through the offering. The Company may use these funds for working capital and capital expenditures, along with clinical trials, share repurchases, debt repayments, investments, including but not limited to, mutual funds, treasury bonds, cryptocurrencies, and other asset classes.

NOTE 14 – STOCK-BASED COMPENSATION

As of June 30, 2021, under both the Company's previous 2008 and current 2018 Omnibus Incentive Plans, a total of 8,337,627 shares of common stock have been issued to employees and advisors. In addition, 1.7 million restricted share units fair valued at $805 thousand with a weighted average value of $0.47 per share, have been granted but not yet issued from different Incentive Plans and Grants. Additionally, options held by advisors to purchase 210,000 shares of common stock fair valued at $96 thousand with a weighted average of $0.46 per share, that have been granted but are to be issued over a vesting period, between Fiscal 2023 and Fiscal 2026. Options granted and issued before the vesting period are expensed when issued.

The options are fair valued using a Black-Scholes Pricing Model with the following assumptions:

	Granted in Fiscal 2022	Granted in Fiscal 2021
Expected life of options	5 years	5 years
Vested options	100%	100%
Risk free interest rate	1.61%	0.68%
Expected volatility	281%	249%
Expected dividend yield	Nil	Nil

The expense associated with share-based payments to employees, directors, advisors, and contractors is allocated over the vesting or service period and recognized in the Selling, general and administrative expenses (including research and development). For the three months ended June 30, 2021, the Company's share-based expense and option-based expense shown in Selling, general and administrative expenses (including research and development) was $120 thousand and $5 thousand, respectively.

The expense associated with share-based payments to employees, directors, advisors, and contractors is allocated over the vesting or service period and recognized in the Selling, general and administrative expenses (including research and development). For the three months ended June 30, 2020, the Company's share-based expense and option-based expense shown in selling, general and administrative expenses (including research and development) was $160 thousand and $6 thousand, respectively.

Non-vested shares	***Shares (in thousands) (#)***	**Weighted average grant date fair value ($)**
Non-vested shares as of March 31, 2021	**173**	**0.85**
Granted	82	1.25
Vested	(82)	(1.25)
Cancelled/forfeited	-	-
Non-vested shares as of June 30, 2021	**173**	**0.85**

Options	***Shares (in thousands) (#)***	**Weighted average grant date fair value ($)**	**Weighted average exercise price ($)**
Options outstanding as of March 31, 2021	**210**	**0.46**	**0.36**
Granted	-	-	-
Exercised	-	-	-
Cancelled/forfeited	-	-	-
Options outstanding as of June 30, 2021	**210**	**0.46**	**0.36**

There was a combined unrecognized expense of $117 thousand related to non-vested shares and share options that the Company expects to be recognized over weighted average life of 1.82 years.

NOTE 15 – FAIR VALUE OF FINANCIAL INSTRUMENTS

As of June 30, 2021, the Company's marketable securities, if any, may consist of liquid funds, which have been classified as Level 1 of the fair value hierarchy because they have been valued using quoted prices in active markets. The Company's cash and cash equivalents have also been classified as Level 1 on the same principle. Financial instruments are classified as current if they are expected to be liquidated within the next twelve months. The Company's remaining investments have been classified as Level 3 instruments as there is little or no market data. Level 3 investments are valued using cost-method. For further information refer Note 7, "Investments in Non-Marketable Securities."

The following table presents information about the Company's assets that are measured at fair value on a recurring basis as of June 30, 2021 and March 31, 2021, and indicates the fair value hierarchy of the valuation techniques the Company used to determine such fair value:

(in thousands)

	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
June 30, 2021				
Cash and cash equivalents:	13,319	-	-	13,319
Total cash and cash equivalents	**13,319**	**-**	**-**	**13,319**
Investments:				
-Marketable securities	-	-	-	-
-Non-marketable securities	-	-	11	11
Total Investments	**-**	**-**	**11**	**11**

	Level 1 ($)	Level 2 ($)	Level 3 ($)	Total ($)
March 31, 2021				
Cash and cash equivalents:	14,548	-	-	14,548
Total cash and cash equivalents	**14,548**	**-**	**-**	**14,548**
Investments:				
-Marketable securities	-	-	-	-
-Non-marketable securities	-	-	92	92
Total investments	**-**	**-**	**92**	**92**

NOTE 16 – SEGMENT INFORMATION

FASB ASC 280, "*Segment Reporting*" establishes standards for reporting information about reportable segments. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision-making group ("CODM"), in deciding how to allocate resources and in assessing performance. The CODM evaluates revenues and gross profits based on product lines and routes to market. Based on our integration and Management strategies, we operate in two reportable segments: (i) Infrastructure segment and (ii) Life Sciences segment.

The Company's CODM is the Company's chief executive officer ("CEO"). The CEO reviews financial information presented on an operating segment basis for purposes of making operating decisions and assessing financial performance. Therefore, and before our Life Sciences segment started, the Company had determined that it operated in a single operating and reportable segment. As of the date of this report and in preparation for the new and different source of revenue, the Company has determined that it operates in two operating and reportable segments: (a) Infrastructure Business and (b) Life Sciences segment. The Company does not include intercompany transfers between segments for Management reporting purposes.

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The following provides information required by ASC 280-10-50-38 “Entity-wide Information”:

1) The table below shows revenue reported by segment:

Product & Service

Segments	(in thousands) Three months ended June 30, 2021 ($)	Percentage of Total Revenue (%)
Infrastructure segment	15	19%
Life Sciences segment	62	81%
Total	**77**	**100%**

Segments	(in thousands) Three months ended June 30, 2020 ($)	Percentage of Total Revenue (%)
Infrastructure segment	-	-%
Life Sciences segment	584	100%
Total	**584**	**100%**

For information for revenue by product and service, refer Note 2, “Summary of Significant Accounting Policies”.

2) The table below shows the revenue attributed to the country of domicile (U.S.) and foreign countries. Revenue is generally attributed to the geographic location of customers:

Segments	Country	(in thousands) Three months ended June 30, 2021 ($)	Percentage of Total Revenue (%)
Asia	(1) India	17	22%
	(2) Hong Kong	-	-%
America	U.S. and Colombia	60	78%
Total		**77**	**100%**

Segments	Country	(in thousands) Three months ended June 30, 2020 ($)	Percentage of Total Revenue (%)
Asia	(1) India	-	-%
	(2) Hong Kong	-	-%
America	U.S. and Colombia	584	100%
Total		**584**	**100%**

3) The table below shows the non-current assets other than financial instruments held in the country of domicile and foreign countries.

Nature of assets	USA (Country of Domicile) ($)	*(in thousands)* Foreign Countries (India, Hong Kong, and Colombia) ($)	Total as of June 30, 2021 ($)
Intangible assets, net	405	-	405
Property, plant and equipment, net	6,168	4,536	10,704
Non-marketable securities	-	11	11
Claims and advances	200	396	596
Operating lease asset	466	72	538
Total non-current assets	**7,239**	**5,015**	**12,254**

Nature of assets	USA (Country of Domicile) ($)	*(in thousands)* Foreign Countries (India, Hong Kong, and Colombia) ($)	Total as of March 31, 2021 ($)
Intangible assets, net	407	-	407
Property, plant and equipment, net	6,228	4,612	10,840
Non-marketable securities	-	12	12
Claims and advances	200	403	603
Operating lease asset	488	-	488
Total non-current assets	**7,323**	**5,027**	**12,350**

NOTE 17 – SUBSEQUENT EVENTS

- **Patent**: The Company licenses a patent filing from the University of South Florida titled "Ultra-Low dose THC as a potential therapeutic and prophylactic agent for Alzheimer's Disease." The USPTO issued patent (#11,065,225) for this filing on July 20, 2021. The granted patent relates to IGC's proprietary formulation, IGC-AD1, intended to assist in the treatment of individuals living with Alzheimer's disease.
- **ATM**: Subsequent to June 30, 2021, and through July 23, 2021, the Company raised approximately $3.4 million from the ATM, net of commission. For additional information about the ATM, see Note 13, "Securities".
- **Employment contract**: Ram Mukunda has served as President and Chief Executive Officer of our Company since its inception. On July 14, 2014, the Company and Mr. Mukunda entered into the 2014 Employment Agreement. Pursuant to the 2014 Employment Agreement, which was effective until July 2021, we pay Mr. Mukunda a base salary of $300,000 per year. Mr. Mukunda's employment agreement has been extended for one additional year to July 2022. The Employment Agreement provides that the Board of Directors of our Company may review and update the targets and amounts for the net revenue and salary and contract bonuses on an annual basis. Mr. Mukunda is entitled to benefits, including insurance, participation in company-wide 401(k), reimbursement of business expenses, 20 days of annual paid vacation, sick leave, domestic help, driver, cook and a car (subject to partial reimbursement by Mr. Mukunda of rental payments for the car and reimbursement of business expenses).

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

The purpose of this Management's Discussion and Analysis ("MD&A") is to provide an understanding of the Company's consolidated financial condition, and results of operations and cash flows, and 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 for the three months ended June 30, 2021, and the Annual Report on Form 10-K for the fiscal year ended March 31, 2021, filed with the SEC on June 14, 2021 (the "2021 Form 10-K"). The Company's actual results could differ materially from those discussed here. Factors that could cause differences include those discussed in the "Forward-Looking Statements" and "Risk Factors" sections, as well as discussed elsewhere in this report. The risks and uncertainties can cause actual results to differ significantly from those in our forward-looking statements or implied in historical results and trends. We caution readers not to place undue reliance on any forward-looking statements made by us, which speak only as of the date they are made. We disclaim any obligation, except as specifically required by law and the rules of the SEC, to publicly update or revise any such statements to reflect any change in our expectations or in events, conditions, or circumstances on which any such statements may be based, or that may affect the likelihood that actual results will differ from those set forth in the forward-looking statements.

Overview

Our primary source of revenue in the three months ended June 30, 2021 and June 30, 2020, was from our Life Sciences segment, which includes a biopharmaceutical component, and a wellness and lifestyle business, which involves:

(i) development of potential new drugs, subject to applicable regulatory approvals, that use ultra-low doses of phytocannabinoids including cannabidiol ("CBD") and tetrahydrocannabinol ("THC"), among others, in combination with other compounds, believed to assist in managing symptoms of diseases like Alzheimer's,
(ii) hand sanitizers and several hemp-based CBD products and brands, in various stages of development, for sale online and/or through stores,
(iii) wholesale of hemp extracts including hemp crude extract, and hemp isolate, among others,
(iv) white labeling of hemp-based products, and
(v) the offering of tolling services like extraction and distillation to hemp-farmers and retailers.

The Company's second segment, the Infrastructure segment, involves:

(i) *Execution of Construction Contracts* – The Company is executing a road building contract in Kerala, India valued at approximately $1.2 million. Work on this project is sporadic based on COVID-19 restrictions. The Company intends to continue operations in this business line as the COVID-19 pandemic permits.
(ii) *Purchase and Resale of Physical Commodities Used in Infrastructure* – This business line includes the purchase and resale of commodities, including steel, wooden doors, marble, and tiles, among others. This work has been adversely affected due to COVID-19. There was no revenue from this business line during the three months ended June 30, 2021, in part due to the COVID-19 pandemic. The Company intends to continue operations in this business line as the COVID-19 pandemic permits.
(iii) *Rental of Heavy Construction Equipment* – We own heavy construction equipment such as motor grader and rollers, that we rent to construction contractors. This business is seasonal and had minimal revenue during the three months ended June 30, 2021, in part due to the COVID-19 pandemic. The Company intends to continue operations in this business line as the COVID-19 pandemic permits.

The Company operates both segments in compliance with applicable state, national, and local laws and regulations and only in locations and regions where it is legal to do so.

Company Highlights

- On June 10, 2021, the Company received forgiveness for the full amount borrowed as per the Paycheck Protection Program Promissory Note (the "PPP Note") of approximately $430 thousand. The PPP Note was established pursuant to the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and administered by the U.S. Small Business Administration ("SBA").
- On June 23, 2021, the Company announced completion of Cohort 3, the final cohort, of its Phase 1 clinical trial on IGC's tetrahydrocannabinol ("THC")- based investigational new drug, IGC-AD1, intended to alleviate the symptoms of individuals suffering from Alzheimer's disease. As previously disclosed, IGC submitted IGC-AD1, its investigational drug candidate for Alzheimer's, to the U.S. Food and Drug Administration ("FDA") under Section 505(i) of the Federal Food, Drug, and Cosmetic Act. IGC received approval to proceed with the Phase 1 trial, on Alzheimer's patients, from the FDA on July 30, 2020.

- During the three months ended June 30, 2021, the Company raised approximately $726 thousand of net proceeds from issuance of equity stock through offering. The Company had entered "at the market" ("ATM") offering pursuant to the Sales Agreement (the "Agreement") entered on January 13, 2021 with The Benchmark Company, LLC (the "Sales Agent") for the issuance and sale of up to $75,000,000 of the Company's shares of common stock, par value $0.0001 per share (the "Shares").

Strategy

We have a two-pronged strategy for our Life Sciences, biopharmaceutical component: the initial prong is to investigate IGC-AD1 for safety and efficacy in managing the symptoms of Alzheimer's disease. This involves conducting Phase 1 through Phase 3 trials on IGC-AD1 over the next several years, subject to FDA regulatory approval and adequate funding, with the anticipated goal of demonstrating safety and efficacy and potentially obtaining FDA approval for IGC-AD1 as a phytocannabinoid-based formulation that can help manage some symptoms for patients suffering from Alzheimer's disease. The second prong is to investigate the potential efficacy of IGC-AD1 on memory and/or decreasing or managing plaques and tangles, some of the hallmarks of Alzheimer's disease.

Our pipeline of investigational phytocannabinoid formulations also includes pain creams and tinctures for pain relief. We believe that the biopharmaceutical component of our Life Sciences strategy will take several years to implement and involves considerable risk; however, we believe it may involve greater defensible growth potential and first-to-market advantage.

Our consumer service and products strategy includes advancing the women's line of products, under the brand www.holief.com, and developing and creating a cloud-based platform that connects women with health care professionals who can help with PMS and dysmenorrhea.

We believe that the additional investment in clinical trials, research, and development ("R&D"), facilities, marketing, and advertising, as well and the acquisition of products and businesses supporting our Life Sciences segment, are likely to be critical to the development and delivery of innovative products and positive patient and customer experiences. Part of our strategy is to leverage our R&D and our intellectual property to develop products that we believe are likely to be well-differentiated and -supported by science through planned pre-clinical and clinical trials. We believe this strategy has the potential to improve existing products and lead to the creation of new products, which, based on scientific study and research, may offer positive results for the management of certain conditions, symptoms, and side effects.

COVID-19 Update

As our infrastructure business is based in Asia (India and Hong Kong), the COVID-19 pandemic and restrictions imposed by governmental entities adversely impacted, and continues to impact, our financial condition, liquidity, and operations. We anticipate that reduced revenue from Infrastructure will continue in Fiscal 2022 as the pandemic continues to affect the regions where we do business.

Results of Operations for the Three Months Ended

June 30, 2021 and June 30, 2020

The historical results presented below are not necessarily indicative of the results that may be expected for any future period. The following table presents an overview of our results of operations for the three months ended June 30, 2021 and June 30, 2020:

Statement of Operations (in thousands, unaudited)

	Three months ended June 30,			
	2021 ($)	2020 ($)	Change ($)	Percent Change
Revenue	77	584	(507)	(87)%
Cost of revenue	(51)	(538)	487	(91)%
Gross profit	**26**	**46**	**(20)**	**(43)%**
Selling, general and administrative expenses	(1,776)	(1,755)	(21)	1%
Research and development expenses	(444)	(222)	(222)	100%
Operating loss	**(2,194)**	**(1,931)**	**(263)**	**14%**
Impairment of investment	(37)	-	(37)	-%
Other income, net	443	49	394	804%
Loss before income taxes	**(1,788)**	**(1,882)**	**94**	**(5)%**
Net loss	**(1,788)**	**(1,882)**	**94**	**(5)%**

Revenue – Revenue in the three months ended June 30, 2021, and June 30, 2020, was primarily derived from our Life Sciences segment, which involved sales of products such as lotion, gummies, and alcohol-based hand sanitizers, among others. Revenue was approximately $77 thousand and $584 thousand for the three months ended June 30, 2021, and the three months ended June 30, 2020, respectively.

Revenue in the Life Sciences segment in the three months ended June 30, 2020, was $584 thousand as compared to $62 thousand in the three months ended June 30, 2021, albeit with a change in product mix. Revenue in our Infrastructure segment for the three months ended June 30, 2020, was nil and $15 thousand in the three months ended June 30, 2021. Such revenue relates to execution of construction contract. Primarily due to COVID-19, we have limited visibility on when either of our segments will stabilize, generate significant revenue, and become predictable. We expect volatility in both segments in the foreseeable future. We expect to be opportunistic in providing personal protection equipment, including hand sanitizers, as the country reopens from the pandemic.

Cost of revenue – Cost of revenue amounted to approximately $51 thousand for the three months ended June 30, 2021, compared to $538 thousand in the three months ended June 30, 2020. The cost of revenue in the three months ended June 30, 2021, is primarily attributable to raw materials that are required to produce our products.

Selling, general and administrative expenses – Selling, general and administrative expenses consist primarily of employee-related expenses, sales commission, professional fees, legal fees, marketing, other corporate expenses, allocated general overhead and provisions, depreciation and write-offs relating to doubtful accounts and advances, if any. Selling, general and administrative expenses increased by approximately $21 thousand or 1% to approximately $1.8 million for the three months ended June 30, 2021, from approximately $1.8 million for the three months ended June 30, 2020. The increase of approximately $21 thousand is attributed to increased product sales and marketing related expenses.

Research and Development expenses– Research and Development (“R&D”) expenses were attributed to conducting the Phase 1 trial on patients suffering from Alzheimer’s disease and product research in our Life Sciences segment. The R&D expenses for the three months ended June 30, 2021 are approximately $444 thousand and approximately $222 thousand for the three months ended June 30, 2020. The cost associated with this work is mostly associated with the clinical trial on patients suffering from Alzheimer’s disease, research comprising of plant extracts that could be productized and data to support the efficacy of the extracts, product research, designing, formulating and market analysis. We expect R&D expenses to increase with progression in trials on IGC-AD1.

Impairment of investment – On May 12, 2020, the Company acquired an approximately 19.8% shareholding in Evolve I, Inc. However, based on an assessment of the business environment, the Company decided to dispose the holding and exit the acquisition. As of June 30, 2021, the Company received back partial shares of IGC common stock, which had been given pursuant to the SSA, in exchange for the return of its shareholding in Evolve. Accordingly, the Company cancelled the partial shares received by it and impaired its remaining investment of approximately $37 thousand.

Other income, net – Other net income increased by approximately $394 thousand or 804% during the three months ended June 30, 2021. The total other income for the three months ended June 30, 2021, and 2020 is approximately $443 thousand and $49 thousand, respectively. Other income includes interest income, rental income, and income from sale of scrap, among others. During the three months ended June 30, 2021, the other income included approximately $430 thousand related to forgiveness of PPP Note.

Liquidity and Capital Resources

Our sources of liquidity are cash and cash equivalents, funds raised through the ATM offering, cash flows from operations, short-term and long-term borrowings, and short-term liquidity arrangements. The Company continues to evaluate various financing sources and options to raise working capital to help fund current research and development programs and operations. The Company does not have any material long-term debt, capital lease obligations or other long-term liabilities, except as disclosed in this report. Please refer to Note 12, “Commitments and contingencies”, Note 11, “Loans and Other Liabilities” and Note 9, “Leases” in Item 1 of this report for further information on Company commitments and contractual obligations.

While the Company believes its existing balances of cash, cash equivalents and marketable securities and other short-term liquidity arrangements will be sufficient to satisfy its working capital needs, capital asset purchases, debt repayments, investments, including but not limited to, mutual funds, treasury bonds, cryptocurrencies, and other asset classes, clinical trials and other liquidity requirements, if any, associated with its existing operations over the next 12 months, it will raise money as and when it is able to do so. The Company continues to utilize the ATM to raise capital. Management is actively monitoring the impact of COVID-19 on the Company’s financial condition, liquidity, operations, suppliers, industry, legal expenses, and workforce.

Please refer to Item 1A. "Risk Factors" for further information on the risks related to the Company.

(in thousands, unaudited)

	As of June 30, 2021 ($)	As of March 31, 2021 ($)	Change	Percent Change
Cash and cash equivalents	13,319	14,548	(1,229)	(8)%
Working capital	20,078	21,149	(1,071)	(5)%

Cash and cash equivalents

Cash and cash equivalents decreased by approximately $1.2 million to $13.3 million in the three months ended June 30, 2021, from $14.5 million as of March 31, 2021, a decrease of approximately 8%.

The major decrease was due to approximately $93 thousand in purchase of property, plant, and equipment and a net cash loss of approximately $1.9 million, part of which was set-off with approximately $726 thousand of net proceeds from issuance of equity stock through offering.

Summary of Cash flows

(in thousands, unaudited)

	Three months ended June 30,			
	2021	2020	Change	Percent Change
Cash used in operating activities	(1,851)	(3,988)	2,137	(54)%
Cash used in investing activities	(95)	(1,136)	1,041	(92)%
Cash provided by financing activities	726	580	146	25%
Effects of exchange rate changes on cash and cash equivalents	(9)	(11)	2	(18)%
Net decrease in cash and cash equivalents	**(1,229)**	**(4,555)**	**3,326**	**(73)%**
Cash and cash equivalents at the beginning of period	14,548	7,258	7,290	100%
Cash and cash equivalents at the end of the period	**13,319**	**2,703**	**10,616**	**393%**

Operating Activities

Net cash used in operating activities for the three months ended June 30, 2021, was approximately $1.9 million. This consists of a net loss of approximately $1.8 million and non-cash items totaling approximately $110 thousand, which in turn consist of an amortization/depreciation charge of approximately $157 thousand, stock-based expenses totaling approximately $125 thousand and gain due to forgiveness of PPP Note of approximately $430 thousand. Changes in operating assets and liabilities had an impact of approximately $48 thousand on cash.

Net cash used in operating activities for the three months ended June 30, 2020, was approximately $4 million. This consists of a net loss of approximately $1.9 million and non-cash items totaling approximately $243 thousand, which in turn consist of an amortization/depreciation charge of approximately $77 thousand and stock-based expenses totaling approximately $166 thousand. Changes in operating assets and liabilities had a negative impact of approximately $2.35 million on cash, of which approximately $2.28 million was due to increase in inventory.

Investing Activities

Net cash used in investing activities for the three months ended June 30, 2021, was approximately $95 thousand, which is comprised of expenses of approximately $2 thousand for the acquisition and filing expenses related to patents and purchase of property, plant and equipment of approximately $93 thousand.

Net cash used in investing activities for the three months ended June 30, 2020, was $1.1 million, which is comprised of approximately $26 thousand for the acquisition and filing expenses related to patents and trademarks, purchase of property, plant and equipment of $944 thousand and investments of approximately $149 thousand in non-marketable securities and $17 thousand in marketable securities.

Financing Activities

Net cash provided by financing activities was approximately $726 thousand for the three months ended June 30, 2021, which is comprised of net proceeds from issuance of equity stock through ATM offering, net of all expenses related to issuance of stock.

Net cash provided by financing activities was $580 thousand for the three months ended June 30, 2020, consisting of proceeds from loans.

Off-Balance Sheet Arrangements

We do not have any outstanding derivative financial instruments, off-balance sheet guarantees, interest rate swap transactions or foreign currency forward contracts. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit support to us or that engages in leasing, hedging or research and development services with us.

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, inventory, accounts receivable, foreign currency translation, impairment of long-lived assets and investments, stock-based compensation, and cybersecurity. We have a cybersecurity policy in place and have taken cybersecurity measures that we expect are likely to safeguard the Company against breaches. There were no impactful breaches in cybersecurity during the three months ended June 30, 2021.

Please see our disclosures in Note 2 – Summary of Significant Accounting Policies to the Notes to the Unaudited Condensed Consolidated Financial Statements in this report, in the Notes to the Audited Consolidated Financial Statements in the 2021 Form 10-K, as well as Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations in the 2021 Form 10-K, for a discussion of all our critical and significant accounting policies.

Recent Accounting Pronouncements

The recent accounting pronouncements are discussed in Note 2 – Summary of Significant Accounting Policies to the Notes to the Unaudited Condensed Consolidated Financial Statements in this report and in the Notes to the Audited Consolidated Financial Statements in Part II of our Annual Report on Form 10-K for fiscal year ended March 31, 2021, filed with the SEC on June 14, 2021.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Item 3 does not apply to us because we are a smaller reporting company.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our Management maintains disclosure controls and procedures as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”) that are designed to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is processed, recorded, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to Management, including our Chief Executive Officer and Principal Financial Officer (our principal executive officer and principal financial officer, respectively), as appropriate, to allow for timely decisions regarding required disclosure.

Our Management, including the Chief Executive Officer and Principal Financial Officer, carried out an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report. Based on this evaluation, our Chief Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective to ensure that the information required to be disclosed in the reports filed or submitted by us under the Exchange Act was recorded, processed, summarized and reported within the requisite time periods and that such information was accumulated and communicated to our Management, including our Chief Executive Officer and Principal Financial Officer, as appropriate to allow for timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

Our Management, including our Chief Executive Officer and Principal Financial Officer, evaluated our “internal control over financial reporting” as defined in Exchange Act Rule 13a-15(f) to determine whether any changes in our internal control over financial reporting occurred during the three months ended June 30, 2021, that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

The Company may be involved in legal proceedings, claims, and assessments arising in the ordinary course of business. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance.

As of June 30, 2021, the Company and one of its officers are parties to the following litigation matters:

Apogee Financial Investments, Inc., et al. v. India Globalization Capital, Inc., et al., Civil Action No. 1:21-cv-03809 (U.S. District Court for the Southern District of New York). On April 29, 2021, Apogee Financial Investments, Inc. ("Apogee") and John R. Clarke ("Clarke") filed a complaint against the Company and IGC's President and Chief Executive Officer, Ram Mukunda ("Mukunda") (the "Apogee Litigation"). The litigation was originally initiated by IGC on February 8, 2021 (India Globalization Capital, Inc. v. Apogee Financial Investments, Inc., Civil Action No. 1:21-cv-01131, U.S. District Court for the Southern District of New York), wherein IGC alleged that Apogee breached a purchase agreement dated December 18, 2014 related to IGC's intended purchase of a business known as Midtown Partners & Co., LLC ("Midtown"). In response to the original lawsuit filed by IGC, Apogee and Clarke filed a counterclaim as well as the Apogee Litigation. On May 21, 2021, IGC and Mukunda filed a partial motion to dismiss both the counterclaim and the Apogee Litigation. Before the Court ruled on the motion to dismiss, on June 28, 2021, Apogee and Clarke filed an amended complaint claiming that IGC and Mukunda fraudulently induced Apogee into entering the purchase agreement for the sale of Midtown and breached the purchase agreement. Apogee and Clarke also seek a declaratory judgment and indemnification for certain alleged losses they claim to have suffered. Finally, Clarke claims that he is entitled to shares of IGC common stock as wages. On July 23, 2021, IGC and Mukunda again moved to partially dismiss the counterclaim and the Apogee Litigation. The Company considers the counterclaim and the Apogee Litigation to be ordinary, routine litigation incidental to the business. The Company and Mukunda deny any and all liability and, in particular, deny many of the factual allegations contained in the Apogee Litigation. Both the Company and Mukunda intend to vigorously defend the litigation and are represented by counsel for that purpose.

As of June 30, 2021, the Company and two of its officers are parties to two shareholder lawsuits:

Tchatchou v. India Globalization Capital, Inc., et al., Civil Action No. 8:18-cv-03396 (U.S. District Court for the District of Maryland). On November 2, 2018, IGC shareholder Alde-Binet Tchatchou instituted a shareholder class action complaint on behalf of himself and all others similarly situated in the United States District Court for the District of Maryland. On May 13, 2019, the plaintiff filed an amended complaint against IGC, Ram Mukunda, and Claudia Grimaldi, (collectively, the "Class Action Defendants"). The plaintiff alleges that the Class Action Defendants violated Section 10(b) of the Exchange Act, SEC Rule 10b-5, and Section 20(a) of the Exchange Act and made false and misleading statements to the public by issuing a September 25, 2018, press release entitled "IGC to Enter the Hemp/CBD-Infused Energy Drink Space" and related disclosures, in which IGC announced it had "executed a distribution and partnership agreement" for the sugar-free energy drink named Nitro G, as well as through related public statements. The plaintiff has not publicly disclosed the amount of damages they seek. On February 28, 2019, all pending shareholder class actions were consolidated, and the Tchatchou litigation was designated as the lead case. Throughout the Tchatchou litigation, the Class Action Defendants have denied any and all liability and denied any violation of the law.

Harris-Carr v. India Globalization Capital, Inc., et al., Civil Action No. 8:18-cv-03408 (U.S. District Court for the District of Maryland). On November 2, 2018, IGC shareholder Gabe Harris-Carr instituted a shareholder class action complaint on behalf of himself and all others similarly situated in the United States District Court for the District of Maryland. IGC, Ram Mukunda, and Claudia Grimaldi were named as defendants. On February 28, 2019, all pending shareholder class actions, including the Harris-Carr litigation, were consolidated, and the Tchatchou litigation, described above, was designated as the lead case. On May 13, 2019, the plaintiff in the Tchatchou litigation filed an amended complaint, which becomes the operative complaint for the consolidated matter and supersedes the Harris-Carr complaint. Throughout the Harris-Carr litigation, the Class Action Defendants have denied any and all liability and denied any violation of the law.

On April 6, 2021, the plaintiffs and the Class Action Defendants reached a preliminary agreement in principle to settle all pending shareholder litigation, including the Tchatchou and Harris-Carr matters described above. The settlement is subject to the agreement and execution of formal settlement documentation and approval by the United States District Court for the District of Maryland. At present, a significant portion of the settlement is expected to be paid by the Company's insurance policy. The Company and the Class Action Defendants are represented by counsel in the litigation.

Item 1A. Risk Factors

In addition to the Risk Factors reported herein, if any, you should carefully consider the risk factors identified in the Company's 2021 annual report on Form 10-K, filed with the SEC on June 14, 2021, together with all other information included in this report in evaluating our company and our common stock. If any of the following risks and uncertainties develops into actual events, they could have a material adverse effect on our business, financial condition or results of operations. In that case, the trading price of our common stock and other securities also could be adversely affected. We make various statements in this section, which constitute "forward-looking statements." See "Forward-Looking Statements."

The Company incorporates by reference as if fully set forth and restated herein all Risk Factors identified in our 2021 Form 10-K. Additionally, risks and uncertainty of which we are unaware or which currently we deem immaterial also may become important factor that affects us. The Risk Factor stated and incorporated herein is not intended to represent the universe of Risk Factors that may be relevant to the evaluation of our company and our common stock, and the public is directed to any Risk Factor or other disclaimer included in any other public announcement, SEC filing, and press release by the Company for any additional Risk Factors or disclaimers related to those specific announcements, filings, and press releases.

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

Exhibit Number	Exhibit Description
3.1	Amended and Restated Articles of Incorporation of the Registrant, as amended on August 1, 2012 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed on August 6, 2012).
3.2	By-laws of the Registrant (incorporated by reference to Exhibit 3.2 to the Company's Post-Effective Amendment No.1 to Form S-3 filed on January 22, 2021).
3.3	Amendment to the Amended and Restated Articles of Incorporation of the Registrant as amended on August 2, 2014 (incorporated by reference to Exhibit 3.3 to the Company's Post-Effective Amendment No.1 to Form S-3 filed on January 22, 2021).
4.1	Description of Common Stock (incorporated by reference to prospectus supplement filed on Oct 2, 2018 to Prospectus effective May 11, 2018).
10.01*	2014 Employment Agreement between India Globalization Capital, Inc. and Ram Mukunda.
31.1*	Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer.
31.2*	Rule 13a-14(a) / 15d-14(a) Certification of Principal Financial Officer.
32.1**	Certifications pursuant to 18 U.S.C. §1350.
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.
** Furnished herewith.

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: August 11, 2021	By:	/s/ Ram Mukunda Ram Mukunda President and Chief Executive Officer (Principal Executive Officer)
Date: August 11, 2021	By:	/s/ Claudia Grimaldi Claudia Grimaldi Vice President (Principal Financial Officer)

Exhibit 10.01

2014 EMPLOYMENT AGREEMENT

This **EMPLOYMENT AGREEMENT** (this "Agreement") is entered into as of July 14, 2014 (the "Effective Date"), by and between collectively, India Globalization Capital, Inc., ("IGC") a corporation organized under the laws of Maryland, India Globalization Capital Mauritius, ("IGC-M" and collectively with IGC, "Employer"), and Ram Mukunda ("Executive") on the following terms and conditions:

RECITALS:

A. The Employer desires to be assured of the continued services of Executive; and

B. Executive desires to continue to be employed by the Employer as its Executive Chairman and Chief Executive Officer upon the terms, covenants and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual terms, covenants and conditions hereinafter set forth, the parties hereto agree as follows:

1. Employment Period. Employer hereby agrees to continue to employ Executive as its Executive Chairman and Chief Executive Officer, and Executive, agrees to accept such continued employment for the period beginning on the Effective Date and ending on the fifth anniversary of the Effective Date (the "Employment Period"). Thereafter, Executive's employment shall continue until terminated in accordance with this Agreement.

2. Performance of Duties.

2.1. Executive agrees that during the Employment Period, and while Executive is employed by Employer, he shall devote his full normal and customary working time, energies and talents exclusively to serving in the capacity of Chief Executive Officer of Employer and to performing such other duties consistent with his position, as may be properly assigned to him by the Board of Directors of Employer (the "Board"). He will carry out such duties faithfully, efficiently and in a professional manner.

2.2. In addition to the limitations imposed upon Executive by the Restrictive Covenants contained in Section 4, Executive shall not during the Employment Period and while he is employed by the Employer, without prior written consent from the Board:

2.2.1. serve as, be a consultant to or employee, officer, manager, agent, or director of, any corporation, partnership or other entity other than Employer (other than civic, charitable, or other public service organizations) if, as determined at the reasonable discretion of the Board, such service, employment, or position would have a material adverse effect upon the ability of Executive to perform his duties hereunder and Executive is so advised in writing and given a period of not less than ninety (90) days to cease; or

2.2.2. have more than a ten percent (10%) ownership interest in any enterprise other than Employer if such ownership interest would have a material adverse effect upon the ability of Executive to perform his duties hereunder, and the Executive is so advised in writing and given a period of not less than ninety (90) days to divest the interest.

3. Compensation. Subject to the terms and conditions of this Agreement, Executive shall be compensated by Employer for his services as follows:

3.1. Executive shall receive, for each consecutive twelve (12) month period beginning on the Effective Date and ending on each anniversary thereof, a rate of pay equal to Three Hundred Thousand Dollars ($300,000.00) per year ("Base Pay"). Such compensation shall be payable in substantially equal monthly or more frequent installments and subject to customary tax withholding.

3.2. Executive shall be entitled to participate in all executive benefit plans maintained by Employer on substantially the same terms and conditions as other executives of Employer including, but not limited to, plans as mentioned in Attachment 1.

3.3. Executive shall receive at least fifteen (20) days paid vacation per year, provided, however, that such vacation shall be scheduled and taken in accordance with Employer's standard vacation policies applicable to Employer's other executives. Executive shall also be entitled to all other holiday and leave pay generally available to Employer's other executives. Any vacation days not used in a twelve (12) month period shall accrue and carry over to subsequent years.

3.4. Executive shall receive at least fifteen (15) days paid sick leave per year. Any sick leave not used in a twelve (12) month period shall not accrue or carry over to subsequent years.

3.5. Executive shall be reimbursed by Employer for all reasonable business, promotional, travel and entertainment expenses incurred or paid by Executive during the Employment Period in the performance of his services under this Employment Agreement.

4. Restrictive Covenants. Executive acknowledges and agrees that:

4.1. The agreements and covenants contained in this Section 4 are essential to protect the business interests of Employer and Employer will not enter into this Agreement but for such agreements and covenants. Accordingly, Executive covenants and agrees to the following:

4.1.1. Confidential Information. Except as may be required by the lawful order of a court, regulatory body or similar agency of competent jurisdiction, and at the sole cost and expense of the Employer, if any, unless disclosed with the Employer's permission, Executive agrees to keep secret and confidential, during the Employment Period and while he is employed by Employer, all confidential non-public information of Employer, and its respective affiliates that was acquired by, or disclosed to, Executive during the course of his employment by Employer or any of its affiliates, including information relating to customers (including, without limitation, credit history, repayment history, financial information and financial statements), costs, operations, financial data and plans, and employee information, whether past, current or planned, and not to disclose the same, either directly or indirectly, to any other person, firm or business entity, or to use it in any way; provided, however, that the provisions of this Section 4.1.1 shall not apply to information that: (A) was, is now, or becomes generally available to the public (but not as a result of a breach of any duty of confidentiality by which Executive is bound); (B) was disclosed to Executive by a third party not subject to any duty of confidentiality to Employer prior to its disclosure to Executive; (C) is disclosed by Executive in the ordinary course of Employer's business as a proper part of his employment in connection with communications with customers, vendors and other proper parties, provided that it is for a proper business purpose solely for the benefit of Employer. During the Employment Period and while he is employed by Employer, Executive further agrees that he shall not make any statement or disclosure that is intended by Executive to be detrimental to Employer or any of its affiliates.

4.1.2. Non-Competition.

4.1.2.1. Executive agrees that for the period commencing on the Effective Date and ending on the date on which Executive's employment with Employer is terminated for any reason or no reason (the "Non-Competition Period"), Executive shall not directly or indirectly, alone or as a partner, officer, director, manager, employee, consultant, agent, independent contractor, member or stockholder of any person or entity ("Person"), engage in any business activity in India or the United States that is directly or indirectly in competition with the Business (as defined herein) of Employer or which is known by Executive to be detrimental to the Business or business plans of Employer or its affiliates; provided, however, that the record or beneficial ownership by Executive or his immediate family members of five percent (5%) or less of the outstanding publicly traded capital stock of any company for investment purposes shall not be deemed to be in violation of this Section 4.1.2.1 so long as Executive is not an officer, director, manager, employee or consultant of such Person. The "Business" of Employer shall mean infrastructure building in India. Executive further agrees that during the Non-Competition Period, he shall not in any capacity, either separately or in association with others: (1) employ or solicit for employment or endeavor in any way to entice away from employment with Employer or its affiliates (a) any current employee of Employer or its affiliates or (b) any Person who was employed by Employer or its affiliates in any preceding 12-month period; (2) solicit, induce or influence any supplier, customer, agent, consultant or other Person that has a business relationship with Employer to discontinue, reduce or modify such relationship with Employer; nor (3) solicit or enter into negotiations with any of Employer's identified potential acquisition candidates.

4.1.2.2. Executive understands that the foregoing restrictions may limit his ability to engage in a business similar to Employer's Business for the duration of the Non-Competition Period, but acknowledges that he will receive sufficiently high remuneration and other benefits to justify such restriction as an employee of Employer pursuant to this Agreement.

4.1.2.3. Notwithstanding the generality of any other provision of this Agreement, during the Non-Competition Period, it shall not be a violation of Section 2.2 or this Section 4 for Executive to (i) be an owner, partner, officer, director, manager, employee, consultant, agent, independent contractor, member or stockholder of any person or entity that does not compete with the Business of Employer or (ii) make unlimited investments with other family members in any person or entity that does not compete with the Business of Employer.

4.1.3. Remedies. If Executive breaches any of the provisions contained in Sections 4.1.1 or 4.1.2 (the "Restrictive Covenants"), Employer shall have the following rights and remedies, each of which shall be enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to Employer at law or in equity.

4.1.3.1. Executive shall account for and pay over to Employer all compensation, profits, and other benefits which inure to Executive's benefit which are derived or received by Executive or any person or business entity controlled by Executive, resulting from any action or transactions constituting a breach of any of the Restrictive Covenants.

4.1.3.2. Notwithstanding the provisions of Section 4.1.3.1 above, Executive acknowledges and agrees that in the event of a violation or Executive's threatened violation of any of the Restrictive Covenants, Employer shall have no adequate remedy at law and shall therefore be entitled to enforce each such provision by temporary or permanent injunction or mandatory relief obtained in any court of competent jurisdiction without the necessity of proving damages, posting any bond or other security, and without prejudice to any other rights and remedies that may be available at law or in equity.

4.1.4. Severability. If any of the Restrictive Covenants, or any part thereof, are held to be invalid or unenforceable, the same shall not affect the remainder of the covenant or covenants, which shall be given full effect, without regard to the invalid or unenforceable portions. Without limiting the generality of the foregoing, if any of the Restrictive Covenants, or any part thereof, are held to be unenforceable because of the duration of such provision or the area covered thereby, the parties hereto agree that the court making such determination shall have the power to reduce the duration and/or area of such provision and, in its reduced form, such provision shall then be enforceable.

4.1.5. Proprietary Rights. Executive acknowledges and agrees that all know-how, documents, reports, plans, proposals, marketing and sales plans, client lists, employee files, client files, and any materials made by Executive or by Employer during the period of Executive's employment are the property of Employer and shall not be used by Executive in any way adverse to Employer's interests while he is so employed by Employer.

5. Termination and Compensation Due Upon Termination. Executive's right to compensation for the period after the date Executive's employment with Employer terminates shall be determined in accordance with the following:

5.1. Termination Without Cause. In the event Employer terminates Executive's employment during the Employment Period without Cause, or at the end of the term, does not renew the Employment Agreement on substantially the same terms, Employer shall pay Executive compensation, incentive compensation and benefits as specified in Section 3 through thirty six (36) months during which time Executive shall be entitled to:

5.1.1. receive payment of his salary in accordance with the provisions of Section 3;

5.1.2. continued participation in the benefit plans of Employer as specified in Section 3 at Employer's expense.

5.2. Voluntary Resignation. Executive may terminate his employment with Employer for any reason (or no reason at all) at any time by giving Employer ninety (90) days prior written notice of voluntary resignation; provided, however, that Employer may decide that Executive's voluntary resignation be effective immediately upon notice of such resignation. Employer shall have no obligation to make payments to Executive in accordance with the provisions of Section 3 for periods after the date on which Executive's employment terminates due to Executive's voluntary resignation, including in the event Employer accelerates the effectiveness of the resignation in accordance with this Section 5.2. The non-competition clause as outlined in Section 4.1.2 shall apply for a period of 6 months following the effective date of the voluntary resignation.

5.3. However, for purposes of this Section 5, if Executive resigns within one hundred and twenty (120) days following the occurrence of one of the following events, Executive shall be deemed to be Terminated without Cause in accordance with Section 5.1:

5.3.1. Executive's duties are materially reduced from those described in Section 2;

5.3.2. the relocation of Executive's office more than twenty five (25) miles from Bethesda, Maryland without Executive's consent;

5.3.3. a material breach of any of the provisions of this Agreement by the Employer.

5.3.4. a change of control of IGC.

5.4. Termination for Cause. Employer shall have no obligation to make payments to Executive in accordance with the provisions of Section 3 or otherwise for periods after Executive's employment with Employer is terminated because of Executive's termination for Cause. For purposes of this Section 5.4, Executive shall be considered terminated for "Cause" if he is discharged by Employer on account of the occurrence of one or more of the following events:

5.4.1. Executive becomes habitually addicted to drugs or alcohol, as confirmed by the written opinion of a medical doctor;

5.4.2. Executive intentionally discloses confidential information in violation of Section 4.1.1 or engages in any action in violation of Section 4.1.2.

5.4.3. Employer is directed by regulatory or governmental authorities to terminate the employment of Executive or Executive intentionally engages in activities that cause actions to be taken by regulatory or governmental authorities that have a material adverse effect on Employer;

5.4.4. Executive is convicted of a felony crime (other than a felony resulting from a minor traffic violation);

5.4.5. Executive flagrantly disregards his duties under this Agreement after (A) written notice has been given to Executive by the Board that it views Executive to be flagrantly disregarding his duties under this Agreement and (B) Executive has been given a period of thirty (30) days after such notice to cease such misconduct. However, no notice or cure period shall be required hereunder if Executive's disregard of his duties has materially and adversely affected Employer or is illegal;

5.4.6. Executive commits an act of fraud against Employer, violates a duty of loyalty to Employer, or violates an obligation owed to Employer pursuant to Sections 2 or 4 hereof.

5.5. In the event Employer attempts to terminate Executive's employment pursuant to Section 5.3 and it is ultimately determined that the Employer lacked Cause, the provisions of Section 5.1 shall apply and, in addition to any other remedies that Executive may have, Executive shall be entitled to receive the payments called for by Section 5.1 with interest on any past due payments at the rate of ten percent (10%) per year from the date on which the applicable payment would have been made, plus Executive's costs and expenses (including but not limited to reasonable attorneys' fees) incurred in connection with such dispute and interest thereon at the rate of ten percent (10%) per year from the date incurred by the Executive.

5.6. Employer shall have no obligation to make payments to Executive in accordance with the provisions of Section 3 for periods after the date of Executive's death, except payments due and owing as of such date.

6. Indemnification. Executive shall be defended, held harmless by and indemnified by Employer to the fullest extent permitted by applicable law (including, but not limited to payment of all legal fees and costs and by counsel reasonably satisfactory to him) against claims asserted against him by third parties, arising out of, or related to, the business of the Employer or Executive's services for Employer or its affiliates, where such services were within the scope of authority of Employee, or specifically authorized in advance by Employer. However, Employer shall have no obligation to defend, indemnify or hold Executive harmless from any claims relying in whole or in part upon any intentionally tortious, grossly negligent or fraudulent conduct by Executive. This duty of indemnification shall survive the termination of this Agreement for a period of two years and is intended to be in addition to and not in lieu of any indemnification right of Executive that may be contained in the Bylaws or Articles of Incorporation of Employer.

7. Assignment and Successors. This Agreement is personal in its nature and neither of the parties shall, without the written consent of the other, which may be given or withheld in the absolute discretion of each, assign, delegate or otherwise transfer this Agreement or any rights or obligations hereunder; provided, however, that in the event of a merger, consolidation, transfer or sale of all or substantially all of the assets or other reorganization of the Employer with or to any other individual(s) or entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, duties and obligations of the Employer hereunder; provided, however, Employer shall continue to remain obligated hereunder.

8. Governing Law. This agreement will be governed by and construed in accordance with the laws of the state of Maryland without reference to the principles of conflicts of laws or any other principle that could result in the application of the laws of any other jurisdiction. Any suit, action or proceeding arising out of or relating to this agreement must be instituted in the state or federal courts located in the state of Maryland, to the jurisdiction of which each of the parties hereby expressly and irrevocably agrees to submit. The parties agree to enter into mediation prior to trial in any suit, action, or proceeding arising out of or relating to this agreement.

9. Entire Agreement. This Agreement embodies the entire agreement of the parties respecting the matters within its scope. This Agreement supersedes all prior agreements of the parties on this subject matter . Any prior negotiations, correspondence, agreements, proposals or understandings relating to the subject matter shall be deemed to be merged into this Agreement and to the extent inconsistent herewith, such negotiations, correspondence, agreements, proposals or understandings shall be deemed to be of no force or effect. There are no representations, warranties or agreements, whether express or implied, or oral or written, with respect to the subject matter , except as set forth herein.

10. Modifications. This Agreement shall not be modified by any oral agreement, either express or implied, and all modifications shall be in writing and signed by the parties.

11. Waiver. Failure to insist upon strict compliance with any of the terms, covenants or conditions shall not be deemed a waiver of such terms, covenant or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. All waivers shall be in writing and signed by Executive and Employer.

12. Number and Gender. Where the context requires, the singular shall include the plural, the plural shall include the singular, and any gender shall include all other genders.

13. Headings. The section and Section headings in this Agreement are for the purpose of convenience only and shall not limit or otherwise affect any of its terms .

14. Waiver of Jury Trial. The parties acknowledge that they are hereby waiving any right to trial by jury in any action, proceeding or counterclaim brought by either of the parties against the other in connection with any matter whatsoever arising out of or in any way connected with this Agreement or Executive's Employment.

15. Attorneys' Fees. Executive and the Employer agree that in any dispute resolution proceedings arising out of this Agreement, the prevailing party shall be entitled to its or his reasonable attorneys' fees and costs incurred by it or him in connection with resolution of the dispute, in addition to any other relief granted.

16. Severability. In the event that it is determined that any portion of this Agreement is in violation of any statute or public policy, then only the portions of this Agreement which violate such statute or public policy shall be stricken, and all portions of this Agreement which do not violate any statute or public policy shall continue in full force and effect. Furthermore, any determination striking any portion of this Agreement shall be done as narrowly as possible so as to give as much effect as possible to the intentions of the parties under this Agreement.

17. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document .

18. Notices. All notices and other communications provided for in the Agreement shall be in writing and will be deemed duly given (a) when delivered by hand or electronic mail, (b) two (2) days after being given to an express courier with a reliable system for tracking delivery, (c) when sent by confirmed facsimile with a copy sent by another means specified in this provision or (d) five (5) days after the day of mailing, when mailed by registered or certified mail, return receipt requested, postage prepaid, and addressed as set forth below. A party may from time to time change its address or designee for notification purposes by giving the other written notice of the new address or designee and the date upon which it will become effective. The addresses for such notices shall be:

18.1. if to Executive:
8909 Tuckerman Lane
Potomac, Md. 20854
Attention: Ram Mukunda

with a copy to:

18.2. If to Employer:
P. O. BOX 60642
Potomac, Md. 20859
Attention: Board

19. Time of the Essence. Time is expressly made of the essence with respect to each and every provision of the Agreement.

20. Inurement. Except as otherwise specified herein, no Person, other than the parties (and Executive's estate upon his death, including his personal representative, administrator or heirs), shall have any rights under or interest in this Agreement or its subject matter.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have executed this Employment Agreement as of the Effective Date.

IGC

By: /s/ Richard Prins	/s/ Ram Mukunda
Name: Richard Prins	Ram Mukunda
Title: Chairman	

ATTACHMENT 1:

The terms set out in Section 3 are subject to annual review and update by the Board of IGC:

Section 3.5: The Employer shall provide the Executive with an automobile, plus gas and maintenance expenses, to be used by Executive in connection with the performance of his duties for Employer. Monthly lease payments, for the Employer, for such automobile shall not exceed $950 per month. The Employee shall reimburse the Employer $125 per month for personal use of the automobile. The Employer shall also provide the Executive with indemnity to the fullest extent permitted by law, reimbursement of business expenses, executive and personal assistant, domestic help, driver, cook, life insurance, health insurance, retirement benefits, deferred compensation, disability insurance, travel insurance, directors and officers insurance, and others as may be necessary from time to time.

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER PURSUANT TO 17 CFR 240.13(a)-14(a)
(SECTION 302 CERTIFICATION)

I, Ram Mukunda, certify that:

1. I have reviewed this quarterly report on Form 10-Q of India Globalization Capital, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2021

By: /s/ Ram Mukunda
Ram Mukunda
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER PURSUANT TO 17 CFR 240.13(a)-14(a)
(SECTION 302 CERTIFICATION)

I, Claudia Grimaldi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of India Globalization Capital, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2021

By: /s/ Claudia Grimaldi
Claudia Grimaldi
Vice President
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Ram Mukunda, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of India Globalization Capital, Inc. on Form 10-Q for the period ended June 30, 2021, (i) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) that information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of India Globalization Capital, Inc. at the dates and for the periods indicated.

Date: August 11, 2021

By: /s/ Ram Mukunda
Ram Mukunda
Chief Executive Officer and President
(Principal Executive Officer)

I, Claudia Grimaldi, certify, as of the date hereof, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of India Globalization Capital, Inc. on Form 10-Q for the period ended June 30, 2021, (i) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) that information contained in such Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of India Globalization Capital, Inc. at the dates and for the periods indicated.

Date: August 11, 2021

By: /s/ Claudia Grimaldi
Claudia Grimaldi
Vice President
(Principal Financial Officer)