

India Globalization Capital, Inc.

Form S-1/A

July 11, 2005

Table of Contents

As filed with the Securities and Exchange Commission on July 11, 2005

Securities Act File No. 333-124942

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

**Amendment No. 1
to
Form S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

India Globalization Capital, Inc.
(Exact name of Registrant as specified in charter)

Maryland
*(State or other jurisdiction of
incorporation or organization)*

6770
*(Primary Standard Industrial
Classification Code Number)*

20-2760393
*(I.R.S. Employer
Identification Number)*

**4336 Montgomery Ave.
Bethesda, Maryland 20814
(301) 983-0998**
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Ram Mukunda
Chairman, Chief Executive Officer and President
India Globalization Capital, Inc.
4336 Montgomery Ave.
Bethesda, Maryland, 20814
(301) 983-0998
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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

Table of Contents**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Security Being Registered	Amount Being Registered	Maximum Offering Price Per Security	Proposed Maximum Aggregate Offering Price(1)	Amount of Registration Fee
Units, consisting of one share of Common Stock, \$.0001 par value, and two Warrants(2)	23,000,000 Units	\$6.00	\$138,000,000	\$16,242.60
Shares of Common Stock included as part of the Units(2)	23,000,000 Shares			(3)
Warrants included as part of the Units(2)	46,000,000 Warrants			(3)
Shares of Common Stock underlying the Warrants included in the Units(4)	46,000,000 Shares	\$5.00	\$230,000,000	\$27,071.00
Representative's Purchase Option (Option)	1	\$100	\$100	(3)
Units underlying the Option (Representative's Units)(4)	1,000,000	\$7.50	\$7,500,000	\$882.75
Shares of Common Stock included as part of the Representative's Units(4)	1,000,000			(3)
Warrants included as part of the Representative's Units(4)	2,000,000			(3)
Shares of Common Stock underlying Warrants included in the Representative's Units(4)	2,000,000	\$6.25	12,500,000	\$1,471.25
Total			\$388,000,100	\$45,667.60(5)

(1) Estimated solely for the purpose of calculating the registration fee.

(2) Includes 3,000,000 Units and 3,000,000 Shares of Common Stock and 6,000,000 Warrants underlying such Units which may be issued upon exercise of a 45-day option granted to the Underwriters to cover over-allotments, if any.

(3) No fee required pursuant to Rule 457(g).

(4)

Pursuant to Rule 416, there are also registered such indeterminable additional securities as may be issued as a result of the anti-dilution provisions contained in the Warrants or the Option.

- (5) The registrant previously paid \$46,884.61 of this fee on May 13, 2005. The fee has been reduced as a result of a reduction in the Representative s Units from 1,500,000 to 1,000,000 resulting in a corresponding decrease in the Shares of Common Stock included as part of the Representative s Units and underlying the Warrants that are a part of the Representative s Units.

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

Amending the Prospectus, Part II and filing certain exhibits

Table of Contents

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

SUBJECT TO COMPLETION, DATED July 11, 2005

PRELIMINARY PROSPECTUS

\$120,000,000
India Globalization Capital, Inc.
20,000,000 Units

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

This is an initial public offering of our securities. Each unit that we are offering consists of:
 one share of our common stock; and

two warrants.

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

Each warrant entitles the holder to purchase one share of our common stock at a price of \$5.00. Each warrant will become exercisable on the later of our completion of a business combination or _____, 2006 [**one year from the date of this prospectus**], and will expire on _____, 2010 [**five years from the date of this prospectus**], or earlier upon redemption.

We have granted the underwriters a 45-day option to purchase up to 3,000,000 additional units solely to cover over-allotments, if any (over and above the 20,000,000 units referred to above). The over-allotment will be used only to cover the net syndicate short position resulting from the initial distribution. We have also agreed to sell to Ferris, Baker Watts, Inc., the representative of the underwriters, for \$100, an option to purchase up to a total of 1,000,000 units at \$7.50 per unit (125% of the price of the units sold in the offering). The units issuable upon exercise of this option are identical to those offered by this prospectus, except that each of the warrants underlying such units entitles the holder to purchase one share of our common stock at a price of \$6.25 (125% of the exercise price of the warrants included in the units sold in the offering). The purchase option and its underlying securities have been registered under the registration statement of which this prospectus forms a part.

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

Investing in our securities involves a high degree of risk. See Risk Factors beginning on page 9 of this prospectus for a discussion of information that should be considered in connection with an investment in our securities.

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

Public Offering Price	Underwriting Discount and Commission(1)	Proceeds, Before Expenses, to Us
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Per unit	\$	6.00	\$.48	\$	5.52
Total	\$	120,000,000	\$	9,600,000	\$	110,400,000

(1) Includes a non-accountable expense allowance in the amount of 2.5% of the gross proceeds, or \$.12 per unit (\$3,000,000 in total), payable to Ferris, Baker Watts, Inc., the representative of the underwriters.

Of the net proceeds we receive from this offering, \$107,998,000 (approximately \$5.40 per unit) will be deposited into a trust account at United Bank Inc. maintained by Continental Stock Transfer & Trust Company acting as trustee.

We are offering the units for sale on a firm-commitment basis. Ferris, Baker Watts, Inc., acting as representative of the underwriters, expects to deliver our securities to investors in the offering on or about , 2005.

Ferris, Baker Watts

Incorporated

The date of this Prospectus is , 2005

TABLE OF CONTENTS

	Page
<u>Prospectus Summary</u>	1
<u>The Offering</u>	3
<u>Summary Financial Data</u>	9
<u>Risk Factors</u>	10
<u>Forward-Looking Statements</u>	22
<u>Use Of Proceeds</u>	23
<u>Capitalization</u>	25
<u>Dilution</u>	26
<u>Management's Discussion And Analysis Of Financial Condition And Results Of Operations</u>	28
<u>Proposed Business</u>	30
<u>Management</u>	42
<u>Certain Relationships And Related Transactions</u>	46
<u>Principal Stockholders</u>	49
<u>Description Of Securities</u>	51
<u>Underwriting</u>	55
<u>Legal Matters</u>	58
<u>Experts</u>	58
<u>Where You Can Find Additional Information</u>	58
<u>Index to Financial Statements</u>	F-1
<u>Form of Underwriting Agreement</u>	
<u>Amended and Restated Letter Agreement - Ram Mukunda</u>	
<u>Amended and Restated Letter Agreement - John Cherin</u>	
<u>Amended and Restated Letter Agreement - Ranga Krishna</u>	
<u>Form of Warrant Purchase Agreement</u>	
<u>Form of Letter Agreement - Certain Officers and Directors</u>	
<u>Form of Letter Agreement - Special Advisors</u>	
<u>Form of Letter Agreement - Certain Officers, Directors and Special Advisors</u>	
<u>Form of Letter Agreement - Advisor</u>	
<u>Consent of Goldstein Golub Kessler LLP</u>	
<u>Consent of Mega Ace Consultancy</u>	

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

Table of Contents

PROSPECTUS SUMMARY

This summary highlights certain information appearing elsewhere in this prospectus. For a more complete understanding of this offering, you should read the entire prospectus carefully, including the risk factors and the financial statements, and the related notes and schedules thereto. Unless otherwise stated in this prospectus, references to we, us or our refer to India Globalization

Capital, Inc. sometimes referred to herein as IGC, Inc. You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. We are not making an offer of these securities in any jurisdiction where that offer is not permitted. Unless we tell you otherwise, the information in this prospectus assumes that the underwriters have not exercised their over-allotment option.

Unless we tell you otherwise, the term business combination as used in this prospectus means an acquisition of, through a merger, capital stock exchange, asset acquisition or other business acquisition, one or more operating businesses. In addition, unless we tell you otherwise, the term public stockholder as used in this prospectus refers to those persons that purchase the securities offered by this prospectus including any of our existing stockholders that purchase these securities; provided that our existing stockholders status as public stockholders shall exist only with respect to those securities so purchased in the open market. Certain numbers in this prospectus have been rounded.

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

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

In addition, according to Mega Ace Consultancy, an India-based think tank studying the Indian economy, since mid-1991, the Indian government has committed itself to implementing an economic structural reform program with the objective of liberalizing India's exchange and trade policies, reducing the fiscal deficit, controlling inflation, promoting a sound monetary policy, reforming the financial sector, and placing greater reliance on market mechanisms to direct economic activity. According to Mega Ace, a significant component of the program is the promotion of foreign investment in key areas of the economy and the further development of, and the relaxation of restrictions in, the private sector. As a result, we believe the regulatory environment for foreign investment has become more favorable. There are already a number of industry sectors, including, but not limited to, telecommunications, drug and pharmaceuticals, banking and insurance, airports and airlines and mining and petroleum that have been deregulated whereby foreign investors can own and control Indian companies and where profits can be reinvested in India or repatriated to the U.S.

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

Our management team is experienced in starting, financing, growing, operating, sourcing, structuring and consummating business combinations in India as well as in North America, Europe and Asia. Through our management team, directors and our advisors, we believe that we have extensive contacts and sources, including private equity and venture capital funds, public and private companies, investment bankers, attorneys and accountants, from which to generate acquisition opportunities. Our management team intends to

Table of Contents

use its operating and transaction experience to find and evaluate potential target companies and to maintain and build on the relationships that they have developed through their years of experience in the U.S. and Indian business arenas.

While we may seek to effect business combinations with more than one target business, our initial business acquisition must be with one or more operating businesses whose fair market value, collectively, is at least equal to 80% of our net assets at the time of such acquisition. Consequently, if we cannot identify and acquire multiple operating businesses contemporaneously, we will need to identify and acquire a larger single operating business.

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

Table of Contents

THE OFFERING

*In making your decision on whether to invest in our securities, you should take into account not only the backgrounds of the members of our management team, but also the special risks we face as a blank check company, as well as the fact that this offering is not being conducted in compliance with Rule 419 promulgated under the Securities Act of 1933, as amended, and, therefore, you will not be entitled to protections normally afforded to investors in Rule 419 blank check offerings. You should carefully consider these and the other risks set forth in the section below entitled *Risk Factors* beginning on page 9 of this prospectus.*

Securities Offered:	20,000,000 units, at \$6.00 per unit, each unit consisting of: one share of common stock; and two warrants. The units will begin trading on or promptly after the date of this prospectus. Each of the common stock and warrants will trade separately on the 90th day after the date of this prospectus unless Ferris, Baker Watts, Inc. determines that an earlier date is acceptable, based upon its assessment of the relative strengths of the securities market and small capitalization companies in general, and the trading pattern of, and demand for, our securities in particular. In no event will Ferris, Baker Watts, Inc. allow separate trading of the common stock and warrants until we file an audited balance sheet reflecting our receipt of the gross proceeds of this offering. We will file a Current Report on Form 8-K, including an audited balance sheet, upon the consummation of this offering, which is anticipated to take place three business days from the date the units commence trading. The audited balance sheet will include proceeds we receive from the exercise of the over-allotment option if the over-allotment option is exercised prior to the filing of the Current Report on Form 8-K. If the over-allotment option is exercised after our initial filing of a Form 8-K, we will file an amendment to the Form 8-K to provide updated financial information to reflect the exercise of the over-allotment option. We will also include in this Form 8-K, or amendment thereto, or in a subsequent Form 8-K information indicating if Ferris, Baker Watts has allowed separate trading of the common stock and warrants prior to the 90th day after the date of this prospectus.
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Common Stock:	
Number of shares that will be outstanding before this offering:	5,000,000 shares
Number of shares to be outstanding after this offering:	25,000,000 shares

Table of Contents

Warrants:

Number of warrants outstanding before this offering:

0 warrants

Number of warrants to be outstanding after this offering:

40,000,000 warrants

Exercisability:

Each warrant is exercisable for one share of common stock.

Exercise price:

\$5.00

Exercise period:

The warrants will become exercisable on the later of:
the completion of a business combination on terms as described in this prospectus; or
, 2006 [**one year from the date of this prospectus**].

The warrants will expire at 5:00 p.m., Washington, DC time, on , 2010 [**five years from the date of this prospectus**], or earlier upon redemption.

None of the warrants may be exercised until after the consummation of a business combination and, thus, after the proceeds of the trust account have been disbursed. Upon exercise of the warrants and disbursement of the trust, the warrant exercise price will be paid directly to us.

Redemption:

We may redeem the outstanding warrants (including warrants held by Ferris, Baker Watts, Inc. as a result of the exercise of the purchase option):

in whole and not in part;

at a price of \$.01 per warrant at any time after the warrants become exercisable;

upon a minimum of 30 days prior written notice of redemption; and

if, and only if, the last sales price of our common stock equals or exceeds \$8.50 per share for any 20 trading days within a 30 trading day period ending three business days before we send the notice of redemption.

Table of Contents

We have established our redemption criteria to provide warrant holders with a premium to the initial warrant exercise price as well as a reasonable cushion against a negative market reaction, if any, to our redemption call. If the foregoing conditions are satisfied, we will call the warrants and each warrant holder will be entitled to exercise his or her warrants prior to the date scheduled for redemption. There can be no assurance, however, that the price of the common stock will exceed \$8.50 or the warrant exercise price after the redemption call is made.

Proposed American Stock Exchange symbols for our securities:

Units:

Common Stock:

Warrants:

Offering proceeds to be held in trust:

IGCU

IGC

IGCW

\$107,998,000 of the proceeds of this offering (approximately \$5.40 per unit) will be placed in a trust account at United Bank maintained by Continental Stock Transfer & Trust Company acting as trustee, pursuant to an agreement to be signed on the date of this prospectus. These proceeds will not be released until the earlier of (i) the completion of a business combination on the terms as described in this prospectus or (ii) our liquidation. Therefore, unless and until a business combination is consummated, these proceeds held in the trust account will not be available for our use for any expenses related to this offering or expenses which we may incur related to the investigation and selection of a target business and the negotiation of an agreement to effect the business combination. These expenses may be paid prior to a business combination only from the net proceeds of this offering not held in the trust account (initially, approximately \$1,900,000 after the payment of the expenses relating to this offering).

Table of Contents

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

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

Repayment of a \$100,000 loan with interest at the rate of 4% per annum made by our chief executive officer to us to cover offering expenses;

Payment of up to \$7,500 per month to affiliates of our existing stockholders for office space and administrative expenses;

Reimbursement for any expenses incident to the offering and finding a suitable business combination; and

Fees payable to our officers, directors and advisers in kind for services to be rendered.

Table of Contents

The stockholders must approve business combination:

We will seek stockholder approval before we effect our initial business combination, even if the nature of the acquisition would not ordinarily require stockholder approval under applicable state law. In connection with the vote required for our initial business combination, all of our existing stockholders, including all of our officers, directors and special advisors, have agreed to vote the shares of common stock owned by them (whether purchased prior to, during or after the consummation of the offering) in accordance with the majority of the shares of common stock voted by the public stockholders. We will proceed with a business combination only if: (i) a majority of the shares of common stock voted by the public stockholders are voted in favor of the business combination and (ii) public stockholders owning less than 20% of the shares sold in this offering subsequently exercise their conversion rights described below.

Conversion rights for stockholders voting to reject a business combination:

Public stockholders voting against a business combination will be entitled to convert their stock into a pro rata share of the trust account, including any interest earned on their portion of the trust account, if the business combination is approved and consummated.

In order to exercise this right, the public stockholders must make an affirmative election. Voting against a business combination does not automatically trigger the conversion right. Public stockholders who convert their shares of stock into their share of the trust account will continue to have the right to exercise any warrants they may hold.

Table of Contents

Liquidation if no business combination:

We will dissolve and promptly distribute only to our public stockholders the amount in our trust account plus any remaining net assets if we do not effect a business combination within 18 months after consummation of this offering (or within 24 months after the consummation of this offering if a letter of intent, agreement in principle or definitive agreement has been executed within 18 months after consummation of this offering and the business combination relating thereto has not yet been consummated within such 18-month period). The existing stockholders have agreed to waive their respective rights to participate in any liquidation distribution occurring upon our failure to consummate a business combination, but only with respect to those shares of common stock acquired by them prior to this offering; they will participate in any liquidation distribution with respect to any shares of common stock acquired in connection with or following this offering.

Escrow of existing stockholder shares:

On the date of this prospectus, all of our existing stockholders (which includes all of our officers, directors and special advisors) will place the shares of common stock they own prior to this offering into an escrow account maintained by Continental Stock Transfer & Trust Company, acting as escrow agent. Subject to certain limited exceptions, such as transfers to family members and trusts for estate planning purposes and upon death, while in each case remaining in the escrow account, these shares will not be released from escrow until six months after the consummation of a business combination. The shares will only be released prior to that date if we are forced to liquidate, in which case the shares would be destroyed, or if we were to consummate a transaction after the consummation of a business combination which results in all of the stockholders of the combined entity having the right to exchange their shares of common stock for cash, securities or other property.

Table of Contents**Summary Financial Data**

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

	June 30, 2005	
	Actual	As Adjusted(1)
Balance Sheet Data:		
Working capital	\$ (320,500)	\$ 109,908,000
Total assets	366,200	109,908,000
Total liabilities	356,200	
Value of common stock that may be converted to cash (approximately \$5.40 per share)		21,588,800
Stockholders equity	10,000	88,319,200

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

The working capital excludes \$330,500 of costs related to this offering which were paid or accrued prior to June 30, 2005. These deferred offering costs have been recorded as a long-term asset and are reclassified against stockholders equity in the as adjusted column.

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

The working capital (as adjusted) and total assets (as adjusted) amounts include the \$107,998,000 being held in the trust account, which will be available to us only upon the consummation of a business combination within the time period described in this prospectus. If a business combination is not so consummated, we will be dissolved and the proceeds held in the trust account will be distributed solely to our public stockholders.

We will not proceed with a business combination if public stockholders owning 20% or more of the shares sold in this offering vote against the business combination and then subsequently exercise their conversion rights. Accordingly, if public shareholders owning a majority of the shares sold in this offering approve a business combination, we may effect that business combination even if public stockholders owning up to approximately 19.99% of the shares sold in this offering exercise their conversion rights. If this occurs, we would be required to convert to cash up to approximately 19.99% of the 20,000,000 shares of common stock sold in this offering, or 3,998,000 shares of common stock, at an initial per-share conversion price of approximately \$5.40, without taking into account interest earned on the trust account. The actual per-share conversion price will be equal to the amount deposited in the trust account, including all accrued interest, through the record date for the determination of stockholders entitled to vote on the proposed business combination, divided by the number of shares of common stock sold in the offering.

Table of Contents

RISK FACTORS

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

Risks associated with our business

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

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

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

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

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

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

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

Because the net proceeds of this offering are intended to be used to complete a business combination with one or more operating businesses that have not been identified, we may be deemed to be a blank check company under the federal securities laws. However, since we will have net tangible assets in excess of

Table of Contents

\$5,000,000 upon the successful consummation of this offering and our units are being offered at an initial price of \$6.00 per unit, we believe that we are exempt from rules promulgated by the SEC to protect investors of blank check companies such as Rule 419. Accordingly, investors will not be afforded the benefits or protections of those rules. Because we do not believe we are subject to Rule 419, our units will be immediately tradeable and we have a longer period of time within which to complete a business combination in certain circumstances. For a more detailed comparison of our offering to offerings under Rule 419, see the section below entitled Proposed Business Comparison to offerings of blank check companies.

If third parties bring claims against us, the proceeds held in trust could be reduced and the per-share liquidation price received by stockholders will be less than approximately \$5.40 per share.

Our placing of funds in trust may not protect those funds from third party claims against us. Although we will seek to have all vendors, prospective target businesses or other entities we engage execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the trust account for the benefit of our public stockholders, there is no guarantee that they will execute such agreements. Nor is there any guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the trust account for any reason. Accordingly, the proceeds held in trust could be subject to claims which could take priority over the claims of our public stockholders and the per-share liquidation price could be less than approximately \$5.40, plus interest, due to claims of such creditors. If we are unable to complete a business combination and are forced to liquidate, our officers and directors will be personally liable under certain circumstances to ensure that the proceeds in the trust account are not reduced by the claims of various vendors or other entities that are owed money by us for services rendered or products sold to us. However, we cannot assure you that our officers and directors will be able to satisfy those obligations.

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

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

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

Our certificate of incorporation authorizes the issuance of up to 150,000,000 shares of common stock, par value \$.0001 per share and 1,000,000 shares of preferred stock, par value \$.0001 per share. Immediately after this offering (assuming no exercise of the underwriters over-allotment option), there will be 82,000,000 authorized but unissued shares of our common stock available for issuance (after appropriate reservation for the issuance of shares upon full exercise of our outstanding warrants and the purchase option granted to Ferris, Baker Watts, Inc.) and all of the 1,000,000 shares of preferred stock available for issuance. Although we have no commitments as of the date of this offering to issue any securities, we may issue a substantial number of additional shares of our common stock or preferred stock or a combination of both, including through

Table of Contents

convertible debt securities, to complete a business combination. The issuance of additional shares of our common stock including upon conversion of any debt securities:

may significantly reduce the equity interest of investors in this offering;

will likely cause a change in control if a substantial number of our shares of common stock or voting preferred are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and most likely also result in the resignation or removal of our present officers and directors;

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

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

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

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

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

may lead to default and foreclosure on our assets if our operating revenues after a business combination are insufficient to pay our debt obligations;

may cause an acceleration of our obligations to repay the debt even if we make all principal and interest payments when due if we breach the covenants contained in the terms of the debt documents;

may create an obligation to immediately repay all principal and accrued interest, if any, upon demand to the extent any debt securities are payable on demand; and

may hinder our ability to obtain additional financing, if necessary, to the extent any debt securities contain covenants restricting our ability to obtain additional financing while such security is outstanding, or to the extent our existing leverage discourages other potential investors.

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

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

Our ability to successfully effect a business combination will be totally dependent upon the efforts of our key personnel. The future role of our key personnel, particularly Ram Mukunda, our Chairman of the Board, Chief Executive Officer and President and John Cherin, our Chief Financial Officer, Treasurer, and a director following a business combination, however, cannot presently be fully ascertained. Although we expect several of our management and other key personnel, particularly Messrs. Mukunda and Cherin, to remain associated with us following a business combination, we may employ other personnel following the business combination. Moreover, our current management will only be able to remain with the combined company after the consummation of a business combination if they are able to negotiate the same as part of any such combination. If we acquired a target business in an all-cash transaction, it would be more likely that current members of management would remain with us if they chose to do so. If a business combination were structured as a merger whereby the stockholders of the target company were to control the combined company following a business combination, it may be less likely that management would remain with the combined company unless it was negotiated as part of the transaction via the acquisition agreement, an employment agreement or other arrangement. In making the determination as to whether current

management should

Table of Contents

remain with us following the business combination, management will analyze the experience and skill set of the target business management and negotiate as part of the business combination that certain members of current management remain if it is believed that it is in the best interests of the combined company post-business combination. If management negotiates to be retained post-business combination as a condition to any potential business combination, such negotiations may result in a conflict of interest.

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

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

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

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

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

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

Table of Contents

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

All of our directors and our special advisors own stock in our company, but have, with respect to those shares of common stock acquired by them prior to this offering, waived their right to receive distributions upon our liquidation in the event we fail to complete a business combination. Additionally, Mr. Mukunda has agreed with Ferris, Baker Watts, Inc. that he and certain of his affiliates, designees and assignees collectively will use their reasonable best efforts to purchase, in the aggregate up to 1,400,000 warrants in the open market following this offering. Those shares and warrants owned by our directors and our special advisors will be worthless if we do not consummate a business combination. The personal and financial interests of our directors may influence their motivation in identifying and selecting target businesses and completing a business combination in a timely manner. Consequently, our directors and special advisors' discretion in identifying and selecting suitable target businesses may result in a conflict of interest when determining whether the terms, conditions and timing of a particular business combination are appropriate and in our stockholders' best interest.

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

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

make a special written suitability determination for the purchaser;

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

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

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

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

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

The net proceeds from this offering will provide us with approximately \$107,998,000, which we may use to complete a business combination. While we may seek to effect a business combination with more than one target business, our initial business acquisition must be with one or more operating businesses whose fair market value, collectively, is at least equal to 80% of our net assets at the time of such acquisition. At the time of our initial business combination, we may not be able to acquire more than one target business because of various factors, including insufficient financing or the difficulties involved in consummating the contemporaneous acquisition of more than one operating company; therefore, it is probable that we will have the ability to

Table of Contents

complete a business combination with only a single operating business, which may have only a limited number of products or services. The resulting lack of diversification may:

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

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

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

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

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

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

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

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

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

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

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

Table of Contents

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

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

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

Since August 2003, based upon publicly available information, approximately 20 similarly structured blank check companies have completed initial public offerings. Of these companies, only one company has consummated a business combination, while three other companies have announced they have entered into a definitive agreement for a business combination, but have not consummated such business combination. Accordingly, there are approximately 16 blank check companies with more than \$460 million in trust that are seeking to carry out a business plan similar to our business plan. While, like us, some of those companies have specific industries that they must complete a business combination in, a number of them may consummate a business combination in any industry they choose. We may therefore be subject to competition from these and other companies seeking to consummate a business plan similar to ours, which will, as a result, increase demand for privately-held companies to combine with companies structured similarly to ours. Further, the fact that only one of such companies has completed a business combination and three of such companies have entered into a definitive agreement for a business combination may be an indication that there are only a limited number of attractive target businesses available to such entities or that many privately-held target businesses may not be inclined to enter into business combinations with publicly held blank check companies like us. We cannot assure you that we will be able to successfully compete for an attractive business combination. Additionally, because of this competition, we cannot assure you that we will be able to effectuate a business combination within the required time periods. If we are unable to find a suitable target business within such time periods, we will be forced to liquidate.

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

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

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

Upon consummation of our offering, our existing stockholders, including our officers, directors and special advisors, will collectively own 20% of our issued and outstanding shares of common stock (assuming they do not purchase units in this offering).

Table of Contents

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

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

Our existing stockholders paid an aggregate of \$25,000, or an average of approximately \$.005 per share for their shares and, accordingly, you will experience immediate and substantial dilution from the purchase of our common stock.

The difference between the public offering price per share of our common stock and the pro forma net tangible book value per share of our common stock after this offering constitutes the dilution to you and the other investors in this offering. The fact that our existing stockholders acquired their shares of common stock at a nominal price has significantly contributed to this dilution. Assuming the offering is completed, you and the other new investors will incur an immediate and substantial dilution of approximately 29.8% or \$1.79 per share (the difference between the pro forma net tangible book value per share of \$4.21 and the initial offering price of \$6.00 per unit).

Our outstanding warrants may have an adverse effect on the market price of common stock and make it more difficult to effect a business combination.

In connection with this offering, as part of the units, we will be issuing warrants to purchase 40,000,000 shares of common stock (assuming no exercise of the underwriter's over-allotment option). In addition, we have agreed to sell to Ferris, Baker Watts, Inc. an option to purchase up to a total of 1,000,000 units, which, if exercised, will result in the issuance of warrants to purchase an additional 2,000,000 shares of common stock. To the extent we issue shares of common stock to effect a business combination, the potential for the issuance of substantial numbers of additional shares upon exercise of these warrants could make us a less attractive acquisition vehicle in the eyes of a target business as such securities, when exercised, will increase the number of issued and outstanding shares of our common stock and reduce the value of the shares issued to complete the business combination. Accordingly, our warrants may make it more difficult to effectuate a business combination or increase the cost of a target business. Additionally, the sale, or even the possibility of sale, of the shares underlying the warrants could have an adverse effect on the market price for our securities or on our ability to obtain future public financing. If and to the extent these warrants are exercised, you may experience dilution to your holdings.

If our existing stockholders exercise their registration rights, it may have an adverse effect on the market price of our common stock and the existence of these rights may make it more difficult to effect a business combination.

Our existing stockholders are entitled to demand that we register the resale of their shares of common stock in certain circumstances. If our existing stockholders exercise their registration rights with respect to all of their shares of common stock, then there will be an additional 5,000,000 shares of common stock eligible for trading in

Table of Contents

the public market. The presence of this additional number of shares of common stock eligible for trading in the public market may have an adverse effect on the market price of our common stock. In addition, the existence of these rights may make it more difficult to effect a business combination or increase the cost of a target business, as the stockholders of a particular target business may be discouraged from entering into a business combination with us or will request a higher price for their securities as a result of these registration rights and the potential future effect their exercise may have on the trading market for our common stock.

The American Stock Exchange may not accept our application for listing or may delist our securities from quotation on its exchange which could limit investors' ability to make transactions in our securities and subject us to additional trading restrictions.

We have applied to list our securities on the American Stock Exchange, a national securities exchange, upon consummation of this offering. We cannot assure you that our securities will be listed or continue to be listed on the American Stock Exchange in the future prior to a business combination. Additionally, in connection with our business combination, it is likely that the American Stock Exchange may require us to file a new initial listing application and meet its initial listing requirements as opposed to its more lenient continued listing requirements. We cannot assure you that we will be able to meet those initial listing requirements at that time.

If the American Stock Exchange delists our securities from trading on its exchange, we could face significant material adverse consequences including:

- a limited availability of market quotations for our securities;

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

- a limited amount of news and analyst coverage for our company; and

- a decreased ability to issue additional securities or obtain additional financing in the future.

There is currently no market for our securities and a market for our securities may not develop, which could adversely affect the liquidity and price of our securities.

There is no market for our securities. Therefore, stockholders should be aware that they cannot benefit from information about prior market history as to their decisions to invest which means they are at further risk if they invest. In addition, the price of the securities, after the offering, can vary due to general economic conditions and forecasts, our general business condition and the release of our financial reports.

Furthermore, an active trading market for our securities may never develop or, if developed, it may not be maintained. Investors may be unable to sell their securities unless a market can be established or maintained.

If we are deemed to be an investment company, we may be required to institute burdensome compliance requirements and our activities may be restricted, which may make it difficult for us to complete a business combination.

If we are deemed to be an investment company under the Investment Company Act of 1940, as amended, our activities may be restricted, including:

- restrictions on the nature of our investments; and

- restrictions on the issuance of securities, each of which may make it difficult for us to complete a business combination.

In addition, we may have imposed upon us burdensome requirements, including:

- registration as an investment company;

Table of Contents

adoption of a specific form of corporate structure; and

reporting, record keeping, voting, proxy and disclosure requirements and other rules and regulations.

We do not believe that our anticipated principal activities will subject us to the Investment Company Act of 1940. To this end, the proceeds held in trust may only be invested by the trust agent in government securities with specific maturity dates. By restricting the investment of the proceeds to these instruments, we intend to meet the requirements for the exemption provided in Rule 3a-1 promulgated under the Investment Company Act of 1940. If we were deemed to be subject to the act, compliance with these additional regulatory burdens would require additional expense that we have not allotted for.

Risks associated with companies with primary operations in India.

India has different corporate disclosure, governance and regulatory requirements than those in the United States which may make it more difficult or complex to consummate a business combination.

Companies in India are subject to accounting, auditing, regulatory and financial standards and requirements that differ, in some cases significantly, from those applicable to public companies in the United States, which may make it more difficult or complex to consummate a business combination. In particular, the assets and profits appearing on the financial statements of an Indian company may not reflect its financial position or results of operations in the way they would be reflected had such financial statements been prepared in accordance with GAAP. There is substantially less publicly available information about Indian companies than there is about United States companies. Moreover, companies in India are not subject to the same degree of regulation as are United States companies with respect to such matters as insider trading rules, tender offer regulation, shareholder proxy requirements and the timely disclosure of information.

Legal principles relating to corporate affairs and the validity of corporate procedures, directors' fiduciary duties and liabilities and shareholders' rights for Indian corporations may differ from those that may apply in the U.S., which may make the consummation of a business combination with an Indian company more difficult. We therefore may have more difficulty in achieving our business objective.

Foreign currency fluctuations could adversely affect our ability to achieve our business objective.

Because our business objective is to acquire one or more operating businesses with primary operations in India, changes in the U.S. dollar - Indian rupee exchange rate may affect our ability to achieve such objective. The exchange rate between the Indian rupee and the U.S. dollar has changed substantially in the last two decades and may fluctuate substantially in the future. If the U.S. dollar declines in value against the Indian rupee, any business combination will be more expensive and therefore more difficult to complete. Furthermore, we may incur costs in connection with conversions between U.S. dollars and Indian rupees, which may make it more difficult to consummate a business combination.

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

Following a business combination, we will be subject to India's rules and regulations on currency conversion. In India, the Foreign Exchange Regulation Act or FERA, regulates the conversion of the Indian rupee into foreign currencies. FERA provisions previously imposed restrictions on locally incorporated companies with foreign equity holdings in excess of 40% known as FERA companies. Following a business combination, we will likely be a FERA company as a result of our ownership structure. However, comprehensive amendments have been made to FERA to add strength to the liberalizations announced in their recent economic policies. Such companies are now permitted to operate in India without any special restrictions, effectively placing them on par with wholly Indian owned companies. In addition, foreign exchange controls have been substantially relaxed. Notwithstanding, the Indian foreign exchange market is not yet fully developed and we cannot assure you that the Indian authorities will not revert back to regulating FERA companies and impose new restrictions on the convertibility of the Rupee. Any future restrictions on

Table of Contents

currency exchanges may limit our ability to use our cash flow for the distribution of dividends to our shareholders or to fund operations we may have outside of India.

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

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

We intend to avail ourselves of income tax treaties with India to seek to minimize any Indian withholding tax or local tax otherwise imposed. However, there is no assurance that the Indian tax authorities will recognize application of such treaties to achieve a minimization of Indian tax. We may also elect to create foreign subsidiaries to effect the business combinations to attempt to limit the potential tax consequences of a business combination.

Certain sectors of the Indian economy are subject to government regulations that limit foreign ownership, which may adversely affect our ability to achieve our business objective which is to acquire one or more operating businesses with primary operations in India.

The Indian government prohibits investments in certain sectors and limits the ownership in certain other sectors. We intend to avoid sectors in which foreign investment is disallowed. This could limit the possible number of acquisitions that are available for investment. The Indian government also regulates investments in certain other sectors (e.g. banking) by increasing the amount of ownership over time. The management team will evaluate the risk associated with investments in sectors in which ownership is restricted. However, there can be no guarantee that management will be correct in its assessment of political and policy risk associated with investments in general and in particular in sectors that are regulated by the Indian government. Any changes in policy could have an adverse impact on our ability to achieve our business objective which is to acquire one or more operating businesses with primary operations in India.

If the relevant Indian authorities find us or the target business with which we ultimately complete a business combination to be in violation of any existing or future Indian laws or regulations, they would have broad discretion in dealing with such a violation, including, without limitation:

Levying fines;

Revoking our business and other licenses; and

Requiring that we restructure our ownership or operations.

The requirement that Indian companies provide accounting statements that are in compliance with U.S. Generally Accepted Accounting Principles (GAAP) may limit the potential number of acquisition targets.

To meet the requirements of the United States Federal securities laws, in order to seek stockholder approval of a business combination, a proposed target business will be required to have certain financial statements which are prepared in accordance with, or which can be reconciled to GAAP and audited in accordance with U.S. Generally Accepted Auditing Standards (GAAS). GAAP and GAAS compliance may limit the potential number of acquisition targets.

Table of Contents

If political relations between the U.S. and India weaken, it could make a target business operations less attractive.

The relationship between the United States and India may deteriorate over time. Changes in political conditions in India and changes in the state of Indian-U.S. relations are difficult to predict and could adversely affect our future operations or cause potential target businesses to become less attractive. This could lead to a decline in our profitability. Any weakening of relations with India could have a material adverse effect on our operations after a successful completion of a business combination.

Because the Indian judiciary will determine the scope and enforcement under Indian law of almost all of our target business material agreements, we may be unable to enforce our rights inside and outside of India.

Indian law will govern almost all of our target business material agreements, some of which may be with Indian governmental agencies. We cannot assure you that the target business or businesses will be able to enforce any of their material agreements or that remedies will be available outside of India. The inability to enforce or obtain a remedy under any of our future agreements may have a material adverse impact on our future operations.

Table of Contents

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements, including, among others, (a) our expectations about possible business combinations, (b) our growth strategies, (c) our future financing plans, and (d) our anticipated needs for working capital. Forward-looking statements, which involve assumptions and describe our future plans, strategies, and expectations, are generally identifiable by use of the words may, should, expect, anticipate, approximate, estimate, believe, intend, plan, or project, or the negative of these words or other variations on these words or comparable terminology. This information may involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed or implied by any forward-looking statements. These statements may be found in this prospectus. Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the risks outlined under Risk Factors and matters described in this prospectus generally. In light of these risks and uncertainties, the events anticipated in the forward-looking statements may or may not occur. These statements are based on current expectations and speak only as of the date of such statements. We undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of future events, new information or otherwise.

The information contained in this prospectus identifies important factors that could adversely affect actual results and performance. Prospective investors are urged to carefully consider such factors.

All forward-looking statements attributable to us are expressly qualified in their entirety by the foregoing cautionary statements.

Table of Contents**USE OF PROCEEDS**

We estimate that the net proceeds of this offering will be set forth in the following table:

	Without Over- Allotment Option	With Over- Allotment Option
<i>Gross proceeds</i> (1)	\$ 120,000,000	\$ 138,000,000
<i>Offering expenses</i> (2)		
Underwriting discount (5.5% of gross proceeds)	6,600,000	7,590,000
Underwriting non-accountable expense allowance (2.5% of gross proceeds without the over-allotment option)	3,000,000	3,000,000
Legal fees and expenses (including blue sky services and expenses)	300,000	300,000
Miscellaneous expenses	42,032.39	42,032.39
Printing and engraving expenses	50,000	50,000
Accounting fees and expenses	25,000	25,000
SEC registration fee	45,667.60	45,667.60
NASD registration fee	39,300.01	39,300.01
<i>Net proceeds</i>		
Held in trust	107,998,000	125,008,000
Not held in trust	1,900,000	1,900,000
Total net proceeds	\$ 109,898,000	\$ 126,908,000
<i>Use of net proceeds not held in trust</i>		
Legal, accounting and other expenses attendant to the due diligence investigations, structuring and negotiation of a business combination	400,000	(21.05)%
Due diligence of prospective target businesses	300,000	(15.79)%
Legal and accounting fees relating to SEC reporting obligations	150,000	(7.90)%
Administrative fees relating to office space (\$7,500 per month for 24 months)	180,000	(9.47)%
Working capital to cover travel, miscellaneous expenses, (including potential deposits, down payments or funding of a no-shop provision with respect to a prospective business combination) D&O insurance and reserves	870,000	(45.79)%
Total(3)	\$ 1,900,000	100.00%

(1) Excludes the payment of \$100 from Ferris, Baker Watts, Inc. for its purchase option, proceeds from the sale of units under the purchase option and proceeds from the exercise of any warrants.

(2) A portion of the offering expenses have been paid from the funds we received from Mr. Mukunda as described below. These funds will be repaid out of the proceeds of this offering not being placed in trust upon consummation

of this offering.

- (3) Rounded to the nearest whole percentage. Excludes a fee payable to Ferris, Baker Watts equal to two percent (2%) of the consideration of any business combination by us up to a maximum fee of \$2,000,000.

We intend to use the proceeds from the sale of the units to acquire one or more operating businesses with primary operations in India.

Of the net proceeds, \$107,998,000, or \$125,008,000 if the underwriters' over-allotment option is exercised in full, of net proceeds will be placed in a trust account at United Bank maintained by Continental Stock Transfer & Trust Company acting as trustee. The proceeds will not be released from the trust account until the earlier of the completion of a business combination or our liquidation. The proceeds held in the trust account may be used as consideration to pay the sellers of a target business with which we ultimately complete a business combination. Any amounts not paid as consideration to the sellers of the target business may be used to finance operations of the target businesses. While it is difficult to determine what the specific operating expenses of a target business may entail, we expect that they may include some or all of the following: capital expenditures, expenditures for future projects, general ongoing expenses including supplies and payroll, expanding markets and strategic acquisitions or alliances.

We have agreed to pay Integrated Global Networks, LLC or IGN, LLC, an affiliate of Mr. Mukunda, a monthly fee of \$7,500 for general and administrative services including office space, utilities and secretarial support. This arrangement is for our benefit and is not intended to provide Mr. Mukunda, the Chief

Table of Contents

Executive Officer of IGN, LLC and our Chairman, Chief Executive Officer and President, with compensation in lieu of salary. We believe, based on rents and fees for similar services in the Washington, DC metropolitan area, that the fee charged by IGN, LLC is at least as favorable as we could have obtained from an unaffiliated third party. However, because our directors may not be deemed independent, we did not have the benefit of disinterested directors approving the transaction.

We intend to use the excess working capital (approximately \$1,900,000) for director and officer liability insurance premiums (approximately \$125,000), with the balance being held in reserve for other expenses of travel to India, due diligence, legal accounting, and other expenses of structuring and negotiating business combinations, as well as for reimbursement of any out-of-pocket expenses incurred by our existing stockholders in connection with activities on our behalf as described below. We believe that the excess working capital will be sufficient to cover the foregoing expenses and reimbursement costs.

We may not use all of the proceeds in the trust in connection with a business combination, either because the consideration for the business combination is less than the proceeds in trust or because we financed a portion of the consideration with our capital stock or debt securities. In that event, the proceeds held in the trust account as well as any other net proceeds not expended will be used to finance the operations of the target businesses, which may include subsequent acquisitions.

Mr. Mukunda has loaned a total of \$100,000 to us for the payment of offering expenses. The loan bears interest at a rate of 4% per year and will be payable on the earlier of April 30, 2006 or the consummation of this offering. The loan will be repaid out of the net proceeds of this offering not being placed in trust.

The net proceeds of this offering that are not immediately required for the purposes set forth above will be invested only in United States government securities, defined as any Treasury Bill issued by the United States having a maturity of 180 days or less so that we are not deemed to be an investment company under the Investment Company Act of 1940. The interest income derived from investment of the net proceeds not held in trust during this period will be used to defray our general and administrative expenses, as well as costs relating to compliance with securities laws and regulations, including associated professional fees, until a business combination is completed.

We believe that, upon consummation of this offering, we will have sufficient available funds to operate for at least the next 24 months, assuming that a business combination is not consummated during that time.

We intend to allocate \$300,000 of the proceeds not held in trust for expenses incurred in examining and evaluating prospective target businesses. Mr. Mukunda will supervise this process and we expect that he will devote substantially all of his time to our business once we have signed a term sheet with a target business. We anticipate that Mr. Mukunda will be assisted in his efforts by the officers and advisors of the Company, together with the Company's outside attorneys, accountants and other representatives. Other than IGN, LLC, we will not pay compensation of any kind (including finder's and consulting fees) to the Company's directors, officers, employees, stockholders or special advisors or their respective affiliates for services rendered to us prior to or in connection with the consummation of the business combination. However, our existing stockholders will receive reimbursement for any out-of-pocket expenses incurred by them in connection with activities on our behalf, such as identifying potential target businesses and performing due diligence on suitable business combinations. Since the role of present management after a business combination is uncertain, we have no ability to determine what remuneration, if any, will be paid to those persons after a business combination. These reimbursements may be paid from the \$300,000 allocated for due diligence.

A public stockholder will be entitled to receive funds from the trust account (including interest earned on his, her or its portion of the trust account) only in the event of our liquidation upon our failure to complete a business combination or if that public stockholder were to seek to convert such shares into cash in connection with a business combination which the public stockholder voted against and which we actually consummate. In no other circumstances will a public stockholder have any right or interest of any kind to or in the trust account.

Table of Contents**CAPITALIZATION**

The following table sets forth our capitalization at June 30, 2005 and as adjusted to give effect to the sale of our units and the application of the estimated net proceeds derived from the sale of our units:

	June 30, 2005	
	Actual	As Adjusted
	(Audited)	
Note payable to stockholder	\$ 100,000	\$
Common Stock, \$.0001 par value 0 and 3,998,000 shares which are subject to possible conversion, shares at conversion value		21,588,800
Stockholders equity		
Preferred stock, \$.0001 par value, 1,000,000 shares authorized; none issued and outstanding		
Common stock, \$.0001 par value, 150,000,000 shares authorized; 5,000,000 shares issued and outstanding, 21,002,000 shares issued and outstanding (excluding 3,998,000 shares which are subject to possible conversion), as adjusted	500	2,100
Additional paid-in capital	24,500	88,332,100
Deficit accumulated during the development stage	(15,000)	(15,000)
Total stockholders equity	10,000	88,319,200
Total capitalization	\$ 10,000	\$ 109,908,000

If we consummate a business combination, the conversion rights afforded to our public stockholders may result in the conversion into cash of up to approximately 19.99% of the aggregate number of shares sold in this offering at a per-share conversion price equal to the amount in the trust account, inclusive of any interest thereon, as of the record date for determination of stockholders entitled to vote on a proposed business combination, divided by the number of shares sold in this offering.

Table of Contents**DILUTION**

The difference between the public offering price per share of common stock, assuming no value is attributed to the warrants included in the units, and the pro forma net tangible book value per share of our common stock after this offering constitutes the dilution to investors in this offering. Net tangible book value per share is determined by dividing our net tangible book value, which is our total tangible assets less total liabilities (including the value of common stock that may be converted into cash), by the number of outstanding shares of our common stock.

At June 30, 2005, our net tangible book value was a deficiency of approximately \$320,500, or approximately \$(0.06) per share of common stock. After giving effect to the sale of 20,000,000 shares of common stock included in the units (but excluding shares underlying the warrants included in the units), and the deduction of underwriting discounts and estimated expenses of this offering, our pro forma net tangible book value (as decreased by the value of 3,998,000 shares of common stock which may be converted into cash) as of June 30, 2005 would have been approximately \$88,319,200 or approximately \$4.21 per share, representing an immediate increase in net tangible book value of \$4.27 per share to the existing stockholders and an immediate dilution of \$1.79 per share or approximately 29.8% to new investors not exercising their conversion rights.

The following table illustrates the dilution to the new investors on a per-share basis, assuming no value is attributed to the warrants included in the units:

Public offering price		\$ 6.00
Net tangible book value before this offering	\$ (0.06)	
Increase attributable to new investors	4.27	
Pro forma net tangible book value after this offering		4.21
Dilution to new investors		\$ 1.79

Our pro forma net tangible book value after this offering has been reduced by approximately \$21,588,800 because if we effect a business combination, the conversion rights to the public stockholders may result in the conversion into cash of up to approximately 19.99% of the aggregate number of the shares sold in this offering at a per-share conversion price equal to the amount in the trust account calculated as of the record date for determination of stockholders entitled to vote on a proposed business consummation, inclusive of any interest, divided by the number of shares sold in this offering.

The following table sets forth information with respect to our existing stockholders and the new investors:

	Shares Purchased		Total Consideration		Average Price per Share
	Number	Percentage	Amount	Percentage	
Existing stockholders	5,000,000	20%	\$ 25,000	.0208%	\$.005
New investors	20,000,000	80%	\$ 120,000,000	99.9792%	6.00
Total	25,000,000	100.00%	\$ 120,025,000	100.00%	

Table of Contents

Our pro forma net tangible book value after this offering is calculated as follows:

Numerator:

Net tangible book value before this offering	\$ (320,500)
Proceeds from this offering	109,898,000
Offering costs excluded from net tangible book value before this offering	330,500
Less: Proceeds held in trust subject to conversion to cash ($\$107,998,000 \times 19.99\%$)	(21,588,800)
	\$ 88,319,200

Denominator:

Shares of common stock outstanding prior to this offering	5,000,000
Shares of common stock included in the units offered	20,000,000
Less: Shares subject to conversion ($20,000,000 \times 19.99\%$)	(3,998,000)
	21,002,000

Table of Contents

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

We were formed on April 29, 2005, as a blank check company for the purpose of acquiring, through a merger, capital stock exchange, asset acquisition or other similar business combination, one or more businesses in an unspecified industry, with operations primarily in India. We do not have any specific merger, capital stock exchange, asset acquisition or other similar business combination under consideration and have not had any discussions, formal or otherwise, with respect to such a transaction. We intend to use cash derived from the proceeds of this offering, our capital stock, debt or a combination of cash, capital stock and debt, to effect a business combination.

The issuance of additional capital stock, including upon conversion of any convertible debt securities we may issue, or the incurrence of debt could have material consequences on our business and financial condition. The issuance of additional shares of our capital stock (including upon conversion of convertible debt securities):

may significantly reduce the equity interest of our stockholders;

will likely cause a change in control if a substantial number of our shares of common stock or voting preferred stock are issued, which may affect, among other things, our ability to use our net operating loss carry forwards, if any, and may also result in the resignation or removal of one or more of our present officers and directors;

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

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

Similarly, the incurrence of debt:

may lead to default and foreclosure on our assets if our operating revenues after a business combination are insufficient to pay our debt obligations;

may cause an acceleration of our obligations to repay the debt even if we make all principal and interest payments when due if we breach the covenants contained in the terms of the debt documents, such as covenants that require the maintenance of certain financial ratios or reserves, without a waiver or renegotiation of such covenants;

may create an obligation to immediately repay all principal and accrued interest, if any, upon demand to the extent any debt securities are payable on demand; and

may hinder our ability to obtain additional financing, if necessary, to the extent any debt securities contain covenants restricting our ability to obtain additional financing while such security is outstanding, or to the extent our existing leverage discourages other potential investors.

To date, our efforts have been limited to organizational activities. We have neither engaged in any operations nor generated any revenues to date.

We estimate that the net proceeds from the sale of the units will be \$109,898,000 (or \$126,908,000 if the underwriters' over-allotment is exercised in full), after deducting offering expenses of approximately \$502,000 and underwriting discounts of approximately \$9,600,000 (or \$10,590,000 if the underwriters' over-allotment option is exercised in full), including \$3,000,000 evidencing the underwriters' non-accountable expense allowance of 2.5% of the gross proceeds. Of this amount, \$107,998,000, or \$125,008,000 if the underwriters' over-allotment option is exercised in full, will be held in trust and the remaining \$1,900,000 in either case will not be held in trust. We will use substantially all of the net proceeds of this offering to acquire one or more operating businesses, including identifying and evaluating prospective acquisition candidates, selecting one or more operating businesses, and structuring, negotiating and consummating the business combination. However, we may not use all of the proceeds in the trust in connection with a business combination, either because the consideration for the business combination is less than the proceeds in trust or because we finance

Table of Contents

a portion of the consideration with our capital stock or debt securities. In that event, the proceeds held in the trust account as well as any other net proceeds not expended will be used to finance the operations of the target business or businesses.

In the event that we consummate a business combination, the proceeds held in the trust account will be used for the following purposes:

Payment of the purchase price for the business combination;

Payment of the fees and costs due to Ferris, Baker Watts, Inc. as financial advisor to the company;

Payment of any finder's fees or professional fees and costs; and

Payment of any fees and costs the Company may incur in connection with any equity or debt financing relating to the business combination.

We believe that, upon consummation of this offering, the funds available to us outside of the trust account will be sufficient to allow us to operate for at least the next 24 months, assuming that a business combination is not consummated during that time. Over this time period, we anticipate making the following expenditures:

approximately \$400,000 of expenses for legal, accounting and other expenses attendant to the due diligence investigations, structuring and negotiating of a business combination;

&nb