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India Globalization Capital Announces the Exchange of Outstanding Promissory Note for New Note

BETHESDA, MD--(Marketwire - February 28, 2011) - **India Globalization Capital, Inc.** (NYSE Amex: **IGC**), a company competing in the rapidly growing materials and infrastructure industry in India, today announced that it consummated the exchange of an outstanding promissory note for a new note and shares of the Company's common stock.

Pursuant to a Note and Share Purchase Agreement with Bricoleur Partners, L.P. ("Bricoleur"), the Company exchanged an unsecured promissory note in the principal amount of \$1,800,000 and 688,500 shares of its common stock for the previously outstanding unsecured promissory note issued to Bricoleur in the initial principal amount of \$2,000,000 which was due in October 2010. The lower principal amount of the new note reflects a \$200,000 principal payment made by the Company in December 2010 on the original note. The new note is due and payable on June 30, 2011 with no payments due until that date. Like the prior note, the new note bears no interest and may be prepaid in whole or in part at any time without penalty or premium. Unlike the prior note, which required the Company to use a portion of the proceeds of subsequent financings or certain other transactions to make prepayments of the prior note, the new note does not have any mandatory prepayment provisions.

Mr. Robert Poole, Member of the Management Board of Bricoleur Partners, L.P., remarked: "The management of IGC has worked tirelessly to assemble the foundations of success as an Indian infrastructure company. Clearly, the financial crisis and the port closings in Karnataka have delayed IGC's financial progress, yet we clearly see the tremendous opportunity for IGC in India. I have observed the quarry operations ramping up and met a strong management team in India that I believe are prepared to execute on the opportunities there."

"We are pleased that Mr. Poole visited our rock aggregate quarries and iron ore export facilities in India and are grateful for his expression of confidence in our business," stated Mr. Ram Mukunda, CEO of India Globalization Capital, Inc.

About IGC:

Based in Bethesda, Maryland, India Globalization Capital (IGC) is a materials and construction company operating in India. Through our subsidiaries in India, we supply iron ore to China and rock aggregate to the infrastructure industry in India. We also execute infrastructure projects like building interstate highways, rural roads, and implement civil works in high temperature cement and steel plants. For more information about IGC, please visit the company's web site at www.indiaglobalcap.com.

Forward-looking Statements:

Some of the statements contained in this press release that are not historical facts constitute forward-looking statements under the federal securities laws. Forward-looking statements can be identified by the use of the words "may," "will," "should," "could," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "intends," "potential," "proposed," or "continue" or the negative of those terms. These statements reflect management's current views and are subject to risks and uncertainties that could cause actual results to differ materially from those projected, expressed or implied in these statements. Factors that could cause actual results to differ, relate to: (i) ability of the

Company to successfully execute on contracts and business plans, (ii) ability to raise capital and the structure of such capital including the exercise of warrants, (iii) exchange rate changes between the U.S. dollar and the Indian rupee, (iv) weather conditions in India and (v) the ability of the Company to access ports on the west coast of India. Readers are cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise. Other factors and risks that could cause or contribute to actual results differing materially from such forward looking statements have been discussed in greater detail in the Company's amended Annual Report on Form 10-K for the year ended March 31, 2010 filed with the Securities and Exchange Commission and the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2010 filed with the Securities and Exchange Commission.

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