

**SOURCE: India Globalization Capital, Inc.**



March 25, 2011 16:30 ET

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

BETHESDA, MD--(Marketwire - March 25, 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 the Steven M. Oliveira 1998 Charitable Remainder Unitrust ("Oliveira"), the Company exchanged an unsecured promissory note in the principal amount of \$2,120,000 and 368,339 shares of its common stock for the previously outstanding unsecured promissory note issued to Oliveira in the initial principal amount of \$2,120,000. The new note is due and payable on March 24, 2012. The new note bears an annual interest rate of 30% and provides for twelve monthly payments of principal and interest in the amount of \$206,673.00, starting in April 2011, which can be paid either in cash or shares of the Company's common stock, at the discretion of the Company. The prior note bore no interest, did not require monthly payments and did not give the Company the option to pay the note in shares of common stock. The new note may be prepaid in whole or in part at any time without penalty or premium and does not have any mandatory prepayment provisions. The prior note required the Company to use a portion of the proceeds of subsequent financings or certain other transactions to make prepayments of the prior note.

If the Company elects to make a payment in shares of its common stock, the per share price of such common stock shall be calculated as the lower of (i) 95% of the volume-weighted average price per share over the five trading days immediately prior to and including the fifth day of the month in which the payment is due (the "Computation Date") or (ii) 100% of the volume-weighted average price per share on the Computation Date. The Company has registered for listing with the NYSE Amex an aggregate of 1,570,000 shares of its common stock for issuance to Oliveira in connection with the Purchase Agreement. To the extent that the Company wishes to issue shares in excess of that amount to Oliveira in payment of the new note it will first be required to obtain the approval of its stockholders pursuant to Section 713 of the NYSE Amex Rules.

### **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](http://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.