

SOURCE: India Globalization Capital, Inc.



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India Globalization Capital Obtains Release of Restricted Cash

BETHESDA, MD--(Marketwire – June 14, 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 won the release of approximately \$1 Million of restricted cash that had been used as collateral on a large construction contract.

In 2008, TBL our construction subsidiary had used cash to secure a bank guarantee that was used as a bond for a large construction contract that it won. The completion of the contract was delayed, arguably, because the Government of India was unable to secure enough land to build the entire road. Subsequently, we protested the delay and moved the construction equipment earmarked for this road project and redeployed it into the quarrying business. TBL and the National Highway Authority of India (NHAI) wrestled over the disposition of the contract for almost two years with the NHAI eventually agreeing to a mutual release and a release of all performance collaterals held against the contract.

Ram Mukunda, CEO of India Globalization Capital, commented, "We are pleased to finally gain closure on this settlement. We expect to deploy the cash towards our quarrying and iron ore business in India. We continue to diligently pursue collection of two other arbitration awards amounting to over \$3 Million. "

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 both the Company's amended Annual Report on Form 10-K for the year ended March 31, 2010 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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