

SOURCE: India Globalization Capital, Inc.



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IGC Awarded Recovery of Investment Through the Collection of Royalty Taxes

BETHESDA, MD—(Marketwire - July 11, 2011) - **India Globalization Capital, Inc.** (NYSE AMEX: IGC) a company competing in the rapidly growing materials and infrastructure industry in India, announced that it was awarded the right to recover its investment in one of its rock quarry sites through the collection and retention of royalty payments and taxes.

IGC through IGC-MPL, one of its subsidiaries in India, created a partnership in which IGC owns 49% and the owner of a parcel of land, in which the quarry is located, owns 51%. The quarry is located in Panchgaon near Nagpur. The quarry is fully operational and produces around 40,000 metric tons of rock aggregate per month. The quarry uses state of the art crushers made by the by the Finland based company Metso. The quarry's capacity is being expanded to produce around 60,000 metric tons of rock aggregate per month. IGC also operates a second crusher near Nagpur at Kelzar.

In order to promote investments in certain industries including quarrying, the Government of Maharashtra instituted a tax rebate. The tax rebate allows the quarry operators to recover their entire investment through the collection of taxes. IGC was recently granted the right to retain up to \$2.68 million in sales taxes and royalty taxes collected through the sale of rock aggregate. This figure amounts to the investment made to develop the rock quarry including infrastructure and machinery.

"We are very happy to see that our application was approved. We hope that our application for a similar refund at Kelzar will also be approved. It is our expectation that the two crushers will be cash flow positive in the coming months. As the model for crushers proves itself through the generation of positive earnings and a strong return on invested capital, we are planning to expand the model and build out several more quarries," said Ram Mukunda, IGC's CEO.

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. 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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