

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



November 21, 2011 18:21 ET

## **India Globalization Capital Announces Financial Results for Second Quarter Fiscal Year 2012**

BETHESDA, MD--(Marketwire- November 21, 2011) - India Globalization Capital, Inc. (NYSE Amex: [IGC](#)), a company competing in the rapidly growing materials and infrastructure industry in India, announced financial results for the second quarter of fiscal year 2012 ended September 30, 2011.

Ram Mukunda CEO of IGC said, "This quarter the team has been focused on the announced acquisition of Ironman. This has involved completing the financial and legal due diligence, drafting a proxy statement with pro forma financials and testing iron ore samples in the Ironman plant in China to determine the optimal grade and price points at which low grade ore can be shipped to China for processing in the plant. We are excited about the potential synergies and growth opportunities this acquisition provides. We believe the acquisition will be highly accretive to the stock. In the next week, or so, we will announce a great deal more information on Ironman including the financials pro forma financials and an outlook."

Total revenue for IGC was \$912 thousand for the three months ended September 30, 2011, as compared to \$1,682 for the three months ended September 30, 2010. The revenue reported does not include revenue of about \$642 thousand that was generated by our joint venture. The primary reason for the decrease in revenues continues to be the temporary ban on mining and export of iron ore from the state of Karnataka, India.

The selling general and administrative expenses (SG&A) were \$652 thousand for the three months ended September 30, 2011 compared to \$764 thousand for the three months ended September 30, 2010. The selling, general and administrative expenses this quarter were slightly larger than expected because of expenses involving the Ironman acquisition.

For the three months ended September 30, 2011, the Company has recorded an income amounting to \$26 thousand resulting from its share in the joint venture that is reflected as another investment in the balance sheet. The joint venture primarily operates in the rock aggregate crushing and trading business. We are also entitled to an interest on the capital that is invested in this joint venture. The joint venture operates one crusher and for the three months ended September 30, 2011, generated revenue of approximately \$642 thousand, which is not reflected in the consolidated revenue.

Consolidated net loss for the three months ended September 30, 2011 was \$798 thousand compared to a consolidated net loss of \$859 thousand for the three months ended September 30, 2010.

The Company reported a GAAP net loss of (\$0.04) per basic share versus a GAAP net loss of (\$0.04) per basic share for the period ended September 30, 2010.

As of September 30, 2011, the Company's stockholders' equity was approximately \$6,295,963 compared to \$7,292,859 for the period ended March 31, 2011. The Company reported total assets of approximately \$16.1 million on September 30, 2011 versus approximately \$18.16 million on March 31, 2011. The Company reported cash, cash equivalents, and restricted cash used as deposits of approximately \$2.47 million. The Company reported notes payable and short-term borrowings of \$4,303,722 as of September 30, 2011 versus \$4,821,343 as of March 31, 2011.

**INDIA GLOBALIZATION CAPITAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

*All amounts in USD except share data*

|   | As of                        |                                |
|---|------------------------------|--------------------------------|
|   | Sept 30, 2011<br>(unaudited) | March 31,<br>2011<br>(audited) |
| <b>ASSETS</b>   |                              |                                |
| Current assets:   |                              |                                |
| Cash and cash equivalents   | \$ 766,829                   | \$ 1,583,284                   |
| Accounts receivable, net of allowances  | 2,381,247                    | 3,312,051                      |
| Inventories   | 103,729                      | 133,539                        |
| Advance taxes   | 41,452                       | 41,452                         |
| Prepaid expenses and other current assets   | 2,486,594                    | 1,474,838                      |
| <b>Total current assets</b>   | <b>\$ 5,779,851</b>          | <b>\$ 6,545,164</b>            |
| Goodwill  | 334,723                      | 410,454                        |
| Property, plant and equipment, net  | 996,704                      | 1,231,761                      |
| Investments in affiliates   | 6,271,815                    | 6,428,800                      |
| Investments-others  | 859,197                      | 877,863                        |
| Restricted cash   | 1,705,734                    | 1,919,404                      |
| Other non-current assets  | 145,716                      | 748,623                        |
| <b>Total assets</b>   | <b>\$ 16,093,740</b>         | <b>\$ 18,162,069</b>           |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>   |                              |                                |
| Current liabilities:  |                              |                                |
| Short-term borrowings   | \$ 818,468                   | \$ 901,343                     |
| Trade payables  | 1,174,104                    | 1,311,963                      |
| Accrued expenses  | 390,344                      | 349,149                        |
| Notes payable   | 3,485,254                    | 3,920,000                      |
| Other current liabilities   | 116,627                      | 94,892                         |
| <b>Total current liabilities</b>  | <b>\$ 5,984,797</b>          | <b>\$ 6,577,347</b>            |
| Other non-current liabilities   | 730,596                      | 1,209,479                      |
| <b>Total liabilities</b>  | <b>\$ 6,715,393</b>          | <b>\$ 7,786,826</b>            |
| Shares potentially subject to rescission rights (4,868,590 shares issued and outstanding)   | 3,082,384                    | 3,082,384                      |
| Stockholders' equity:   |                              |                                |
| Common stock — \$.0001 par value; 75,000,000 shares authorized; 16,091,843 issued and outstanding as of September 30, 2011 and 14,890,181 issued and outstanding as of March 31, 2011 | 1,610                        | 1,490                          |
| Additional paid-in capital  | 39,677,590                   | 38,860,319                     |
| Accumulated other comprehensive income  | (2,647,007)                  | (2,502,596)                    |
| Retained earnings (Deficit)   | (31,351,362)                 | (29,692,907)                   |
| <b>Total equity attributable to the parent</b>  | <b>\$ 5,680,831</b>          | <b>\$ 6,666,306</b>            |
| Non-controlling interest  | 615,132                      | 626,553                        |
| <b>Total stockholders' equity</b>   | <b>\$ 6,295,963</b>          | <b>\$ 7,292,859</b>            |
| <b>Total liabilities and stockholders' equity</b>   | <b>\$ 16,093,740</b>         | <b>\$ 18,162,069</b>           |

The accompanying notes should be read in connection with the financial statements.

**INDIA GLOBALIZATION CAPITAL, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

*All amounts in USD except share data*

|  | Three months ended<br>September |                     | Six months ended September<br>30, |                       |
|--|---------------------------------|---------------------|-----------------------------------|-----------------------|
|  | 2011                            | 2010                | 2011                              | 2010                  |
| Revenues   | \$ 912,121                      | \$ 1,681,586        | \$ 1,972,368                      | \$ 2,809,997          |
| Cost of revenues (excluding depreciation and amortization)                                       | (903,523)                       | (1,612,753)         | (1,877,832)                       | (2,596,133)           |
| Selling, general and administrative expenses   | (652,375)                       | (763,713)           | (1,385,515)                       | (1,344,609)           |
| Depreciation   | (75,621)                        | (100,930)           | (126,865)                         | (197,374)             |
| <b>Operating income (loss)</b>   | <b>\$ (719,398)</b>             | <b>\$ (795,810)</b> | <b>\$ (1,417,844)</b>             | <b>\$ (1,328,119)</b> |
| Interest expense   | (148,965)                       | (197,611)           | (449,733)                         | (410,709)             |
| Amortization of debt discount  | -                               | (176,526)           | -                                 | (356,436)             |
| Interest income  | 59,085                          | 66,894              | 126,433                           | 129,781               |
| Other income, net  | (14,770)                        | 210,939             | 9,924                             | 60,472                |
| <b>Income before income taxes and minority interest attributable to non-controlling interest</b> | <b>\$ (824,048)</b>             | <b>\$ (892,114)</b> | <b>\$ (1,731,220)</b>             | <b>\$ (1,905,011)</b> |
| Earnings in Income from Affiliates   | 25,832                          | -                   | 62,051                            | -                     |
| Income taxes benefit/ (expense)  | -                               | 33,331              | -                                 | 455,014               |
| <b>Net income/(loss)</b>   | <b>\$ (798,216)</b>             | <b>\$ (858,783)</b> | <b>\$ (1,669,169)</b>             | <b>\$ (1,449,997)</b> |
| Non-controlling interests in earnings of subsidiaries  | 8,963                           | 2,523               | 10,714                            | 2,563                 |
| <b>Net income / (loss) attributable to common stockholders</b>                                   | <b>\$ (789,253)</b>             | <b>\$ (856,260)</b> | <b>\$ (1,658,455)</b>             | <b>\$ (1,447,434)</b> |
| Earnings/(loss) per share attributable to common stockholders:                                   |                                 |                     |                                   |                       |
| Basic  | \$ (0.04)                       | \$ (0.06)           | \$ (0.08)                         | \$ (0.11)             |
| Diluted  | \$ (0.04)                       | \$ (0.06)           | \$ (0.08)                         | \$ (0.11)             |
| Weighted-average number of shares used in computing earnings per share amounts:                  |                                 |                     |                                   |                       |
| Basic  | 20,960,433                      | 13,427,020          | 20,699,660                        | 13,343,949            |
| Diluted  | 20,960,433                      | 13,427,020          | 20,699,660                        | 13,343,949            |

The accompanying notes should be read in connection with the financial statements.

**About IGC**

Based in Bethesda, Maryland, India Globalization Capital Inc. (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](http://www.indiaglobalcap.com).

**About Linxi HeFei Economic and Trade Co ("PRC Ironman"):**

Linxi HeFei Economic and Trade Co. ("PRC Ironman") is based in the People's Republic of China and is a 95% owned subsidiary of Hong Kong based H&F Ironman Limited ("HK Ironman"). PRC Ironman operates a beneficiation plant, which extracts high-grade iron ore from low-grade iron ore. For more information about PRC Ironman, please visit the company's Web site at [www.hfironman.net](http://www.hfironman.net)

**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 forward-looking statements are based on the existing beliefs, assumptions, expectations, estimates, projections and understandings of the management of IGC concerning PRC Ironman with respect to future events at the time these statements are made. These statements are not a guarantee of future developments and are subject to risks, uncertainties and other factors, some of which are beyond IGC's control and are difficult to predict. Consequently, actual results may differ materially from information contained in the forward-looking statements as a result of future changes or developments in our business, our competitive environment, infrastructure demands, iron ore availability and governmental, political, economic, legal and social conditions in China. Factors that could cause actual results to differ, relate to the (i) ability of IGC 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, the Chinese RMB and the Indian rupee, (iv) weather conditions in China and India, (v) uncertainties with respect to the People's Republic of China's legal and regulatory environment, and (vi) ability of

the Company to access ports on the coasts 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 IGC's amended Annual Report on Form 10-K/A Amendment 2 for the year ended March 31, 2011 filed on November 2, 2011 with the Securities and Exchange Commission.

**Contact Information**

Investor Relations  
John Selvaraj  
301-983-0998