

## **India Globalization Capital Announces Two New Iron Ore Contracts Valued at \$3 Million; Opens Shipping Hub on West Coast of India**

BETHESDA, Md., Dec. 15, 2009 -- MARKETWIRE -- India Globalization Capital, Inc. (NYSE Amex: IGC) ("IGC"), a company competing in the rapidly growing materials and infrastructure industry in India, today announced it was awarded two new Chinese iron ore supply contracts valued at \$3.0 million. The orders total 60,000 metric tons (mT) of medium-grade iron ore, or 56-grade.

Additionally, IGC announced that it has opened a second shipping hub at Goa, on the west coast of India, and has installed an iron ore crusher at the port to produce a fine ore product -- a value-added service. IGC also operates a shipping hub on the east coast of India, at Krishnapatnam.

"These latest orders demonstrate the continued demand we see from Chinese customers for our iron ore, and they validate our efforts to expand our business model from heavy construction and road building to include mining and materials," said Ram Mukunda, chief executive officer of IGC.

"The new hub at Goa and its associated operations will facilitate the growth of our global export business," Mukunda continued. "Our east and west coast shipping hubs will allow us to aggregate ore from a greater number of smaller suppliers before shipping, which streamlines our distribution capabilities. We expect our shipping hubs to add substantially to revenues and earnings for our materials segment throughout fiscal 2010."

Iron ore, the main ingredient in steel used for construction, bridges and ships, is the most widely used of all metals, comprising 95% of the metal tonnage produced worldwide. In 2008, the market for iron ore totaled nearly \$80 billion. China is the largest importer of iron ore, importing roughly half of the world's supply annually.

### **About India Globalization Capital**

India Globalization Capital is an infrastructure and materials company operating in India, and builds roads, bridges and highways, and provides materials to the infrastructure industry in India and China. The Company has offices in Maryland, Mauritius, Nagpur, Cochin, Delhi, and Bangalore. For more information about India Globalization Capital, please visit [www.indiaglobalcap.com](http://www.indiaglobalcap.com).

### **Forward-Looking Statements:**

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 parties to successfully execute on

contracts and business plans, (ii) ability to raise capital and the structure of such capital including the exercise of warrants, and (iii) exchange rate changes between the U.S. dollar and the Indian Rupee. We undertake 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 definitive proxy statement and supplement filed with the SEC and incorporated by reference into the Form S-3.

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