

India Globalization Capital Inc. (IGC), Files 10-Q for the Quarter Ended June 30, 2008 and Announces Record Financial Results

Consolidated Revenue for the quarter ended June 30, 2008 up over 440% compared to pro forma revenue for the same period last year.

BETHESDA, MD., August 18, 2008 -- (PR NEWSWIRE) -- India Globalization Capital, Inc. (AMEX: IGC), (AMEX: IGC.WS), (AMEX: IGC.U), a U.S.-based company developing infrastructure in India through its majority-owned subsidiaries, Sricon Infrastructure Private Limited (Sricon) and Techni Bharathi Limited (TBL), filed its First Quarter financial results, on Form 10-Q, for fiscal 2009, which ended on June 30, 2008.

For the Quarter Ending June 30, 2008, IGC reported revenue of \$17.9 million, net income of \$1.29 million, basic and fully diluted Earnings Per Share (EPS) of \$0.15 and \$0.14 respectively.

For the 2007 June Quarter, IGC is reporting the results for the combined predecessor companies Sricon and TBL. We believe this provides a better basis for comparing the changes in Sricon and TBL's businesses, between the quarters. Sricon and TBL were IGC's first acquisitions, consummated in March 2008. Prior to March 2008, IGC was a blank check company and accordingly, IGC does not believe that a comparison of the results of operations for the quarter ended June 30, 2008, which include Sricon's and TBL's operating results for the full quarter, versus IGC's June 30, 2007 results of operations for the same period is useful to stockholders.

Predecessor company results for the 2007 June Quarter were derived from (1) the unaudited consolidated financial statements of Sricon for the three months ended June 30, 2007, and (2) the unaudited consolidated financial statements of TBL for the three months ended June 30, 2007¹.

Highlights of IGC's first quarter performance:

- Revenue for the 2008 June Quarter was approximately \$17.9 million compared to pro forma revenue of \$3.3 million for the 2007 June Quarter, an increase of 441%;
- Operating Profit for the 2008 June Quarter was approximately \$3.6 million compared to a loss of \$59 thousand for the 2007 June Quarter (combined predecessor companies);
- Net Income for the 2008 June Quarter was approximately \$1.29 million compared to a loss of approximately \$465 thousand for the 2007 June Quarter (combined predecessor companies);
- Basic and Fully Diluted Earnings for the 2008 June Quarter was \$0.15 per share and \$0.14 per share respectively; and
- Total backlog at June 30, 2008 was approximately \$362 million. Since June 30, 2008, the Company has announced approximately \$20 million in additional new contracts bringing the current total backlog to \$382 million.

As of June 30, 2008, IGC reported consolidated total assets of \$65.8 million as compared to \$67.6 million as of March 31, 2008. Some of the difference is attributed to the U.S. dollar strengthening against the

¹ The unaudited results of operations are not necessarily indicative of results of operations that may have actually occurred had the acquisitions taken place on the dates noted, or the future financial position or operating results of the Company. The results and adjustments are based upon available information and assumptions that the Company believes are reasonable.

Indian Rupee. The dollar rose by 7.3 percent between March 31, 2008 and June 30, 2008 and most of the Company's assets are accounted for in Indian Rupees.

Ram Mukunda, chief executive officer of IGC said: "During our First Quarter for fiscal 2009, we reported tremendous revenue and earnings growth. As such, we reaffirm our fiscal 2009 guidance of revenue between \$100-\$125 million and earnings of \$7-\$9 million, before one time expenses. In addition, we project revenue between \$150-\$180 million for fiscal 2010, with earnings of \$11-\$15 million before one time expenses."

"It is important to consider when reviewing our financial results on a quarterly basis that the infrastructure construction business in India is seasonal and the months between June and August represent our monsoon season. As such, revenues for our fiscal first and second quarters will be substantially lower than our fiscal third and fourth quarters each year. For example, the predecessor companies reported pro forma revenue for the first quarter of fiscal 2008 of approximately \$3.3 million, yet for the full fiscal year of 2008 the combined companies reported revenue of over \$30 million," concluded Mukunda.

Conference Call

IGC will hold a conference call to discuss its financial results for the quarter ending June 30, 2008 (First Quarter for Fiscal Year Ending March 31, 2009). The call will be held on Monday, August 18, 2008 at 11:00 a.m. Eastern Time (8:00 a.m. Pacific Time).

If you are interested in participating, call one of the following numbers ten minutes prior to the starting time: 1-800-762-8795 (inside the U.S.) or 1-480-629-9041 (outside the U.S.). Ask for the India Globalization Capital First Quarter Fiscal Year End 2009 Financial Results Conference Call (Conference ID # 3912828). An operator will check your name and organization. You will be asked to wait until the call begins.

For those of you unable to join this earnings call, a playback of this call will be available via telephone from 2:00 p.m., Monday, August 18, 2008 until August 25, 2008 at 11:59 p.m., all times Eastern. The numbers for this replay service are 1-800-406-7325 or 1-303-590-3030 (outside the U.S.). Use Replay Pin Number 3912828, followed by the pound sign (#).

About IGC

Based in Bethesda, Maryland, IGC operates through two infrastructure companies in India, Sricon Infrastructure Private Limited ("Sricon") and Techni Bharathi, Limited ("TBL"). IGC owns sixty-three percent of Sricon and seventy-seven percent of TBL. IGC through its subsidiaries has three core businesses: (1) highway and other heavy construction, (2) mining & quarrying and (3) civil construction and engineering of high temperature plants. The Company's medium term plans are to expand each of these lines of business.

Most of IGC's operations are based in India. The Company has offices in Maryland, Mauritius, Nagpur, Cochin, Delhi and Bangalore. Copies of IGC's filings with the SEC containing information about IGC, our Indian operations and other relevant documents are available at no charge at the SEC's Internet site (<http://www.sec.gov>). For more information about IGC, please visit the Company's web site at www.indiaglobalcap.com.

Forward-Looking Statements

This press release may contain forward-looking statements. 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, which could cause actual results to differ, relate to: (i) the ability of the parties to successfully win new contracts, execute on contracts and

business plan, (ii) our ability to raise additional capital and the structure of such capital including the exercise of warrants, and (iii) changes in the exchange rate between the US 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 Form 10-KSB.

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