



IGC Reports Financial Results for the Quarter Ended December 31, 2019

BETHESDA, MD. February 10, 2020 / India Globalization Capital, Inc. (NYSE American: IGC) today announced financial results for the quarter ended December 31, 2019, which is the third quarter of its 2020 fiscal year.

Revenue amounted to approximately \$573 thousand and \$1,285 thousand, for the three months ended December 31, 2019 and December 31, 2018 respectively. Revenue for the December 2019 quarter was primarily derived from our Infrastructure Business on the execution of a road building contract in Kerala, India, and the buying and selling of infrastructure materials. In the three months ended December 31, 2019, sales in the Plant and Cannabinoid Business, consisting of the sale of cannabinoid products under the brands Holi Hemp™ and Hyalolex™, in accordance with applicable law and regulations, contributed \$5 thousand in revenue. The lower revenue in the Plant and Cannabinoid Business is due to management's focus on developing a wide array of products and the hemp growing, and manufacturing facilities. The revenue for the nine months ended December 31, 2019 and December 31, 2018 was about \$4,043 thousand and \$3,574 thousand, respectively.

SG&A expense, inclusive of R&D expenses for the December 2019 quarter was approximately to \$1,708 thousand compared to approximately \$973 thousand for the December 2018 quarter. The majority of the increase in SG&A was due to one-time legal and professional fees, including those incurred in connection with defending shareholder lawsuits, and from employee-related expenses due to increased employee head count as we added employees to the manufacturing and marketing teams.

Net comprehensive loss for the December 2019 quarter was approximately \$1.65 million or \$0.04 per share, compared to approximately \$0.91 million or \$0.03 per share for the December 2018 quarter. Increased expenses from the plant and cannabinoid business and legal as well as employee-related expenses, as noted above, were the primary factors for the larger loss.

During the three months ended December 31, 2019, the Company directed its resources broadly in the following areas:

Road Building: The Company is currently executing a road building contract in Kerala, India valued at approximately \$650 thousand that has been increased to approximately \$1.2 million, effective January 24, 2020.

Pharmaceutical Trial for Hyalolex™: The Company filed an Investigative New Drug Application (INDA) with the FDA for a double-blind, placebo-controlled, 100-person trial, for its proprietary patent pending formulation based on IGC-AD1 that uses ultra-low doses of THC with other natural compounds intended to assist in the management of the care of patients suffering from Alzheimer's disease.

The Company established an approximately \$500 thousand facility in San Juan, Puerto Rico to house and conduct the trial on IGC-AD1.

Hyalolex™ in Puerto Rico: The Company, as part of an out-reach and marketing campaign, distributed samples of Hyalolex to dispensaries in Puerto Rico. Hyalolex is available in about 40 dispensaries in Puerto Rico. A batch of Hyalolex was made in Puerto Rico for distribution to dispensaries. We intend to collect data on messaging, use, tolerance, among others. This data will be used to position Hyalolex for a much wider state-side market, with a view towards increased sales

Products and Services Expansion: The Company progressed its branding and product strategy with the development of several brands aimed at various sectors of the market. The progress includes filing trademark applications, intent to use applications, securing URLs, creating product formulations, labeling, packaging, product insurance, securing teams, focus groups, taste testing, and organizing limited liability

companies to mitigate risk, among others. The categories the Company is working on include CBD infused seltzer called Sunday Seltzer™, CBD infused creams and topicals called Holief™, CBD infused life style products called Herbo™, among others, that IGC intends to bring to market in the future in compliance with applicable law and regulation. We expect to deploy QR codes, on the containers, supported by our Hyperledger based block chain system, that will allow customers to view, on a website, product origination, product process including key ingredient procurement and certifications, origination of hemp and hemp extracts and their certifications, among others; in a bid to assure customers of product compliance, safety, efficacy, origination and process.

Hemp Crop: The Company grows, dries, and processes hemp. A first test harvest, initiated in December, passed inspection by the Arizona Department of Agriculture (AZDA) with the harvest certified as legal under the USDA rules. Post drying, the harvest will be transported for further processing to our facility in the state of Washington in accordance with applicable law and regulation.

Hemp Processing: The Company previously announced that it contemplated a processing facility in Arizona. However, for various business reasons, the Company withdrew from building the facility in Arizona and instead has leased a GMP compliant building, in Washington State, that was previously occupied by a supplement manufacturer and has commenced buildout for extraction, distillation and production of end user products. Some of our equipment is sourced from China and the travel restrictions in China could cause delays in completing some of the installation. We expect that the facility will have three profit centers, a) production of products such as lotions, creams, oils, among others, to support our products and white labeling activity, b) extraction of hemp into crude oil, intended to support farmers in the State of Washington and Oregon, and c) distillation of crude oil into hemp extracts. We intend that the facility, upon full completion and inspection, will qualify as a Good Manufacturing Practice (GMP) certified facility.

About IGC:

IGC currently has two lines of business: (i) infrastructure and (ii) plant and cannabinoid-based products. The company is based in Bethesda, Maryland, U.S.A. Its corporate website is www.igcinc.us. Twitter @IGCIR.

Forward-looking Statements:

This press release contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are based largely on IGC's expectations and are subject to a number of risks and uncertainties, certain of which are beyond IGC's control. Actual results could differ materially from these forward-looking statements as a result of, among other factors, competitive conditions in the industries in which IGC operates, failure to commercialize one or more of the products or technologies of IGC, including any new products identified herein, failure to obtain an R&D license or any other applicable license or regulatory approval necessary for conducting our trial protocol, any changes in federal, state, or local law applicable to our businesses and the locations where we operate, weather and/or climate events which impact the Company's ability to harvest its hemp crop, failure to reach agreement on specific terms to resolve the shareholder and shareholder derivative suits currently pending against the Company as described in the Company's public filings, general economic and political conditions that are less favorable than expected, the Federal Food and Drug Administration's (FDA) general position regarding hemp-based and related products in particular, and other factors, many of which are discussed in our SEC filings. The Risk Factors identified in the Company's annual report, filed on Form 10-K with the SEC on June 14, 2019, and in the Company's quarterly report, filed on Form 10-Q with the SEC on August 9, 2019, and on November 5, 2019, and on February 10, 2020 are incorporated herein by reference. In light of these risks and uncertainties, there can be no assurance that the forward-looking information contained in this release will in fact occur.

Contact:

Claudia Grimaldi
301-983-0998

< Financial Tables to Follow >

India Globalization Capital, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)
(Unaudited)

	December 31, 2019 (Unaudited) (\$)	March 31, 2019 (Audited) (\$)
ASSETS		
Current assets:		
Cash and cash equivalents	10,129	25,610
Short-term investment	5,063	-
Accounts receivable, net	155	84
Inventory	3,585	248
Deposits & advances	1,574	781
Total current assets	20,506	26,723
Intangible assets, net	247	184
Property, plant and equipment, net	8,687	5,886
Investments in unlisted securities	794	794
Claims and advances	868	878
Total non-current assets	10,596	7,742
Total assets	31,102	34,465
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	599	319
Accrued and other liabilities	652	509
Short-term loan	50	50
Total current liabilities	1,301	878
Other liabilities	15	15
Total non-current liabilities	15	15
Total liabilities	1,316	893
Commitments and Contingencies – See Note 11		
Stockholders' equity:		
Common stock and additional paid in capital, \$0.0001 par value: 150,000,000 shares authorized; 39,571,407 and 39,501,407 shares issued and outstanding as of December 31, 2019 and March 31, 2019, respectively.	94,585	94,043
Accumulated other comprehensive loss	(2,586)	(2,419)
Accumulated deficit	(62,213)	(58,052)
Total stockholders' equity	29,786	33,572
Total liabilities and stockholders' equity	31,102	34,465

See accompanying Notes to the Condensed Consolidated Financial Statements in the Quarterly Report on Form 10-Q for the quarter ended December 31, 2019, as filed with the SEC on February 10, 2020.

India Globalization Capital, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS
(in thousands, except loss per share)
(Unaudited)

	Three months ended December 31		Nine months ended December 31	
	2019 (\$)	2018 (\$)	2019 (\$)	2018 (\$)
Revenue	573	1,285	4,043	3,574
Cost of revenue	(543)	(1,240)	(3,944)	(3,469)
Gross Profit	30	45	99	105
General and administrative expenses	(1,413)	(807)	(3,756)	(1,955)
Research and development expenses	(295)	(166)	(764)	(445)
Inventory write off	-	(650)	-	(650)
Operating loss	(1,678)	(1,578)	(4,421)	(2,945)
Other income, net	75	430	260	426
Loss before income taxes	(1,603)	(1,148)	(4,161)	(2,519)
Income tax expense	-	-	-	-
Net loss attributable to common stockholders	(1,603)	(1,148)	(4,161)	(2,519)
Foreign currency translation adjustments	(43)	239	(167)	(401)
Comprehensive loss	(1,646)	(909)	(4,328)	(2,920)
 Loss per share attributable to common stockholders:				
Basic & Diluted	\$ (0.04)	(0.03)	(0.11)	(0.07)
Weighted-average number of shares used in computing loss per share amounts:	39,571	39,357	39,543	34,035

See accompanying Notes to the Condensed Consolidated Financial Statements in the Quarterly Report on Form 10-Q for the quarter ended December 31, 2019, as filed with the SEC on February 10, 2020.