

FOR IMMEDIATE RELEASE

**Arshiya International announces the launch of
India's First FTWZ in Panvel, Mumbai**

*Marks the first of five planned FTWZs by the company, supplementing its fast
growing Rail Infrastructure Operations*

Mumbai - August 18, 2010: Arshiya International Ltd. (BSE: 506074 and NSE: Arshiya), an Indian supply chain and logistics infrastructure solutions company announces the operational launch of India's first Free Trade and Warehousing Zone (FTWZ) in Panvel, Mumbai just 24 kms away from the Jawaharlal Nehru Port Trust (JNPT). The first of five strategically located FTWZs being built by the company, this 165-acre state-of-the-art facility will be operational over two phases employing over 25,000 people at full capacity and is expected to cost approximately ₹ 1,500 crores.

Falling under the premise of the SEZ Act, FTWZs offer immense benefits to companies with import, export, and trading activities out of India. FTWZs allow flexibility towards end-distribution through duty deferment, higher inventory visibility, reduced buffer stocks, and overall lower product costs. They also enable flexible and hassle-free re-export in addition to other advantages.

Commenting on the announcement Mr. Ajay S Mittal – Group Chairman & Managing Director of Arshiya International Ltd said **“With the launch of India's First FTWZ, Arshiya will not only increase profitability and induce cost savings for our customers, but will also serves as a game changer in the Indian logistics landscape. The FTWZ develops a whole new dimension in our ability to provide integration, flexibility and savings for our Global & Indian customers and we are especially excited about the opportunities to make India a regional storage and value-addition hub.”**

Logistics costs in India are fairly high – at around 14% of GDP, compared to 8% - 9% in most developed nations. A major contributor to these higher costs stems from the lack of infrastructure investments into the logistics space within India. Arshiya's FTWZ announcement highlights a landmark beginning within the Logistics Sector that is expected to improve efficiency and lower costs for Arshiya's customers. Arshiya's five FTWZ footprint will be part of a larger ₹ 7,000 crore integrated infrastructure plan including the creation of five strategically located Domestic Distriparks and a 75-train Pan-India Rail Infrastructure charter – all on an existing ten-year Freight Forwarding, Supply Chain & IT Solution legacy making Arshiya India's first and only truly integrated logistics company.

Mr. Mittal further added that **“Our ability to scale our Rail Infrastructure operations to 12 rakes in just over a year of operations proved that there is the need for integrating infrastructure solutions with logistics offerings in the Rail space. Along with the scale of our projects, our integrated offerings and the fact that we were able to scale our business and execute our infrastructure projects through the global economic slow-down, we are also very proud of the fact that we have made a facility that is world-class and an archetype for any future logistics infrastructure projects in India.”**

Arshiya’s FTWZ has developed a huge interest from Global & Indian business houses that will be able to leverage India’s cost and skill arbitrage and be able to tap into India’s market potential with far more ease and efficiency.

About Arshiya International Ltd:

Arshiya International Ltd. (AIL), is a flagship company of the Arshiya Group. Listed on the Bombay Stock Exchange (Stock Code: 506074) and National Stock Exchange (Stock Code: Arshiya) and is an India headquartered, integrated supply chain and logistics infrastructure solutions provider. The company has multinational operations in the logistics and supply chain management space and is currently involved in the phased investment of approximately USD 1.5 billion towards creating pioneering logistics infrastructure in India.

The company has following key business entities and subsidiaries:

- **Arshiya FTWZ** - Involved in implementation and operation of Free Trade and Warehousing Zones (FTWZs)
- **Arshiya Rail Infrastructure** - Designed to provide pan-India rail freight operations and providing rail terminal facilities
- **Arshiya Domestic Distripark** - Providing strategic hub warehousing for domestic rail consolidation
- **Arshiya Logistics** - Provides logistics solutions including end-to-end freight management & transportation services in over 150+ countries world-wide
- **Arshiya Supply Chain Management** – Provides end-to-end supply & demand chain solutions
- **Arshiya Technology** – Provides software solutions for supply chain management and business process outsourcing

For further information contact:

Arshiya International Ltd. Nitesh Patel + 91 (22) 42305500 nitesh.patel@arshiyainternational.com	Adfactors PR Pvt Ltd. Sonal Zode +91 (22) 2281 3565 sonal.zode@adfactorspr.com
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