

FOR IMMEDIATE RELEASE

Mumbai - September 17, 2010: Arshiya International Ltd (BSE: 506074 and NSE: Arshiya), an Indian supply chain and logistics infrastructure solutions company announces that its 100% wholly owned subsidiary, Arshiya Rail Infrastructure Ltd. will not be affected adversely by the new policy change by the Indian Railways announced effective October 1st, 2010. The reasons for Arshiya Rail Infrastructure to be un-affected with the policy change comes from the fact that the parent company, Arshiya International Ltd. is also investing in building five Free Trade & Warehousing Zones (FTWZs) across the country – off which the Mumbai facility is operational as of August, 2010 and Khurja (Delhi) is expected to be operational by April, 2011. These two mega-infrastructures will serve as captive cargo consolidation and aggregation hubs in India's key markets providing captive cargo in the form of consumer goods, electronics, auto components and others for Arshiya Rail Infrastructure to move between the infrastructure hubs. Arshiya's Khurja infrastructure additionally includes Domestic Distripark and 55-acre state-of-the-art and proprietary Rail Terminal that will be able to handle both EXIM and Domestic Cargo that needs to ply on this key route for Arshiya Rail Infrastructure – thereby providing the needed impetus to operate profitably. Arshiya intends to operate at least 30 rakes in this sector carrying this captive cargo over the next 10 to 12 months where it will provide Rail services as part of the integrated end-to-end logistics services for its Indian and Global customers including infrastructure, supply chain management, IT visibility & international freight forwarding services.

Currently, Arshiya Rail Infrastructure is operating 13 rakes with the 14th rake expected to become operational over the next few days. Out of the 13 operational rakes, only four would be affected by the policy change, which will be re-positioned by the company over the next 30 to 45 days towards long-term contracts the company has already executed with marquee customers across various sectors that remain unaffected by the policy change.

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 Warehousing and 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

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