

## UN-AUDITED FINANCIAL RESULTS FOR THE NINE MONTHS AND QUARTER ENDED DECEMBER 31, 2010

(Rs. in lacs)

Particulars	Consolidated					SQL Star International Ltd (Stand alone)				
	Quarter Ended		9 Months ended		Year ended	Quarter Ended		9 Months ended		Year ended
	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09	31-Mar-10	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09	31-Mar-10
	Un-audited	Un-audited	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
<b>INCOME:</b>										
- Sales/Income from Operations	898.52	1,446.89	3,074.55	4,734.76	5,381.01	395.26	712.86	1,399.36	2,418.82	2,545.59
<b>Total</b>	<b>898.52</b>	<b>1,446.89</b>	<b>3,074.55</b>	<b>4,734.76</b>	<b>5,381.01</b>	<b>395.26</b>	<b>712.86</b>	<b>1,399.36</b>	<b>2,418.82</b>	<b>2,545.59</b>
<b>EXPENDITURE :</b>										
- Staff Cost	719.80	858.33	2,249.84	2,701.04	3,462.61	261.09	275.72	793.36	807.61	1,077.96
- Other Expenditure	236.70	278.49	796.36	798.53	1,188.75	191.22	213.62	612.72	599.08	861.69
- Direct & Outsourcing	73.02	259.05	233.16	958.37	540.51	49.09	165.65	159.02	811.38	348.22
- Provisions	-	-	-	-	1,441.71	-	-	-	-	1,441.71
- Depreciation	28.81	56.04	88.64	171.45	830.68	26.24	54.90	61.05	168.31	820.59
<b>Total</b>	<b>1,058.33</b>	<b>1,451.91</b>	<b>3,368.00</b>	<b>4,629.39</b>	<b>7,464.26</b>	<b>527.64</b>	<b>709.89</b>	<b>1,646.15</b>	<b>2,386.38</b>	<b>4,550.17</b>
<b>Profit/(Loss) from Operations before Other Income, Interest &amp; Exceptional Items</b>	<b>(159.81)</b>	<b>(5.02)</b>	<b>(293.45)</b>	<b>105.37</b>	<b>(2,083.25)</b>	<b>(132.38)</b>	<b>2.97</b>	<b>(246.79)</b>	<b>32.44</b>	<b>(2,004.58)</b>
- Other Income	5.03	10.33	43.77	73.94	132.10	3.74	2.31	35.81	49.50	90.47
<b>Profit/(Loss) before Interest &amp; Exceptional Items</b>	<b>(154.78)</b>	<b>5.31</b>	<b>(249.68)</b>	<b>179.31</b>	<b>(1,951.15)</b>	<b>(128.64)</b>	<b>5.28</b>	<b>(210.98)</b>	<b>81.94</b>	<b>(1,914.11)</b>
- Interest	8.52	30.13	35.36	108.25	108.94	8.27	23.65	34.84	89.39	103.23
<b>Profit/(Loss) after Interest but before Exceptional Items</b>	<b>(163.30)</b>	<b>(24.82)</b>	<b>(285.04)</b>	<b>71.06</b>	<b>(2,060.09)</b>	<b>(136.91)</b>	<b>(18.57)</b>	<b>(245.82)</b>	<b>(7.45)</b>	<b>(2,017.34)</b>
- Exceptional Items	-	-	-	-	49.35	-	-	-	-	49.35
<b>Profit/(Loss) from Ordinary Activities</b>	<b>(163.30)</b>	<b>(24.82)</b>	<b>(285.04)</b>	<b>71.06</b>	<b>(2,109.44)</b>	<b>(136.91)</b>	<b>(18.57)</b>	<b>(245.82)</b>	<b>(7.45)</b>	<b>(2,066.69)</b>
Tax Expenses	(0.98)	1.11	(16.78)	(17.04)	(234.62)	(3.84)	-	(26.11)	(21.20)	(238.47)
<b>Profit/(Loss) from Ordinary Activities</b>	<b>(162.32)</b>	<b>(25.93)</b>	<b>(268.26)</b>	<b>88.11</b>	<b>(1,874.82)</b>	<b>(133.07)</b>	<b>(18.57)</b>	<b>(219.71)</b>	<b>13.75</b>	<b>(1,828.22)</b>
Extraordinary Items (net of tax expenses)	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) for the period</b>	<b>(162.32)</b>	<b>(25.93)</b>	<b>(268.26)</b>	<b>88.11</b>	<b>(1,874.82)</b>	<b>(133.07)</b>	<b>(18.57)</b>	<b>(219.71)</b>	<b>13.75</b>	<b>(1,828.22)</b>
<b>Paid-up Equity Capital</b> (Face value of Rs.10/- each)	<b>3,232.98</b>	<b>3,232.98</b>	<b>3,232.98</b>	<b>3,232.98</b>	<b>3,232.98</b>	<b>3,232.98</b>	<b>3,232.98</b>	<b>3,232.98</b>	<b>3,232.98</b>	<b>3,232.98</b>
<b>Reserves Excluding Revaluation Reserves</b> (as per Audited Balance Sheet)	-	-	-	-	<b>4,074.47</b>	-	-	-	-	<b>4,027.24</b>
<b>Earnings Per Share</b>										
<b>Before Extra-ordinary Item</b>										
- Basic	(0.51)	(0.08)	(0.85)	0.40	(8.11)	(0.42)	(0.09)	(0.69)	0.06	(7.00)
- Diluted	-	-	-	-	-	-	-	-	-	-
<b>After Extra-ordinary Item</b>										
- Basic	(0.51)	(0.08)	(0.85)	0.40	(8.30)	(0.42)	(0.09)	(0.69)	0.06	(7.20)
- Diluted	-	-	-	-	-	-	-	-	-	-
<b>Public Shareholding</b>										
- No. of Shares	19,874,814	18,407,464	19,874,814	18,407,464	18,420,189	19,874,814	18,407,464	19,874,814	18,407,464	18,420,189
- Percentage of Shareholding	61.48%	56.94%	61.48%	56.94%	56.99%	61.48%	56.94%	61.48%	56.94%	56.98%
<b>Aggregate of Public Shareholding</b>										
<b>Promoters and Promoter Group Shareholding</b>										
<b>a) Pledged / Encumbered</b>										
- Number of Shares	3,350,000	3,350,000	3,350,000	3,350,000	3,350,000	3,350,000	3,350,000	3,350,000	3,350,000	3,350,000
- Percentage of Shares (as a % of total shareholding of Promoters and Promoter Group)	26.91%	24.07%	26.91%	24.07%	24.09%	26.91%	24.07%	26.91%	24.07%	24.09%
- Percentage of Shares (as a % of the total share capital of the Company)	10.36%	10.36%	10.36%	10.36%	10.36%	10.36%	10.36%	10.36%	10.36%	10.36%
<b>b) Non-encumbered</b>										
- Number of Shares	9,100,186	10,567,536	9,100,186	10,567,536	10,554,811	9,100,186	10,567,536	9,100,186	10,567,536	10,554,811
- Percentage of Shares (as a % of total shareholding of Promoters and Promoter Group)	73.09%	75.93%	73.09%	75.93%	75.91%	73.09%	75.93%	73.09%	75.93%	75.91%
- Percentage of Shares (as a % of the total share capital of the Company)	28.15%	32.69%	28.15%	32.69%	32.65%	28.15%	32.69%	28.15%	32.69%	32.65%

## UN-AUDITED SEGMENT-WISE REVENUE, RESULTS & CAPITAL EMPLOYED FOR THE NINE MONTHS AND QUARTER ENDED DECEMBER 31, 2010

(Rs. in lacs)

Sl. No.	Particulars	Consolidated					SQL Star International Ltd (Stand alone)				
		Quarter ended		9 Months ended		Year ended	Quarter ended		9 Months ended		Year ended
		31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09	31-Mar-10	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09	31-Mar-10
		Un-audited	Un-audited	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
<b>1</b>	<b>A) Primary Segment (By Business Segment)</b>										
	<b>Segment Revenue</b>										
	a. Software Development & Services	603.39	900.28	1,998.39	2809.91	3,428.28	100.13	166.24	323.20	493.96	592.86
	b. Education & Training	254.43	258.34	952.16	848.56	1,151.50	254.43	258.34	952.16	848.56	1,151.50
	c. e-Governance	40.70	288.27	124.00	1,076.30	801.23	40.70	288.27	124.00	1,076.30	801.23
	<b>Total</b>	<b>898.52</b>	<b>1,446.89</b>	<b>3,074.55</b>	<b>4,734.76</b>	<b>5,381.01</b>	<b>395.26</b>	<b>712.86</b>	<b>1,399.36</b>	<b>2,418.82</b>	<b>2,545.59</b>
	Less: Inter-segment Sales	-	-	-	-	-	-	-	-	-	-
	<b>Net Sales</b>	<b>898.52</b>	<b>1,446.89</b>	<b>3,074.55</b>	<b>4,734.76</b>	<b>5,381.01</b>	<b>395.26</b>	<b>712.86</b>	<b>1,399.36</b>	<b>2,418.82</b>	<b>2,545.59</b>
<b>2</b>	<b>Segment Results</b>										
	<b>Profit/(Loss) before</b>										
	<b>Tax and Interest from each segment</b>										
	a. Software Development & Services	(39.31)	25.42	(70.10)	44.34	(22.48)	(11.88)	33.41	(23.44)	71.41	46.10
	b. Education & Training	(28.09)	(13.06)	80.11	33.43	(0.51)	(28.09)	(13.06)	80.11	33.43	(0.51)
	c. e-Governance	4.47	130.66	14.35	305.27	(120.20)	4.47	130.66	14.35	305.27	(120.20)
	<b>Total</b>	<b>(62.93)</b>	<b>143.02</b>	<b>24.36</b>	<b>483.04</b>	<b>(143.19)</b>	<b>(35.50)</b>	<b>151.01</b>	<b>71.02</b>	<b>410.11</b>	<b>(74.61)</b>
	Less:										
	i) Interest	8.52	30.13	35.36	108.25	108.94	8.27	23.65	34.84	89.39	103.23
	ii) Other Un-allocable Expenses	96.89	148.04	317.81	377.66	1,940.06	96.88	148.04	317.81	377.67	1,929.97
	iii) Un-allocable Income	(5.03)	(10.33)	(43.77)	(73.94)	(132.10)	(3.74)	(2.31)	(35.81)	(49.50)	(90.47)
	iv) Extra Ordinary Items	-	-	-	-	49.35	-	-	-	-	49.35
	<b>Total Profit Before Tax</b>	<b>(163.31)</b>	<b>(24.82)</b>	<b>(285.04)</b>	<b>71.06</b>	<b>(2,109.44)</b>	<b>(136.91)</b>	<b>(18.57)</b>	<b>(245.82)</b>	<b>(7.45)</b>	<b>(2,066.68)</b>
<b>3</b>	<b>Capital Employed</b>										
	a. Software Development & Services	521.89	1,746.42	521.89	1,746.42	644.62	87.51	179.74	87.51	179.74	198.08
	b. Education & Training	430.69	824.61	430.69	824.61	541.09	430.70	824.61	430.70	824.61	541.09
	c. e-Governance	1,268.26	1,038.42	1,268.26	1,038.42	1,182.30	1,268.26	1,038.42	1,268.26	1,038.42	1,182.30
	d. Un-allocated	(275.60)	908.54	(275.60)	908.54	(223.29)	6.67	1,803.80	6.67	1,803.80	31.45
	<b>Total Capital Employed</b>	<b>1,945.24</b>	<b>4,517.99</b>	<b>1,945.24</b>	<b>4,517.99</b>	<b>2,144.72</b>	<b>1,793.14</b>	<b>3,846.57</b>	<b>1,793.14</b>	<b>3,846.57</b>	<b>1,952.92</b>
	<b>B) Secondary Segment (By Geographical Segment)</b>										
	<b>Segment Revenue</b>										
	<b>Geographical Location</b>										
	- India	393.38	662.55	1,395.12	2,354.19	2,477.76	393.38	662.55	1,395.12	2,354.19	2,477.76
	- Rest of the World	505.14	784.34	1,679.43	2,380.58	2,903.25	1.88	50.31	4.23	64.64	67.83

### Notes:

- The above Un-audited Financial Results for the Nine months and Quarter ended December 31, 2010 were duly reviewed by Audit Committee were considered and approved by the Board of Directors at their meeting held on February 12, 2011.
- The Consolidated Financial Results include Un-audited Results of International SQL Star Pte Ltd., Singapore; SQL Star International Inc., USA; the wholly owned subsidiaries of the Company and SQL Star International Pty. Ltd, Australia, the wholly owned subsidiary of SQL Star International Inc., USA.
- Pursuant to the requirements of Listing Agreement in terms of Clause 41, the Statutory Auditors have carried out Limited Review of the Un-audited Financial Results of Indian Operations for the Quarter ended December 31, 2010.
- The Company operates in the following primary business segments viz., Software Development & Services, Education and Training, e-Governance and accordingly segmental reports have been disclosed.
- The Company has received 10 requests/grievances from the shareholders during the Quarter ended December 31, 2010 and all of them have been resolved and there are no pending requests/grievances.
- The Madhya Pradesh State Agricultural Marketing Board ("Mandi Board") has resorted to unilateral and un-lawful termination of the Service Contract by their letter dated 17th Feb 2010 and withheld dues to the Company from April '08 onwards aggregating to Rs. 28.77 Crores (out of which Rs. 20.22 Crores pertains to billing raised on behalf of outsourcing partner). The Company is advised by their Counsel that the unlawful retention is not sustainable and the dispute is referred to Arbitration.
- Liability for deferred tax is recognized while deferred tax assets are not recognized in accordance with Para 17AS 22.
- Diluted EPS is ignored as it is anti-dilutive.
- Figures of the previous year/period have been regrouped and/or re-classified or recast or re-arranged wherever considered necessary.

By Order of the Board  
For SQL Star International Limited

Sd/  
(Sunil Gupta)  
Place: Mumbai  
Date: Feb 12<sup>th</sup> 2011  
Co-Chairman and Managing Director