



SQL Star International Ltd,

Regd. Office - # 601 & 602, 6th Floor,
Ashok Bhoopal Chambers,
No. 1-8-271, SP Road,
Secunderabad - 500003

AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2011

(Rs.in Lakhs)

Particulars	CONSOLIDATED		STAND ALONE	
	YEAR ENDED		YEAR ENDED	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
	Audited	Audited	Audited	Audited
INCOME				
- Sales/Income from Operations	3,938.68	5,381.01	1,778.16	2,545.59
TOTAL	3,938.68	5,381.01	1,778.16	2,545.59
EXPENDITURE :				
- Staff Cost	2,927.38	3,462.61	1,035.17	1,077.96
- Other Expenditure	1,281.21	1,188.75	784.49	861.69
- Direct & Outsourcing	282.81	540.51	204.57	348.22
- Provisions	160.54	1,441.71	160.54	1,441.71
- Depreciation	215.75	830.68	190.75	820.59
TOTAL	4,867.69	7,464.26	2,375.51	4,550.17
Profit / (Loss) from Operations before Other Income, Interest & Exceptional Items	(929.01)	(2,083.25)	(597.35)	(2,004.58)
- Other Income	86.91	132.10	71.16	90.47
Profit / (Loss) before Interest & Exceptional Items	(842.10)	(1,951.15)	(526.19)	(1,914.11)
- Interest	53.91	108.94	47.13	103.23
Profit / (Loss) After Interest but before Exceptional Items	(896.01)	(2,060.09)	(573.32)	(2,017.34)
- Exceptional Items	-	49.35	-	49.35
Profit / (Loss) from Ordinary Activities before Tax	(896.01)	(2,109.44)	(573.32)	(2,066.69)
Tax Expenses	(39.51)	(234.62)	(45.05)	(238.47)
Profit / (Loss) from Ordinary Activities after Tax	(856.50)	(1,874.82)	(528.27)	(1,828.22)
Extraordinary Items (net of tax expenses)	-	-	-	-
Net Profit / (Loss) for the period	(856.50)	(1,874.82)	(528.27)	(1,828.22)
Paid up Equity Capital (Face Value of Rs.10/- each)	3,232.98	3,232.98	3,232.98	3,232.98
Reserves Excluding Revaluation Reserves (as per Audited Balance Sheet)	4,123.76	4,219.20	4,027.24	4,027.24
Earnings Per Share Before Extraordinary Item				
- Basic	(2.65)	(8.11)	(1.63)	(7.00)
- Diluted				
Earnings Per Share After Extraordinary Item				
- Basic	(2.65)	(8.30)	(1.63)	(7.20)
- Diluted				
Public Shareholding				
- No. of Shares	19,874,814	18,420,189	19,874,814	18,420,189
- Percentage of Shareholding	61.48%	56.98%	61.48%	56.98%
Aggregate of Public Shareholding				
Promoter & Promoter Group Shareholding				
a) Pledged / Encumbered				
- Number of Shares	3,350,000	3,350,000	3,350,000	3,350,000
- Percentage of shares (as a % of total Shareholding of Promoters & Promoters Group)	26.91%	24.09%	26.91%	24.09%
- Percentage of shares (as a % of total Share Capital of the Company)	10.36%	10.36%	10.36%	10.36%
b) Non - encumbered				
- Number of Shares	9,100,186	10,554,811	9,100,186	10,554,811
- Percentage of shares (as a % of total Shareholding of Promoters & Promoters Group)	73.09%	75.91%	73.09%	75.91%
- Percentage of shares (as a % of total Share Capital of the Company)	28.15%	32.65%	28.15%	32.65%

Notes:

- The above Audited Financial Results for the Year ended March 31, 2011 were duly reviewed by Audit Committee were considered and approved by the Board of Directors at their meeting held on September 02, 2011.
- The Consolidated Financial Results include Audited Results of International M/s. SQL Star Pte Ltd., Singapore; and un-audited Financial reports of M/s. SQL Star International Inc., USA; the wholly owned subsidiaries of the Company and M/s. SQL Star International Pty. Ltd, Australia, the wholly owned subsidiary of M/s. SQL Star International Inc., USA.
- 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 01 requests/grievances from the shareholders during the Quarter ended March 31, 2011 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. When the arbitration proceedings were in progress, the Mandi Board withdrew the arbitrator and the new arbitrator is yet to be appointed by the Mandi Board. In the meanwhile, the company has filed a petition before the Honourable High Court of Madhya Pradesh, Jabalpur Bench seeking to appoint an arbitrator to complete the proceedings.
- Liability for deferred tax is recognized while deferred tax assets are not recognized in accordance with Para 17 AS 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 the Order of Board
For SQL Star International Limited

Sd/-
Sunil Gupta
Co-Chairman and Managing Director

Place: Mumbai
Dated: 02nd September, 2011

AUDITED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE YEAR ENDED MARCH 31, 2011

(Rs.in Lakhs)

Sl. No.	Particulars	CONSOLIDATED		STAND ALONE	
		YEAR ENDED		YEAR ENDED	
		31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
		Audited	Audited	Audited	Audited
1	Segment Revenue				
	a. Software Development & Services	2,581.75	3,428.28	421.23	592.86
	b. Education & Training	1,232.93	1,151.50	1,232.93	1,151.50
	c. E-Governance	149.00	801.23	124.00	801.23
	Total	3,938.68	5,381.01	1,778.16	2,545.59
	Less Inter-Segment Sales	-	-	-	-
	Net Sales	3,938.68	5,381.01	1,778.16	2,545.59
2	Segment Results				
	Profit / (Loss) before Tax and Interest from each segment				
	a. Software Development & Services	(379.01)	(22.48)	(47.35)	46.10
	b. Education & Training	100.78	(0.51)	100.78	(0.51)
	c. E-Governance	4.29	(120.20)	4.29	(120.20)
	Total	(273.94)	(143.19)	57.72	(74.61)
	Less:				
	i) Interest	53.91	108.94	47.13	103.23
	ii) Other Un-allocable expenses	655.07	1,940.06	655.07	1,929.97
	iii) Un-allocable income	(86.91)	(132.10)	(71.16)	(90.47)
	iv) Extra Ordinary Items	-	49.35	-	49.35
	Total Profit Before Tax	(896.01)	(2,109.44)	(537.32)	(2,066.69)
3	Capital Employed				
	a. Software Development & Services	235.35	644.62	74.79	198.08
	b. Education & Training	377.21	541.09	377.21	541.09
	c. E-Governance	1,242.00	1,182.30	1,242.00	1,182.30
	d. Un-allocated	(69.11)	(223.29)	18.73	31.45
	Total Capital Employed	1,785.45	2,144.72	1,712.72	1,952.92
	B) Secondary Segment (By Geographical Segment)				
	Segment Revenue				
	Geographical Location				
	- India	1,773.93	2,477.76	1,773.93	2,477.76
	- Rest of the World	2,164.75	2,903.25	4.23	67.83

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2011

(Rs.in Lakhs)

Particulars	CONSOLIDATED		STAND ALONE	
	YEAR ENDED		YEAR ENDED	
	31-Mar-11	31-Mar-10	31-Mar-11	31-Mar-10
	Audited	Audited	Audited	Audited
SOURCES OF FUNDS				
SHAREHOLDER'S FUNDS :				
- Share Capital	3,232.98	3,232.98	3,232.98	3,232.98
- Share Application Money	-	-	-	-
- Share Warrants	144.75	144.75	144.75	144.75
- Reserves and Surplus	4,123.76	4,219.20	4,027.24	4,027.24
Sub-Total	7,501.49	7,596.93	7,404.97	7,404.97
LOAN FUNDS				
- Secured Loans	128.28	168.74	109.13	103.53
- Unsecured Loans	715.96	388.45	715.96	388.44
Sub-Total	844.24	557.19	825.09	491.97
DEFERRED TAX	127.00	172.05	127.00	172.05
RESTATEMENT ON CONSOLIDATION	2,277.93	1,986.11	-	-
Total	10,750.66	10,312.28	8,357.06	8,068.99
APPLICATION OF FUNDS				
FIXED ASSETS	480.63	622.15	382.21	559.04
INVESTMENTS	-	-	161.28	254.74
CURRENT ASSETS, LOAN & ADVANCES				
- Inventories	11.45	15.83	11.45	15.83
- Sundry Debtors	2,881.06	2,904.55	2,529.06	2,511.79
- Cash and Bank Balances	252.22	223.97	193.89	142.76
- Loans and Advances	1,090.64	1,490.19	1,055.52	1,174.51
Sub-Total	4,235.37	4,634.54	3,789.92	3,844.89
LESS: CURRENT LIABILITIES & PROVISIONS				
- Current Liabilities	2,898.04	3,002.84	2,588.17	2,685.00
- Provisions	32.52	50.28	32.52	20.75
Sub-Total	2,930.56	3,053.12	2,620.69	2,705.75
NET CURRENT ASSETS	1,304.81	1,581.42	1,169.23	1,139.14
PROFIT & LOSS ACCOUNT				
- Debit Balance in Profit & Loss Account	8,965.22	8,108.71	6,644.34	6,116.07
Total	10,750.66	10,312.28	8,357.06	8,068.99