

NOTICE OF
EXTRA-ORDINARY GENERAL MEETING

Date :Monday, 12th February, 2007

Time :11.00 a.m.

Venue :Central Court, Lakdikapool, Hyderabad.



SQL STAR INTERNATIONAL LIMITED

Regd. Office: SQL Star House, 13 Infocity,
Hyderabad - 500 081, Andhra Pradesh, India

Phone : 040 - 23101600 - 1603 Fax : 040 - 23101663

Email : corporate.affairs@sqlstar.com

Website : www.sqlstar.com

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NOTICE OF THE EXTRA-ORDINARY GENERAL MEETING

NOTICE is hereby given that the Extra-ordinary General Meeting of M/s. SQL Star International Limited will be held on Monday, 12th February, 2007 at 11.00 a.m. at Central Court, Lakdikapool, Hyderabad to consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

ISSUE OF FCCBs / GDRs / ADRs/ CONVERTIBLE SECURITIES:

"RESOLVED THAT in super session of the earlier resolution passed by the members in the Nineteenth Annual General Meeting held on 18th August, 2006 and in accordance with the provisions of Section 81 and any other applicable provisions, if any of the Companies Act, 1956 and all other applicable laws or rules and regulations (including any amendment thereto or re-enactment thereof, for the time being in force), the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000 (including any statutory modification or re-enactment thereof, for the time being in force) and any other applicable provisions, schemes, rules & regulations, guidelines and circulars issued by Reserve Bank of India or any other authority, the enabling provisions in the Memorandum and Articles of Association of the Company and the Listing agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed, and subject to necessary approvals, permissions, consents and sanctions of concerned Government/Statutory and other Regulatory Authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee thereof) consent of the Company be and is hereby accorded to the Board to offer, issue and allot either in India or in the course of international offering(s) in one or more foreign markets, such number of Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs) and/or Equity Shares (through Depository Receipt Mechanism) and / or any other Financial Instruments convertible into Equity Shares or otherwise, in registered or bearer form and / or any security convertible into Equity Shares, securities linked to Equity Shares and / or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (hereinafter collectively referred to as "Securities") or any combination of Securities, in one or more

tranches, whether rupee denominated or denominated in foreign currency, to any person, including foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), Foreign Institutional Investors, Indian and / or Multilateral Financial Institutions, Mutual Funds, Banks, Insurance Companies, Pension Funds, Non-Resident Indians and / or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the "Investors") through public issue(s) of prospectus, private placement memorandum and/or any other offering memorandum, private placement(s) or a combination thereof at such time or times, at such price or prices, at a discount or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest etc., as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment of the securities shall be made to the exclusion of all other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with Lead Managers, upto an amount not exceeding US \$ 20 million (US Dollars Twenty million only), including a green shoe option, if any, for such amount within the aforesaid limit as determined by the Board inclusive of such premium as the Board at its absolute discretion may deem fit and appropriate.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practice and to provide for the tradability or free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to terms and conditions in relation to payment of interest, additional interest, premium on redemption, pre-payment and any other debt service payments whatsoever including terms for issue of additional Securities, Equity Shares or variation of the conversion price of such Securities and the Board be and is hereby authorised at its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities as are not subscribed.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any Securities or as may be necessary in accordance with the terms of the offering, all such shares ranking pari-passu with the existing Equity Shares of the Company in all respects.

RESOLVED FURTHER THAT: (i) the Securities to be so offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company and (ii) the relevant date for the determination of applicable price for the issue /conversion of the Securities means the date thirty (30) days prior to the date of the Extra-ordinary General Meeting i.e. 13th January, 2007.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Advisors (Legal, Financial or otherwise) and all such Agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements,

agreements, memoranda, documents etc., with such agencies and to seek the listing of such Securities on one or more National and / or International Stock Exchange(s).

RESOLVED FURTHER THAT such of the Securities and / or securities representing the same and / or equity shares to be issued, that are not subscribed to, may be disposed of by the Board, to such persons and in such manner and on such terms, as the Board / Committee may in its absolute discretion think fit as permissible under applicable law.

RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise (a) in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds, including, without limitation, the creation of such mortgage / charges under Section 293(1)(a) of the Companies Act, 1956 in respect of the aforesaid Securities, if any, either on pari-passu basis or otherwise or (b) in the borrowing of loans as it may, in its absolute discretion deem fit, without being required to seek any further consent or approval of the members of the Company (the "Members") or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities and / or securities representing the same and / or equity shares, as described hereinabove, the Board, be and is hereby authorized, on behalf of the Company, to do all such acts, deeds, matters and things at its discretion deem necessary or desirable for such purpose, including without limitation, the utilization of issue proceeds, entering into underwriting, indemnification, escrow, marketing and depository arrangements in connection with the GDR / FCCB Issue and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment, as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities and / or securities representing the same and/or equity shares, as described hereinabove, the Board, be and is hereby authorized, on behalf of the Company, to authorize any person or persons to jointly or singly, negotiate, finalise, issue, execute, sign and/or deliver any and all documents, agreements, writings, issue receipts, certificates and undertakings and execute/sign/deliver any other instruments / letters / undertakings / receipts / or instruments or writing in issue or allotment of Securities and/or securities representing the same and/or equity shares, as described herein above, (whether pre or post the issue).

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred on the Board to any Committee of Directors or Managing Director or Company Secretary or any Officer(s) of the Company to give effect to the aforesaid resolution."

For SQL Star International Limited

Place: Hyderabad
Date: 17th January, 2007

(N.R. Ganti)
Chairman & Managing Director

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE THEREAT INSTEAD OF HIMSELF / HERSELF AND A PROXY NEED NOT BE A MEMBER.
- b) The instrument of Proxy duly completed and signed shall be deposited at the Registered Office of the Company not less than 48 hours before commencement of the Meeting.
- c) An Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956, in respect of the business set out above is annexed hereto.

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

ISSUE OF FCCBs / GDRs / ADRs / CONVERTIBLE SECURITIES

In order to augment resources for the organic, inorganic and other corporate purposes of the Company, it is proposed to raise funds by way of issue of FCCBs / GDRs / ADRs / or other securities in the international market to the extent of USD 20 Million. The Board has given in principle approval in their meeting held on 17th January, 2007.

Such issue and allotment of Securities shall be governed by Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000 (including any statutory modification or re-enactment thereof, for the time being in force), Section 81 and any other applicable provisions of the Companies Act, 1956, any provisions of all other applicable laws or rules and regulations.

The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers, Underwriters and such other authority or authorities and agencies as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors. The pricing of the international offering(s) will be free market pricing and may be at a premium or discount to market price in accordance with international practice, subject to applicable rules, regulations etc. As the pricing of the offering will be decided at a later stage, the exact number of securities or shares to be issued will depend upon the price so decided. For the aforesaid reasons, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalise the terms of the issue.

According to the recent amendment to the Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 (the "FCCB Scheme"), the pricing of GDRs / ADRs/ FCCB issues should be made at a price not less than the higher of the following two averages:

- (i) The average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the six months preceding the relevant date;
- (ii) The average of the weekly high and low of the closing prices of the related shares quoted on a stock exchange during two weeks preceding the relevant date.

The relevant date means the date thirty days prior to the date of the Extra-ordinary General Meeting. Securities issued pursuant to the international offering(s) will be listed on Luxembourg Stock Exchange and / or London Stock Exchange and/or Singapore Stock Exchange and / or other Exchange(s) outside India and may be represented by Securities outside India.

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies, individuals or otherwise as the Board may at its absolute discretion deem fit. Section 81(1) of the Companies Act, 1956 provides, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company in the manner laid down in Section 81 unless the shareholders in a general meeting decide otherwise.

The Listing Agreements entered into by the Company with the Stock Exchanges on which the Company's shares are listed provide, inter alia, that the Company in the first instance should offer all the shares to be issued by the Company for subscription on pro-rata basis to the equity shareholders unless the shareholders in a general meeting decide otherwise.

The said Special Resolution, if passed, shall have the effect of allowing the Board on behalf of the Company to offer, issue and allot the Securities otherwise than on pro-rata basis to the existing shareholders. Accordingly consent of the shareholders is being sought pursuant to the provisions of Section 81 of the Companies Act, 1956, Articles of Association of the Company and other applicable provisions.

A copy of the certificate of the Company Auditor as per the SEBI guidelines shall be placed before the shareholders at the meeting.

None of the Directors are concerned or interested in the above resolution.

For SQL Star International Limited

Place: Hyderabad
Date: 17th January, 2007

(N.R. Ganti)
Chairman & Managing Director

SQL STAR INTERNATIONAL LIMITED

Regd. Office: SQL Star House, 13 Infocity,
Hyderabad - 500 081, Andhra Pradesh, India



PROXY FORM

(Extra-ordinary General Meeting)

Regd. Folio No. _____

I / We being a
Member / Members of the above named Company hereby appoint of
..... or failing him
or as my / our proxy to vote for me / us on my / our behalf
at the Extra-ordinary General Meeting of the Company to be held on Monday, 12th February,
2007 at 11.00 a.m. at Central Court, Lakdikapool, Hyderabad and at any adjournment
thereof.

Signed this day of 2007

Affix Rs.
0.15 ps.
Revenue
Stamp

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited to the registered office of the Company, not less that 48 hours before the meeting.



SQL STAR INTERNATIONAL LIMITED

Regd. Office: SQL Star House, 13 Infocity,
Hyderabad - 500 081, Andhra Pradesh, India



ATTENDANCE SLIP

(Extra-ordinary General Meeting)

Regd. Folio No No. of Shares held

I certify that I am a Registered Shareholder / Proxy for the Registered Shareholder of the company.

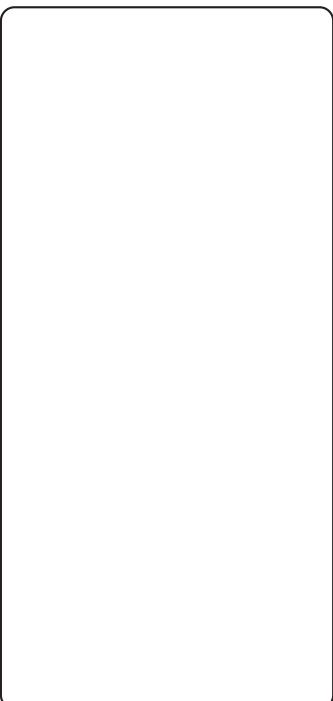
I hereby record my presence in the Extra-ordinary General Meeting of the Company on Monday, 12th February, 2007 at 11.00 a.m. at Central Court, Lakdikapool, Hyderabad.

Member's / Proxy's Name
(in Block Letters)

Member's / Proxy's Name
Signature

Note: Please fill in this attendance slip and hand it over at the entrance of the Hall.

BOOK-POST



If undelivered, please return to :

The Company Secretary
SQL Star International Limited
SQL Star House, 13, Infocity,
Madhapur, Hyderabad 500 081.
Andhra Pradesh, India

