

(Rupees in Lakhs)

Unaudited Financial Results for the Half Year & Quarter Ended September 30, 2007

Particulars	CONSOLIDATED					SQL STAR INTERNATIONAL LTD (Stand alone)				
	Quarter Ended		Half Year Ended		Year ended	Quarter Ended		Half Year ended		Year ended
	30-09-07 Un-Audited (1)	30-09-06 Un-Audited (2)	30-09-07 Un-Audited (3)	30-09-06 Un-Audited (4)	31-03-07 Audited (5)	30-09-07 Un-Audited (6)	30-09-06 Un-Audited (7)	30-09-07 Un-Audited (8)	30-09-06 Un-Audited (9)	31-03-07 Audited (10)
INCOME:										
- Sales/Income from Operations	2625.72	1633.11	5,073.80	3,365.69	6,939.08	1,122.15	1,008.98	2,352.59	2,155.80	4,191.88
- Other Income	5.18	28.46	19.19	62.19	135.40	3.41	28.46	17.40	62.19	106.77
Total Income	2,630.90	1,661.57	5,092.98	3,427.88	7,074.47	1,125.56	1,037.44	2,369.99	2,217.99	4,298.65
EXPENDITURE :										
- Staff Cost	1449.00	774.72	2,730.91	1,523.56	3,216.58	332.05	320.02	693.32	593.75	1,205.59
- E Governance Outsourcing	287.82	232.50	675.66	599.14	1,156.83	287.82	232.50	675.66	599.14	1,156.83
- Depreciation	70.06	53.66	108.63	96.20	219.89	28.20	51.20	55.88	91.28	183.04
- Other Expenditure	504.49	477.09	1,070.41	1,072.74	2,017.74	340.65	365.79	698.90	839.10	1,455.35
Total Expenditure	2,311.37	1,537.97	4,585.60	3,291.64	6,611.05	988.72	969.51	2,123.76	2,123.27	4,000.81
- Interest	50.84	41.29	59.46	54.85	101.19	37.51	34.55	40.59	47.25	66.33
- Exceptional Items	-	-	-	-	-	-	-	-	-	-
Profit/(Loss) from Ordinary Activities before tax	268.69	82.30	447.92	81.40	362.24	99.33	33.38	205.64	47.47	231.51
Tax Expenses	12.51	(30.41)	32.40	5.38	(189.30)	12.51	(29.70)	30.95	5.25	(192.69)
Profit/(Loss) from Ordinary Activities after tax	256.18	112.71	415.52	76.02	551.54	86.82	63.08	174.69	42.22	424.20
Extraordinary Items (net of tax expenses)	-	-	-	-	(1,500.92)	-	-	-	-	(956.76)
Net Profit/(Loss) for the period	256.18	112.71	415.52	76.02	2,052.46	86.82	63.08	174.69	42.22	1,380.96
"Paid up Equity Capital (Face Value of Rs.10/- each)"	2,180.47	1,777.27	2,180.47	1,777.27	2,177.42	2,180.47	1,777.27	2,180.47	1,777.27	2,177.42
Reserves Excluding Revaluation Reserves (as per Audited Balance Sheet of Previous Accounting Year)	-	-	-	-	3,947.40	-	-	-	-	2,505.34
Earnings Per Share (in Rs.)										
- Before Extraordinary Item										
- Basic	1.18	0.63	1.91	0.43	2.53	0.40	0.35	0.80	0.24	1.95
- Diluted	1.13	0.40	1.84	0.27	2.39	0.38	0.22	0.77	0.15	1.83
- After Extraordinary Item										
- Basic	1.18	0.63	1.91	0.43	9.43	0.40	0.35	0.80	0.24	6.34
- Diluted	1.13	0.40	1.84	0.27	8.88	0.38	0.22	0.77	0.15	5.97
Aggregate of Non-Promoter Shareholding										
- No. of Shares	15,127,772	14,487,499	15,127,772	14,487,499	15,142,730	15,127,772	14,487,499	15,127,772	14,487,499	15,142,730
- Percentage of Shareholding	69.40%	81.52%	69.40%	81.52%	69.56%	69.40%	81.52%	69.40%	81.52%	69.56%

(Rupees in Lakhs)

A) Primary Segment (By Business Segment)

Particulars	CONSOLIDATED					SQL STAR INTERNATIONAL LTD (Stand alone)				
	Quarter Ended		Half Year Ended		Year ended	Quarter Ended		Half Year ended		Year ended
	30-09-07 Un-Audited (1)	30-09-06 Un-Audited (2)	30-09-07 Un-Audited (3)	30-09-06 Un-Audited (4)	31-03-07 Audited (5)	30-09-07 Un-Audited (6)	30-09-06 Un-Audited (7)	30-09-07 Un-Audited (8)	30-09-06 Un-Audited (9)	31-03-07 Audited (10)
1. Segment Revenue										
a. Software Devl. & Services	1,721.07	833.77	3,185.65	1,780.68	3,713.67	217.50	209.64	464.44	570.79	966.48
b. Education & Training	512.91	418.12	961.57	764.74	1,530.29	512.91	418.12	961.57	764.74	1,530.29
c. E-Governance	391.74	381.22	926.58	820.27	1,695.11	391.74	381.22	926.58	820.27	1,695.11
Total	2,625.72	1,633.11	5,073.80	3,365.69	6,939.07	1,122.15	1,008.98	2,352.59	2,155.80	4,191.88
Less Inter segment sales	-	-	-	-	-	-	-	-	-	-
Net Sales	2,625.72	1,633.11	5,073.80	3,365.69	6,939.07	1,122.15	1,008.98	2,352.59	2,155.80	4,191.88
2. Segment Results										
Profit / (Loss) before Tax and Interest from each segment										
a. Software Devl. & Services	187.25	40.13	276.13	17.45	179.48	6.33	(15.53)	16.77	(24.07)	70.20
b. Education & Training	182.40	77.83	286.24	123.60	279.51	182.40	77.83	286.24	123.60	279.51
c. E-Governance	50.86	94.50	144.21	145.09	331.16	50.86	94.50	144.21	145.09	331.16
Total	420.51	212.46	706.58	286.14	790.15	239.59	156.80	447.22	244.62	680.87
Less :										
i) Interest	50.84	41.29	59.46	54.85	101.19	37.51	34.55	40.59	47.25	66.33
ii) Other un-allocable expenses	106.16	117.33	218.39	212.09	462.12	106.16	117.33	218.39	212.09	489.80
iii) Un-allocable income	(5.18)	(28.46)	(19.19)	(62.19)	(135.40)	(3.41)	(28.46)	(17.40)	(62.19)	(106.77)
Total Profit Before Tax	268.69	82.30	447.92	81.40	362.24	99.33	33.38	205.64	47.47	231.51
3. Capital Employed										
a. Software Devl. & Services	4,720.80	2,952.25	4,720.80	2,952.25	2,075.11	304.04	1,535.80	304.04	1,535.80	223.24
b. Education & Training	330.50	565.63	330.50	565.63	340.87	330.50	565.63	330.50	565.63	340.87
c. E-Governance	568.72	494.49	568.72	494.49	599.38	568.72	494.49	568.72	494.49	599.38
Total Capital Employed	5,620.02	4,012.37	5,620.02	4,012.37	3,015.36	1,203.26	2,595.92	1,203.26	2,595.92	1,163.49

(Rupees in Lakhs)

B) Secondary Segment (By Geographical Segment)

Geographical Location	CONSOLIDATED					SQL STAR INTERNATIONAL LTD (Stand alone)				
	Quarter Ended		Half Year Ended		Year ended	Quarter Ended		Half Year ended		Year ended
	30-09-07	30-09-06	30-09-07	30-09-06	31-03-07	30-09-07	30-09-06	30-09-07	30-09-06	31-03-07
India	1,068.72	993.25	2,265.74	2,130.48	4,065.32	1,068.72	993.25	2,265.74	2,130.48	4,065.32
Rest of the world	1,557.00	639.86	2,808.06	1,235.21	2,873.75	53.43	15.73	86.85	25.32	126.56

Notes to the Unaudited Financial Results:

- The un-audited financial results were reviewed by Audit Committee and approved by the Board of Directors in their meeting held on October 29, 2007.
- Pursuant to the requirements of listing agreement, the statutory auditors have carried out limited review of the financial results of Indian operations for the quarter ended Sep 30, 2007 and the Board of Directors have taken on record the limited review report.
- 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 SRP Consulting Pty Limited, Australia and Talent Fuse Inc., USA, the wholly owned subsidiary of SQL Star International Inc., USA.
- Liability for Gratuity and Leave encashment are accrued as per the Payment of Gratuity Act, 1972 and actual leave at credit respectively. The Company is in the process of getting actuarial valuation and is advised that the liability as per the actuarial valuation is less than the liability already provided and the necessary effect will be given in the subsequent quarters.

- 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 21 requests/grievances from the shareholders during the quarter ended Sep 30, 2007 and all of them have been resolved and there are no pending requests/grievances.
- 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 Ltd**

Place: Hyderabad
Date: October 29, 2007

Sd/-
N.R. Ganti
Chairman & Managing Director