

Where innovation is the holy grail.  
Where knowledge keeps you in business..  
And where numbers speak louder than words...



(Rupees in Lakhs)

Unaudited Financial Results for the Quarter/Nine Months Ended December 31, 2007										
Particulars	CONSOLIDATED					SQL STAR INTERNATIONAL LTD (Stand alone)				
	Quarter Ended		9 Months Ended		Year Ended	Quarter Ended		9 Months Ended		Year Ended
	31-12-07 Un-Audited	31-12-06 Un-Audited	31-12-07 Un-Audited	31-12-06 Un-Audited	31-03-07 Audited	31-12-07 Un-Audited	31-12-06 Un-Audited	31-12-07 Un-Audited	31-12-06 Un-Audited	31-03-07 Audited
<b>INCOME:</b>										
- Sales/Income from Operations	2639.33	1733.24	7,713.13	5,098.93	6,939.08	1,333.60	982.95	3,686.19	3,138.75	4,191.88
- Other Income	7.69	16.82	26.87	79.01	135.40	3.54	16.78	20.94	78.97	106.77
<b>Total</b>	<b>2,647.01</b>	<b>1,750.05</b>	<b>7,740.00</b>	<b>5,177.93</b>	<b>7,074.47</b>	<b>1,337.14</b>	<b>999.73</b>	<b>3,707.13</b>	<b>3,217.72</b>	<b>4,298.65</b>
<b>EXPENDITURE :</b>										
- Staff Cost	1294.24	839.02	3,939.73	2,362.58	3,216.58	320.58	249.82	928.48	800.98	1,026.56
- Other Expenditure	552.40	453.93	1,708.23	1,526.67	2,017.74	351.41	351.82	1,135.73	1,233.51	1,634.38
- E Governance Outsourcing	528.08	292.24	1,203.74	891.38	1,156.83	528.08	292.24	1,203.74	891.38	1,156.83
- Depreciation	67.44	48.08	176.07	144.28	219.89	29.37	48.08	85.25	139.36	183.04
<b>Total</b>	<b>2,442.16</b>	<b>1,633.27</b>	<b>7,027.76</b>	<b>4,924.91</b>	<b>6,611.05</b>	<b>1,229.44</b>	<b>941.96</b>	<b>3,353.20</b>	<b>3,065.23</b>	<b>4,000.81</b>
- Interest	39.82	11.75	99.28	66.59	101.19	30.09	11.37	70.68	58.62	66.33
- Exceptional Items	-	-	-	-	-	-	-	-	-	-
<b>Profit/(Loss) from Ordinary Activities before tax</b>	<b>165.04</b>	<b>105.03</b>	<b>612.96</b>	<b>186.43</b>	<b>362.24</b>	<b>77.61</b>	<b>46.40</b>	<b>283.25</b>	<b>93.87</b>	<b>231.51</b>
<b>Tax Expenses</b>	<b>5.24</b>	<b>2.53</b>	<b>37.64</b>	<b>7.91</b>	<b>(189.30)</b>	<b>4.17</b>	<b>2.53</b>	<b>35.12</b>	<b>7.78</b>	<b>(192.69)</b>
<b>Profit/(Loss) from Ordinary Activities after tax</b>	<b>159.79</b>	<b>102.50</b>	<b>575.32</b>	<b>178.52</b>	<b>551.54</b>	<b>73.44</b>	<b>43.87</b>	<b>248.13</b>	<b>86.09</b>	<b>424.20</b>
Extraordinary Items (net of tax expenses)	-	(1,375.19)	-	(1,375.19)	(1,500.92)	-	(1,375.19)	-	(1,375.19)	(956.76)
<b>Net Profit/(Loss) for the period</b>	<b>159.79</b>	<b>1,477.69</b>	<b>575.32</b>	<b>1,553.71</b>	<b>2,052.46</b>	<b>73.44</b>	<b>1,419.06</b>	<b>248.13</b>	<b>1,461.28</b>	<b>1,380.96</b>
<b>Paid up Equity Capital</b> (Face Value of Rs.10/- each)	<b>2,180.47</b>	<b>1,777.27</b>	<b>2,180.47</b>	<b>1,777.27</b>	<b>2,177.42</b>	<b>2,180.47</b>	<b>1,777.27</b>	<b>2,180.47</b>	<b>1,777.27</b>	<b>2,177.42</b>
<b>Reserves Excluding Revaluation Reserves</b> (as per Audited Balance Sheet of Previous Accounting Year)	-	-	-	-	3,947.40	-	-	-	-	2,505.34
<b>Earnings Per Share</b>										
<b>Before Extraordinary Item</b>										
- Basic	0.73	0.58	2.64	1.00	2.53	0.34	0.25	1.14	0.48	1.95
- Diluted	0.71	0.36	2.55	0.63	2.39	0.32	0.16	1.10	0.31	1.83
<b>After Extraordinary Item</b>										
- Basic	0.73	8.32	2.64	8.74	9.43	0.34	7.99	1.14	8.22	6.34
- Diluted	0.71	5.25	2.55	5.53	8.88	0.32	5.05	1.10	5.20	5.97
<b>Aggregate of Non-Promoter Shareholding</b>										
- No. of Shares	15,163,022	13,489,581	15,163,022	13,489,581	15,142,730	15,163,022	13,489,581	15,163,022	13,489,581	15,142,730
- Percentage of Shareholding	69.56%	75.91%	69.56%	75.91%	69.56%	69.56%	75.91%	69.56%	75.91%	69.56%

(Rupees in Lakhs)

Unaudited Segment-wise Revenue, Results and Capital Employed for the Quarter/Nine Months Ended December 31, 2007										
A) Primary Segment (By Business Segment)	CONSOLIDATED					SQL STAR INTERNATIONAL LTD (Stand alone)				
	Quarter Ended		9 Months Ended		Year Ended	Quarter Ended		9 Months Ended		Year Ended
	31-12-07 Un-Audited	31-12-06 Un-Audited	31-12-07 Un-Audited	31-12-06 Un-Audited	31-03-07 Audited	31-12-07 Un-Audited	31-12-06 Un-Audited	31-12-07 Un-Audited	31-12-06 Un-Audited	31-03-07 Audited
<b>1. Segment Revenue</b>										
a. Software Devl. & Services	1,580.49	939.33	4,766.14	2,720.01	3,713.47	274.76	189.04	739.20	759.83	966.48
b. Education & Training	396.05	353.28	1,357.62	1,118.02	1,530.29	396.05	353.28	1,357.62	1,118.02	1,530.29
c. E-Governance	662.79	440.63	1,589.37	1,260.90	1,695.11	662.79	440.63	1,589.37	1,260.90	1,695.11
<b>Total</b>	<b>2,639.33</b>	<b>1,733.24</b>	<b>7,713.13</b>	<b>5,098.93</b>	<b>6,938.87</b>	<b>1,333.60</b>	<b>982.95</b>	<b>3,686.19</b>	<b>3,138.75</b>	<b>4,191.88</b>
Less Inter segment sales	-	-	-	-	-	-	-	-	-	-
<b>Net Sales</b>	<b>2,639.33</b>	<b>1,733.24</b>	<b>7,713.13</b>	<b>5,098.93</b>	<b>6,938.87</b>	<b>1,333.60</b>	<b>982.95</b>	<b>3,686.19</b>	<b>3,138.75</b>	<b>4,191.88</b>
<b>2. Segment Results</b>										
<b>Profit / (Loss) before Tax and Interest from each segment</b>										
a. Software Devl. & Services	132.72	82.98	408.85	100.43	179.48	39.72	24.35	56.49	0.28	70.20
b. Education & Training	70.54	45.99	356.78	169.59	279.51	70.54	45.99	356.78	169.59	279.51
c. E-Governance	76.89	91.46	221.10	236.55	331.16	76.89	91.46	221.10	236.55	331.16
<b>Total</b>	<b>280.15</b>	<b>220.43</b>	<b>986.73</b>	<b>506.57</b>	<b>790.15</b>	<b>187.15</b>	<b>161.80</b>	<b>634.37</b>	<b>406.42</b>	<b>680.87</b>
Less :										
i) Interest	39.82	11.75	99.28	66.60	101.19	30.09	11.37	70.68	58.62	66.33
ii) Other un-allocable expenses	82.99	120.47	301.38	332.56	462.13	82.99	120.81	301.38	332.90	489.80
iii) Un-allocable income	(7.69)	(16.82)	(26.87)	(79.01)	(135.40)	(3.54)	(16.78)	(20.94)	(78.97)	(106.77)
<b>Total Profit Before Tax</b>	<b>165.03</b>	<b>105.03</b>	<b>612.95</b>	<b>186.43</b>	<b>362.24</b>	<b>77.61</b>	<b>46.40</b>	<b>283.25</b>	<b>93.87</b>	<b>231.51</b>
<b>3. Capital Employed</b>										
a. Software Devl. & Services	3,288.60	1,800.80	3,288.60	1,800.80	2,075.11	438.65	384.35	438.65	384.35	223.24
b. Education & Training	358.11	481.65	358.11	481.65	340.87	358.11	481.65	358.11	481.65	340.87
c. E-Governance	539.29	589.77	539.29	589.77	599.38	539.29	589.77	539.29	589.77	599.38
<b>Total Capital Employed</b>	<b>4,186.00</b>	<b>2,872.22</b>	<b>4,186.00</b>	<b>2,872.22</b>	<b>3,015.36</b>	<b>1,336.05</b>	<b>1,455.77</b>	<b>1,336.05</b>	<b>1,455.77</b>	<b>1,163.49</b>

(Rupees in Lakhs)

B) Secondary Segment (By Geographical Segment)	CONSOLIDATED					SQL STAR INTERNATIONAL LTD (Stand alone)				
	Quarter Ended		9 Months Ended		Year Ended	Quarter Ended		9 Months Ended		Year Ended
	31-12-07	31-12-06	31-12-07	31-12-06	31-03-07	31-12-07	31-12-06	31-12-07	31-12-06	31-03-07
<b>Geographical Location</b>										
India	1,226.77	947.96	3,492.51	3,078.44	4,065.32	1,226.77	947.96	3,492.51	3,078.44	4,065.32
Rest of the world	1,412.56	785.28	4,220.62	2,020.49	2,873.55	106.83	34.99	193.68	60.31	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 January 25, 2008.
- 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 Dec 31, 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 year end.

- 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 41 requests/grievances from the shareholders during the quarter ended Dec 31, 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 Limited**

Place: Hyderabad  
Date: January 25, 2008

sd/-  
**N R Ganti**  
Chairman & Managing Director