

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2009

(Rs. in lacs)

| Particulars | Consolidated | | | SQL Star International Ltd (Stand alone) | | |
|--|-------------------------|-------------------------|----------------------|--|-------------------------|----------------------|
| | Quarter Ended | | Year ended | Quarter Ended | | Year ended |
| | 30-Jun-09 Un-audited | 30-Jun-08 Un-audited | 31-Mar-09 Audited | 30-Jun-09 Un-audited | 30-Jun-08 Un-audited | 31-Mar-09 Audited |
| INCOME: | | | | | | |
| - Sales/Income from Operations | 1,707.10 | 2,372.87 | 8,685.35 | 926.27 | 1,196.16 | 4,208.90 |
| Total | 1,707.10 | 2,372.87 | 8,685.35 | 926.27 | 1,196.16 | 4,208.90 |
| EXPENDITURE : | | | | | | |
| - Staff Cost | 905.05 | 1,330.36 | 5,378.91 | 270.86 | 379.82 | 1,400.66 |
| - Other Expenditure | 241.66 | 364.53 | 1,401.75 | 180.22 | 225.67 | 969.78 |
| - Direct & Outsourcing | 430.67 | 515.10 | 1,649.31 | 407.38 | 479.48 | 1,649.31 |
| - Depreciation | 57.43 | 95.12 | 423.08 | 56.43 | 55.32 | 217.42 |
| Total | 1,634.81 | 2,305.11 | 8,853.05 | 914.89 | 1,140.29 | 4,237.17 |
| Profit/(Loss) from Operations before Other income, Interest & Exceptional items | 72.29 | 67.76 | (167.70) | 11.38 | 55.87 | (28.27) |
| - Other Income | (22.00) | (12.08) | 33.15 | (13.90) | (11.34) | 32.25 |
| Profit/(Loss) before Interest & Exceptional items | 94.29 | 79.84 | (134.55) | 25.28 | 67.21 | 3.98 |
| - Interest | 39.25 | 55.07 | 175.90 | 33.79 | 44.15 | 125.51 |
| Profit/(Loss) After Interest but before Exceptional items | 55.04 | 24.77 | (310.45) | (8.51) | 23.06 | (121.53) |
| - Exceptional Items | - | - | 2,692.49 | - | - | 2,692.49 |
| Profit/(Loss) from Ordinary Activities before Tax | 55.04 | 24.77 | (3,002.94) | (8.51) | 23.06 | (2,814.02) |
| Tax Expenses | 2.30 | 11.14 | 270.29 | - | 6.56 | 256.31 |
| Profit/(Loss) from Ordinary Activities after Tax | 52.74 | 13.63 | (3,273.23) | (8.51) | 16.50 | (3,070.33) |
| Extraordinary Items (net of tax expenses) | - | - | - | - | - | - |
| Net Profit/(Loss) for the period | 52.74 | 13.63 | (3,273.23) | (8.51) | 16.50 | (3,070.33) |
| Paid-up Equity Capital (Face value of Rs.10/- each) | 2,180.48 | 2,180.48 | 2,180.48 | 2,180.48 | 2,180.48 | 2,180.48 |
| Reserves Excluding Revaluation Reserves (as per Audited Balance Sheet) | - | - | (1,257.02) | - | - | (313.23) |
| Earnings Per Share | | | | | | |
| Before Extra-ordinary Item | | | | | | |
| - Basic | 0.24 | 0.06 | - | - | 0.08 | - |
| - Diluted | 0.23 | 0.06 | - | - | 0.07 | - |
| After Extra-ordinary Item | | | | | | |
| - Basic | 0.24 | 0.06 | - | - | 0.08 | - |
| - Diluted | 0.23 | 0.06 | - | - | 0.07 | - |
| Public Shareholding | | | | | | |
| - No. of Shares | 14,707,464 | 14,707,464 | 14,707,464 | 14,707,464 | 14,707,464 | 14,707,464 |
| - Percentage of Shareholding | 68% | 68% | 68% | 68% | 68% | 68% |
| Aggregate of Public Shareholding | | | | | | |
| Promoters and 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 % the total shareholding of Promoters and Promoter group) | 47% | - | 47% | 47% | - | 47% |
| - Percentage of Shares (as a % of the total share capital of the Company) | 15% | - | 15% | 15% | - | 15% |
| b) Non-encumbered | | | | | | |
| - Number of Shares | 3,742,536 | 7,092,536 | 3,742,536 | 3,742,536 | 7,092,536 | 3,742,536 |
| - Percentage of Shares (as a % the total shareholding of Promoters and Promoter group) | 53% | 100% | 53% | 53% | 100% | 53% |
| - Percentage of Shares (as a % of the total share capital of the Company) | 17% | 32% | 17% | 17% | 32% | 17% |

UN-AUDITED SEGMENT-WISE REVENUE, RESULTS & CAPITAL EMPLOYED

(Rs. in lacs)

A) Primary Segment (By Business Segment)

| Sl. No. | Particulars | Consolidated | | | SQL Star International Ltd (Stand alone) | | |
|----------|--|-------------------------|-------------------------|----------------------|--|-------------------------|----------------------|
| | | Quarter ended | | Year ended | Quarter ended | | Year ended |
| | | 30-Jun-09 Un-audited | 30-Jun-08 Un-audited | 31-Mar-09 Audited | 30-Jun-09 Un-audited | 30-Jun-08 Un-audited | 31-Mar-09 Audited |
| 1 | Segment Revenue | | | | | | |
| | a. Software Development & Services | 941.06 | 1,471.14 | 5,458.54 | 160.23 | 294.44 | 982.09 |
| | b. Education & Training | 255.43 | 383.44 | 1,362.24 | 255.43 | 383.44 | 1,362.24 |
| | c. e-Governance | 510.61 | 518.29 | 1,864.57 | 510.61 | 518.28 | 1,864.57 |
| | Total | 1,707.10 | 2,372.87 | 8,685.35 | 926.27 | 1,196.16 | 4,208.90 |
| | Less: Inter-segment Sales | - | - | - | - | - | - |
| | Net Sales | 1,707.10 | 2,372.87 | 8,685.35 | 926.27 | 1,196.16 | 4,208.90 |
| 2 | Segment Results | | | | | | |
| | Profit/(Loss) before Tax and Interest from each segment | | | | | | |
| | a. Software Development & Services | 77.86 | 48.60 | (10.10) | 16.95 | 36.71 | 129.33 |
| | b. Education & Training | (2.66) | 42.11 | 25.69 | (2.66) | 42.11 | 25.69 |
| | c. e-Governance | 107.41 | 112.23 | 391.64 | 107.41 | 112.23 | 391.64 |
| | Total | 182.61 | 202.94 | 407.23 | 121.70 | 191.05 | 546.66 |
| | Less: | | | | | | |
| | i) Interest | 39.25 | 55.07 | 175.90 | 33.79 | 44.15 | 125.51 |
| | ii) Other Un-allocable Expenses | 110.31 | 135.18 | 574.93 | 110.32 | 135.18 | 574.93 |
| | iii) Un-allocable Income | (22.00) | (12.08) | (33.15) | (13.90) | (11.34) | (32.25) |
| | Total Profit Before Tax | 55.04 | 24.77 | (310.45) | (8.51) | 23.06 | (121.53) |
| 3 | Capital Employed | | | | | | |
| | a. Software Development & Services | 2,144.96 | 4,040.11 | 1,916.66 | 398.35 | 421.71 | 288.48 |
| | b. Education & Training | 798.86 | 675.40 | 800.85 | 798.86 | 675.40 | 800.85 |
| | c. E-Governance | 850.50 | 633.70 | 716.19 | 850.50 | 633.70 | 716.19 |
| | d. Un-allocated | 382.76 | 4,392.77 | 591.24 | 1,278.02 | 4,392.77 | 1,486.50 |
| | Total Capital Employed | 4,177.08 | 9,741.98 | 4,024.94 | 3,325.73 | 6,123.58 | 3,292.02 |

B) Secondary Segment (By Geographical Segment)

| Segment Revenue | Quarter ended | | | Year ended | | |
|------------------------------|---------------|-----------|-----------|------------|-----------|-----------|
| | 30-Jun-09 | 30-Jun-08 | 31-Mar-09 | 30-Jun-09 | 30-Jun-08 | 31-Mar-09 |
| Geographical Location | | | | | | |
| - India | 924.42 | 1,189.74 | 4,184.44 | 924.42 | 1,189.74 | 4,184.44 |
| - Rest of the World | 782.68 | 1,183.13 | 4,500.91 | 1.85 | 6.42 | 24.46 |

- The financial results were reviewed by Audit Committee and approved by the Board of Directors in their meeting held on July 31, 2009.
- 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, the statutory auditors have carried out limited review of the financial results of Indian operations for the quarter ended June 30, 2009.
- 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 2 requests/grievances from the shareholders during the quarter ended June 30, 2009 and all of them have been resolved and there are no pending requests/grievances.
- Anti-diluted EPS is ignored.
- 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: 31st July 09

Sd/-
Authorised Signatory