

**UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2010**  
(Rs. in Lakhs)

Particulars	CONSOLIDATED			SQL STAR INTERNATIONAL LIMITED (STAND ALONE)		
	QUARTER ENDED		YEAR ENDED	QUARTER ENDED		YEAR ENDED
	30-Jun-10	30-Jun-09	31-Mar-10	30-Jun-10	30-Jun-09	31-Mar-10
	Un-Audited	Un-Audited	Audited	Un-Audited	Un-Audited	Audited
<b>INCOME</b>						
- Sales/Income from Operations	1,060.80	1,707.10	5,381.01	463.29	926.27	2545.59
<b>TOTAL</b>	<b>1,060.80</b>	<b>1,707.10</b>	<b>5,381.01</b>	<b>463.29</b>	<b>926.27</b>	<b>2545.59</b>
<b>EXPENDITURE :</b>						
- Staff Cost	759.35	905.05	3,462.61	269.18	270.86	1077.96
- Other Expenditure	296.31	241.66	1,188.75	216.92	180.22	861.69
- Direct & Outsourcing	71.93	430.67	540.51	53.01	407.38	348.22
- Provisions	-	-	1,441.71	-	-	1,441.71
- Depreciation	29.56	57.43	830.68	27.12	56.43	820.59
<b>TOTAL</b>	<b>1,157.15</b>	<b>1,634.81</b>	<b>7,464.26</b>	<b>566.23</b>	<b>914.89</b>	<b>4550.17</b>
<b>Profit / (Loss) from Operations before Other Income, Interest &amp; Exceptional items</b>	<b>(96.35)</b>	<b>72.29</b>	<b>(2,083.25)</b>	<b>(102.94)</b>	<b>11.38</b>	<b>(2,004.58)</b>
- Other Income	6.57	22.00	132.10	4.47	13.90	90.47
<b>Profit / (Loss) before Interest &amp; Exceptional items</b>	<b>(89.78)</b>	<b>94.29</b>	<b>(1,951.15)</b>	<b>(98.47)</b>	<b>25.28</b>	<b>(1,914.11)</b>
- Interest	14.82	39.25	108.94	14.82	33.79	103.23
<b>Profit / (Loss) After Interest but before Exceptional items</b>	<b>(104.60)</b>	<b>55.04</b>	<b>(2,060.09)</b>	<b>(113.29)</b>	<b>(8.51)</b>	<b>(2,017.34)</b>
- Exceptional Items	--	--	49.35	--	--	49.35
<b>Profit / (Loss) from Ordinary Activities before Tax</b>	<b>(104.60)</b>	<b>55.04</b>	<b>(2,109.44)</b>	<b>(113.29)</b>	<b>(8.51)</b>	<b>(2,066.69)</b>
<b>Tax Expenses</b>	<b>(16.64)</b>	<b>2.30</b>	<b>(234.62)</b>	<b>(18.23)</b>	<b>--</b>	<b>(238.47)</b>
<b>Profit / (Loss) from Ordinary Activities after Tax</b>	<b>(87.96)</b>	<b>52.74</b>	<b>(1,874.82)</b>	<b>(95.06)</b>	<b>(8.51)</b>	<b>(1,828.22)</b>
Extraordinary Items (net of tax expenses)	--	--	--	--	--	--
<b>Net Profit / (Loss) for the period</b>	<b>(87.96)</b>	<b>52.74</b>	<b>(1,874.82)</b>	<b>(95.06)</b>	<b>(8.51)</b>	<b>(1,828.22)</b>
<b>Paid up Equity Capital (Face value of Rs.10/- each)</b>	<b>3,232.98</b>	<b>2,180.48</b>	<b>3,232.98</b>	<b>3,232.98</b>	<b>2,180.48</b>	<b>3232.98</b>
<b>Reserves Excluding Revaluation Reserves (as per Audited Balance Sheet)</b>	<b>--</b>	<b>--</b>	<b>4074.47</b>	<b>--</b>	<b>--</b>	<b>4027.24</b>
<b>Earnings Per Share Before Extraordinary Item</b>						
- Basic	(0.27)	0.24	(8.11)	(0.29)	(0.04)	(7.00)
- Diluted	--	--	--	--	--	--
<b>Earnings Per Share After Extraordinary Item</b>						
- Basic	(0.27)	0.24	(8.30)	(0.29)	(0.04)	(7.20)
- Diluted	--	--	--	--	--	--
<b>Public Shareholding</b>						
- No. of Shares	18,420,189	14,707,464	18,420,189	18,420,189	14,707,464	18,420,189
- Percentage of Shareholding	57%	68%	57%	57%	68%	57%
<b>Aggregate of Public Shareholding</b>						
<b>Promoter &amp; Promoter Group Shareholding</b>						
<b>a) Pledged / Encumbered</b>						
- Number of Shares	3,350,000	3,350,000	3,350,000	3,350,000	3,350,000	3,350,000
- Percentage of shares (as a % of total Shareholding of Promoters & Promoters Group)	24%	47%	24%	24%	47%	24%
- Percentage of shares (as a % of total Share Capital of the Company)	10%	15%	10%	10%	15%	10%
<b>b) Non - encumbered</b>						
- Number of Shares	10,554,811	3,742,536	10,554,811	10,554,811	3,742,536	10,554,811
- Percentage of shares (as a % of total Shareholding of Promoters & Promoters Group)	76%	53%	76%	76%	53%	76%
- Percentage of shares (as a % of total Share Capital of the Company)	33%	17%	33%	33%	17%	33%

**UN-AUDITED SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED JUNE 30, 2010**  
(Rs. in Lakhs)

Sl. No.	Particulars	CONSOLIDATED			SQL STAR INTERNATIONAL LIMITED (STAND ALONE)		
		QUARTER ENDED		YEAR ENDED	QUARTER ENDED		YEAR ENDED
		30-Jun-10	30-Jun-09	31-Mar-10	30-Jun-10	30-Jun-09	31-Mar-10
		Un-Audited	Un-Audited	Audited	Un-Audited	Un-Audited	Audited
<b>A) Primary Segment (By Business Segment)</b>							
<b>1 Segment Revenue</b>							
a. Software Development & Services	715.02	941.06	3,428.28	117.51	160.23	592.86	
b. Education & Training	304.64	255.43	1,151.50	304.64	255.43	1,151.50	
c. E-Governance	41.14	510.61	801.23	41.14	510.61	801.23	
<b>Total</b>	<b>1,060.80</b>	<b>1,707.10</b>	<b>5,381.01</b>	<b>463.29</b>	<b>926.27</b>	<b>2,545.59</b>	
Less Inter-Segment Sales	--	--	--	--	--	--	
<b>Net Sales</b>	<b>1,060.80</b>	<b>1,707.10</b>	<b>5,381.01</b>	<b>463.29</b>	<b>926.27</b>	<b>2,545.59</b>	
<b>2 Segment Results</b>							
<b>Profit / (Loss) before Tax and Interest from each segment</b>							
a. Software Development & Services	5.94	77.86	(22.48)	(0.65)	16.95	46.10	
b. Education & Training	8.89	(2.66)	(0.51)	8.89	(2.66)	(0.51)	
c. E-Governance	3.72	107.41	(120.20)	3.72	107.41	(120.20)	
<b>Total</b>	<b>18.55</b>	<b>182.61</b>	<b>(143.19)</b>	<b>11.96</b>	<b>121.70</b>	<b>(74.61)</b>	
Less:							
i) Interest	14.82	39.25	108.94	14.82	33.79	103.23	
ii) Other Un-allocable expenses	114.90	110.32	1,940.06	114.90	110.32	1,929.97	
iii) Un-allocable income	(6.57)	(22.00)	(132.10)	(4.47)	(13.90)	(90.47)	
iv) Extra Ordinary Items	--	--	49.35	--	--	49.35	
<b>Total Profit Before Tax</b>	<b>(104.60)</b>	<b>55.04</b>	<b>(2,109.44)</b>	<b>(113.29)</b>	<b>(8.51)</b>	<b>(2,066.69)</b>	
<b>3 Capital Employed</b>							
a. Software Development & Services	611.47	2,144.96	644.62	110.98	398.35	198.08	
b. Education & Training	479.18	798.86	541.09	479.18	798.86	541.09	
c. E-Governance	1,258.61	850.50	1,182.30	1,258.61	850.50	1,182.30	
d. Un-allocated	(236.55)	382.76	(223.29)	45.72	1,278.02	31.45	
<b>Total Capital Employed</b>	<b>2,112.70</b>	<b>4,177.08</b>	<b>2,144.72</b>	<b>1,894.48</b>	<b>3,325.73</b>	<b>1,952.92</b>	
<b>B) Secondary Segment (By Geographical Segment)</b>							
<b>Segment Revenue</b>							
<b>Geographical Location</b>							
- India	461.80	924.42	2477.76	461.80	924.42	2477.76	
- Rest of the World	599.00	782.68	2903.25	1.49	1.85	67.83	

**Notes**

- The above un-audited financial results were duly reviewed by Audit Committee and were approved by the Board of Directors at their meeting held on August 14, 2010.
- 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 Un-audited financial results of Indian Operations for the quarter ended June 30, 2010.
- 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 13 requests/grievances from the shareholders during the quarter ended June 30, 2010 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.
- Liability for deferred tax is recognized while deferred tax assets are not recognized in accordance with Para 17 AS22
- 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 Order of the Board,  
For SQL Star International Limited.,

Sd/-  
(Sunil Gupta)  
Co-Chairman and Managing Director