



(Rupees in lacs)

### UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2008

Particulars	Consolidated					SQL Star, India - Standalone				
	Quarter Ended		Half Year ended		Year Ended	Quarter Ended		Half Year ended		Year Ended
	30.09.2008	30.09.2007	30.09.2008	30.09.2007	31.03.2008	30.09.2008	30.09.2007	30.09.2008	30.09.2007	31.03.2008
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
<b>INCOME:</b>										
- Sales/Income from Operations	2,293.80	2,625.72	4,749.85	5,073.80	10,568.27	1,120.03	1,122.15	2,399.36	2,352.59	5,063.85
<b>Total</b>	<b>2,293.80</b>	<b>2,625.72</b>	<b>4,749.85</b>	<b>5,073.80</b>	<b>10,568.27</b>	<b>1,120.03</b>	<b>1,122.15</b>	<b>2,399.36</b>	<b>2,352.59</b>	<b>5,063.85</b>
<b>EXPENDITURE :</b>										
- Staff Cost	1,378.91	1,409.52	2,709.27	2,691.43	5,727.23	363.38	292.57	743.21	613.57	1,262.36
- Other Expenditure	429.59	436.80	877.29	1,002.72	1,772.13	309.67	272.96	618.51	530.04	1,181.79
- Direct & Outsourcing	366.98	394.99	882.07	782.83	2,131.75	341.66	394.99	821.14	923.86	2,131.75
- Depreciation	104.14	70.06	199.27	108.63	307.82	56.48	28.20	111.81	55.88	139.09
<b>Total</b>	<b>2,279.63</b>	<b>2,311.37</b>	<b>4,667.90</b>	<b>4,585.60</b>	<b>9,938.93</b>	<b>1,071.21</b>	<b>988.72</b>	<b>2,294.67</b>	<b>2,123.35</b>	<b>4,714.99</b>
<b>Profit/(Loss) from Operations before Other income, interest &amp; exceptional items</b>	<b>14.18</b>	<b>314.36</b>	<b>81.94</b>	<b>488.19</b>	<b>629.34</b>	<b>48.82</b>	<b>133.43</b>	<b>104.69</b>	<b>229.24</b>	<b>348.86</b>
- Other Income	15.62	5.18	27.70	19.19	61.88	15.60	3.41	26.94	17.40	46.37
<b>Profit/(Loss) before interest &amp; exceptional items</b>	<b>29.80</b>	<b>319.53</b>	<b>109.64</b>	<b>507.38</b>	<b>691.22</b>	<b>64.42</b>	<b>136.84</b>	<b>131.63</b>	<b>246.64</b>	<b>395.23</b>
- Interest	60.86	50.84	115.93	59.46	153.01	48.60	37.51	92.74	41.00	111.10
<b>Profit/(Loss) after Interest but before exceptional items</b>	<b>(31.06)</b>	<b>268.69</b>	<b>(6.28)</b>	<b>447.92</b>	<b>538.20</b>	<b>15.83</b>	<b>99.33</b>	<b>38.89</b>	<b>205.64</b>	<b>284.13</b>
- Exceptional Items	-	-	-	-	-	-	-	-	-	-
<b>Profit/(Loss) from Ordinary Activities before tax</b>	<b>(31.06)</b>	<b>268.69</b>	<b>(6.28)</b>	<b>447.92</b>	<b>538.20</b>	<b>15.83</b>	<b>99.33</b>	<b>38.89</b>	<b>205.64</b>	<b>284.13</b>
<b>Tax Expenses</b>	<b>4.96</b>	<b>12.51</b>	<b>16.11</b>	<b>32.40</b>	<b>153.49</b>	<b>4.27</b>	<b>12.51</b>	<b>10.83</b>	<b>30.95</b>	<b>146.18</b>
<b>Profit/(Loss) from Ordinary Activities after tax</b>	<b>(36.02)</b>	<b>256.18</b>	<b>(22.39)</b>	<b>415.52</b>	<b>384.71</b>	<b>11.56</b>	<b>86.82</b>	<b>28.06</b>	<b>174.69</b>	<b>137.95</b>
- Extraordinary Items (net of tax expenses)	-	-	-	-	-	-	-	-	-	-
<b>Net Profit/(Loss) for the period</b>	<b>(36.02)</b>	<b>256.18</b>	<b>(22.39)</b>	<b>415.52</b>	<b>384.71</b>	<b>11.56</b>	<b>86.82</b>	<b>28.06</b>	<b>174.69</b>	<b>137.95</b>
<b>Paid up Equity Capital</b> (Face Value of Rs.10/- each)	<b>2,180.48</b>	<b>2,180.48</b>	<b>2,180.48</b>	<b>2,180.48</b>	<b>2,180.48</b>	<b>2,180.48</b>	<b>2,180.48</b>	<b>2,180.48</b>	<b>2,180.48</b>	<b>2,180.48</b>
<b>Reserves Excluding Revaluation Reserves</b> (as per Audited Balance Sheet)					<b>4,061.21</b>					<b>2,757.11</b>
<b>Earnings Per Share Before Extraordinary Item</b>										
- Basic	(0.17)	1.18	(0.10)	1.91	1.77	0.05	0.40	0.13	0.80	0.63
- Diluted	(0.16)	1.13	(0.10)	1.84	1.70	0.05	0.38	0.12	0.77	0.61
<b>After Extraordinary Item</b>										
- Basic	(0.17)	1.18	(0.10)	1.91	1.77	0.05	0.40	0.13	0.80	0.63
- Diluted	(0.16)	1.13	(0.10)	1.84	1.70	0.05	0.38	0.12	0.77	0.61
<b>Aggregate of Public Shareholding</b>										
- No. of Shares	14,707,464	15,127,772	14,707,464	15,127,772	14,707,464	14,707,464	15,127,772	14,707,464.00	15,127,772	14,707,464
- Percentage of Shareholding	68%	69%	68%	69%	68%	68%	69%	68%	69%	68%

#### A) Primary Segment (By Business Segment)

Sl. No.	Particulars	Consolidated					SQL Star, India - Standalone				
		Quarter Ended		Half Year ended		Year Ended	Quarter Ended		Half Year ended		Year Ended
		30.09.2008	30.09.2007	30.09.2008	30.09.2007	31-03-2008	30.09.2008	30.09.2007	30.09.2008	30.09.2007	31-03-2008
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	(Audited)	Un-Audited	Un-Audited	Un-Audited	Un-Audited	(Audited)
<b>1</b>	<b>Segment Revenue</b>										
	a. Software Development & Services	1,443.44	1,721.07	2,951.10	3,185.65	6,727.64	269.66	217.50	600.61	464.44	1,223.22
	b. Education & Training	475.29	512.91	905.12	961.57	1,750.05	475.29	512.91	905.12	961.57	1,750.05
	c. e-Governance	375.07	391.74	893.62	926.58	2,090.58	375.07	391.74	893.62	926.58	2,090.58
	<b>Total</b>	<b>2,293.80</b>	<b>2,625.72</b>	<b>4,749.85</b>	<b>5,073.80</b>	<b>10,568.27</b>	<b>1,120.03</b>	<b>1,122.15</b>	<b>2,399.36</b>	<b>2,352.59</b>	<b>5,063.85</b>
	Less: Inter-segment Sales	-	-	-	-	-	-	-	-	-	-
	<b>Net Sales</b>	<b>2,293.80</b>	<b>2,625.72</b>	<b>4,749.85</b>	<b>5,073.80</b>	<b>10,568.27</b>	<b>1,120.03</b>	<b>1,122.15</b>	<b>2,399.36</b>	<b>2,352.59</b>	<b>5,063.85</b>
<b>2</b>	<b>Segment Results</b>										
	<b>Profit/(Loss) before Tax &amp; Interest from each segment</b>										
	a. Software Development & Services	2.45	187.25	51.06	287.04	400.57	37.08	6.33	73.79	16.77	110.53
	b. Education & Training	79.32	182.40	121.43	286.24	380.22	79.32	182.40	121.43	286.24	380.22
	c. e-Governance	74.79	50.86	187.02	144.21	317.07	74.79	50.86	187.02	144.21	317.07
	<b>Total</b>	<b>156.56</b>	<b>420.51</b>	<b>359.50</b>	<b>717.49</b>	<b>1,097.86</b>	<b>191.18</b>	<b>239.59</b>	<b>382.23</b>	<b>447.22</b>	<b>807.82</b>
	Less:										
	i) Interest	60.88	50.84	115.95	59.46	153.01	48.60	37.51	92.74	41.00	111.10
	ii) Other Un-allocable Expenses	142.36	106.16	277.54	229.30	468.52	142.36	106.16	277.54	217.98	458.96
	iii) Un-allocable Income	(15.62)	(5.18)	(27.70)	(19.19)	(61.88)	(15.60)	(3.41)	(26.94)	(17.40)	(46.37)
	iv) Extra Ordinary Items	-	-	-	-	-	-	-	-	-	-
	<b>Total Profit Before Tax</b>	<b>(31.06)</b>	<b>268.69</b>	<b>(6.28)</b>	<b>447.92</b>	<b>538.20</b>	<b>15.83</b>	<b>99.33</b>	<b>38.89</b>	<b>205.64</b>	<b>284.13</b>
<b>3</b>	<b>Capital Employed</b>										
	a. Software Development & Services	3,792.24	4,720.80	3,792.24	4,720.80	4,043.06	328.00	304.04	328.00	304.04	769.73
	b. Education & Training	845.77	330.50	845.77	330.50	524.96	845.77	330.50	845.77	330.50	524.96
	c. E-Governance	468.44	568.72	468.44	568.72	530.41	468.44	568.72	468.44	568.72	530.41
	d. Un-allocated	4,505.75	4,668.39	4,505.75	4,668.39	4,238.16	4,505.75	4,668.39	4,505.75	4,668.39	4,239.10
	<b>Total Capital Employed</b>	<b>9,612.20</b>	<b>10,288.41</b>	<b>9,612.20</b>	<b>10,288.41</b>	<b>9,336.59</b>	<b>6,147.96</b>	<b>5,871.65</b>	<b>6,147.96</b>	<b>5,871.65</b>	<b>6,064.20</b>

#### B) Secondary Segment (By Geographical Segment)

S.No	Particulars	Quarter Ended		Half Year ended		Year Ended	Quarter Ended		Half Year ended		Year Ended
		30.09.2008	30.09.2007	30.09.2008	30.09.2007	31-03-2008	30.09.2008	30.09.2007	30.09.2008	30.09.2007	31-03-2008
<b>1</b>	- India	1,114.09	1,068.72	2,387.00	2,265.74	5,036.92	1,114.09	1,068.72	2,387.00	2,265.74	5,036.92
<b>2</b>	- Rest of the World	1,179.71	1,557.00	2,362.85	2,808.06	5,531.35	5.94	53.43	12.36	86.85	26.93

1. The financial results were reviewed by Audit Committee and approved by the Board of Directors in their meeting held on October 31, 2008.

2. 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.

3. 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 September 30, 2008.

4. Provision for Current Year tax is made as per section 115JB of the Income Tax Act, 1961.

5. 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.

6. The Company has received 2 requests/grievances from the shareholders during the quarter ended September 30, 2008 and all of them have been resolved and there are no pending requests/grievances.

7. 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.,

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

Place: Hyderabad  
Date: October 31, 2008