

TANLA SOLUTIONS LIMITED

**TANLA TECHNOLOGY CENTRE, HITECH CITY ROAD, MADHAPUR, HYDERABAD - 500 081
AUDITED FINANCIAL RESULTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30.09.2005**

(Rupees Lakhs)

Particulars	Consolidated Results for the			Tanla Solutions Limited - Results for the				
	Second Quarter ended 30th September	Half Year ended 30th September	Financial year ended 31st March	Second Quarter ended 30th September	Half Year ended 30th September		Financial year ended 31st March	
	2005	2005	2005	2005	2004	2005	2004	2005
					Unaudited		Unaudited	
SOFTWARE RECEIPTS:								
- Exports	1240.32	2031.18	2141.54	967.47	136.30	1607.69	136.30	654.08
- Domestic	10.98	20.40	97.09	10.98	51.40	20.40	51.40	58.11
Other Income	2.79	4.50	34.09	2.13	13.39	3.84	14.98	32.32
Total Income	1254.08	2056.07	2272.72	980.57	201.09	1631.92	202.68	744.51
EXPENDITURE:								
- Staff Cost	80.55	155.26	136.76	54.15	14.40	106.36	27.89	82.39
- Operating and Admin. Cost	422.59	694.52	1333.63	229.13	19.07	397.65	31.87	158.65
- Interest	1.12	1.85	3.25	1.12	0.20	1.85	0.20	1.86
- Depreciation	6.28	16.03	25.94	8.18	6.07	15.83	11.14	23.15
Total Expenditure	510.54	867.66	1499.58	292.58	39.74	521.69	71.10	266.05
Profit before Tax	743.54	1188.41	773.14	687.99	161.35	1110.23	131.58	478.46
Provision for Tax	7.04	25.18	89.03	1.60	3.00	2.45	3.00	2.77
Net Profit	736.50	1163.23	684.11	686.39	158.35	1107.78	128.58	475.69
Paid-up Equity Share Capital	682.30	682.30	682.30	682.30	500.43	682.30	500.43	682.30
Reserves and Surplus excluding revaluation reserves including share premium	-	-	845.68	-	-	-	-	648.11
Basic / Diluted EPS (Rs.)	10.79	17.05	12.79	10.06	3.16	16.24	2.57	8.90
Aggregate of Non-promoter Shareholding:								
No. of Shares	-	-	-	3843554	1225900	3843554	1225900	3773054
Percentage of Shareholding	-	-	-	56.33	24.50	56.33	24.50	55.30

Notes:

1. Sales have increased from Rs.800.28 lakhs to Rs.1251.29 vis-a-vis the previous quarter due to larger increase in Aggregator and Offshore Services sales compared to increase in Products sales.
2. Tanla Solutions (UK) Ltd a wholly owned subsidiary of Tanla Solutions Ltd, India, has acquired Mobizar Ltd as a wholly owned subsidiary, which started commercial operations at the end of July 2005 with connectivity with one mobile operator in UK generating revenues in this quarter. Mobizar has since connected with two other mobile operators in UK.
3. Operating and Administrative costs have increased in line with increase in sales.
4. The entire business operations of the subsidiary company Smartnet Communication Systems Pvt. Ltd has been undertaken by Tanla Solutions Limited.
5. Promoter share holding has been reclassified above so as to include persons acting in concert in promoters category, thereby reflecting decrease in the percentage of non-promoter holding. However, the regrouped promoter category holding has had insignificant change in this period.
6. The Board has been reconstituted by inducting two Independent Directors and two Executive Directors.
7. The Registered Office of the company has been shifted to Tanla Technology Centre, Hitech City Road, Madhapur, Hyderabad - 500 081.
8. The above financial results were reviewed by the Audit Committee and have been taken on record by the Board of Directors at their Meeting held on 11th November, 2005.
9. Investors complaints received and disposed off during the quarter - 2; pending – Nil.

Place: Hyderabad

Date : 11.11.2005

For and on behalf of the Board of Directors

(D.Uday Kumar Reddy)
Chairman & Managing Director