

TANLA SOLUTIONS LIMITED
TANLA TECHNOLOGY CENTRE, HITECH CITY ROAD, HYDERABAD - 500 081
UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2006

(Rupees in Lakhs)

Particulars	Consolidated Results for the			Tanla Solutions Limited - Results for the		
	Quarter ended June 30		Year ended	Quarter ended June 30		Year ended
	2006	2005	March 31	2006	2005	2006
Sale of software products and services			Audited			Audited
- Overseas	3944.04	790.86	6192.51	1724.04	640.22	4029.99
- India	25.65	9.42	109.57	25.65	9.42	109.57
Other Income	3.75	1.71	10.14	3.75	1.71	55.37
Total	3973.44	801.99	6312.22	1753.44	651.35	4194.93
Expenditure:						
- Cost of sales	1633.16	202.37	2141.78	512.70	155.87	1069.05
- Selling & marketing expenses	209.97	42.39	361.14	71.06	16.13	136.58
- General & administrative expenses	156.62	67.61	289.12	39.91	49.46	168.15
- Depreciation	44.25	9.75	79.18	22.17	7.65	42.79
Total	2044.01	322.12	2871.22	645.84	229.11	1416.57
Profit before Tax	1929.44	479.87	3441.00	1107.60	422.24	2778.36
Provision for Tax	323.58	18.14	415.34	77.03	0.85	204.97
Net Profit	1605.86	461.73	3025.66	1030.57	421.39	2573.39
Paid-up Equity Share Capital	682.30	682.30	682.30	682.30	682.30	682.30
Reserves and Surplus (excluding Revaluation Reserves including Share Premium)	-	-	3668.81	-	-	3221.50
Basic / Diluted EPS (Rs.) (adjusted to Par Value Rs.2)	4.71	1.35	8.87	3.02	1.24	7.54
Aggregate of non-promoter shareholding:						
No. of Shares (adjusted to Par Value Rs.2)	18276950	24046250	18276950	18276950	24046250	18276950
Percentage	53.57	70.49	53.57	53.57	70.49	53.57

Notes:

1. The above financial results for the quarter ended June 30, 2006 have been reviewed by the Audit Committee and approved by the Board at its Meeting held on July 27, 2006. In compliance with Clause 41 of the listing agreement with the stock exchanges a limited review of the unaudited financial results of Tanla Solutions Limited (stand alone) has been carried out by the statutory auditors.
2. Consolidated results include Tanla Solutions (UK) Ltd., a wholly owned subsidiary and Mobizar Ltd., a wholly owned subsidiary of Tanla Solutions (UK) Ltd.
3. Promoter shareholding has been reclassified above so as to include persons acting in concert in promoter group, thereby reflecting decrease in the percentage of non-promoter holding.
4. The company continues to comply with Accounting Standard 15 (revised) on 'Employee Benefits' by taking Gratuity policy from LIC.
5. Investors references during the quarter ended June 30, 2006, received - 3, clarified - 3 and pending - Nil.
6. Previous period / year figures have been regrouped wherever necessary.

Place: Hyderabad
Date : July 27, 2006

For and on behalf of the Board of Directors

(D.Uday Kumar Reddy)
Chairman & Managing Director