

TANLA SOLUTIONS LIMITED
TANLA TECHNOLOGY CENTRE, HITECH CITY ROAD, HYDERABAD - 500 081
UN-AUDITED FINANCIAL RESULTS FOR QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2006

(Rupees in Lakhs)

Particulars	Consolidated Results for the					Tanla Solutions Limited - Results for the				
	Quarter ended December 31 Un-audited		9 Months ended December 31 Un-audited		Year ended March 31 Audited	Quarter ended December 31 Un-audited		9 Months ended December 31 Un-audited		Year ended March 31 Audited
	2006	2005	2006	2005	2006	2006	2005	2006	2005	2006
Sale of software products and services										
- Overseas	5672.80	1986.18	14335.95	4017.36	6192.51	2139.27	1092.08	5772.76	2699.76	4029.99
- India	0.00	2.65	44.46	23.05	109.57	0.00	2.65	44.46	23.05	109.57
Other Income	2.09	1.14	7.79	5.63	10.14	39.38	1.14	50.76	4.98	55.37
Total	5674.89	1989.97	14388.20	4046.04	6312.22	2178.65	1095.86	5867.98	2727.78	4194.93
Expenditure										
- Cost of sales	2403.50	771.24	6020.84	1404.47	2142.78	527.01	272.41	1497.34	673.54	1069.05
- Selling & marketing expenses	186.14	101.96	536.70	207.50	361.14	73.66	22.07	213.49	56.65	136.58
- General & administrative expenses	120.23	7.84	396.23	120.72	289.12	57.04	14.81	152.63	84.96	168.15
- Depreciation	104.68	8.51	234.93	24.53	79.18	30.39	8.40	78.96	24.23	42.79
Total	2814.55	889.55	7188.70	1757.22	2872.22	688.10	317.69	1942.42	839.38	1416.57
Profit before Tax	2860.34	1100.42	7199.50	2288.82	3440.00	1490.55	778.18	3925.56	1888.41	2778.36
Provision for Income Tax	544.68	61.73	1294.39	87.08	351.92	91.33	0.50	239.73	3.13	141.55
Provision for Fringe Benefit Tax	3.06	0.00	4.29	0.00	4.52	3.06	0.00	4.29	0.00	4.52
Provision for Deferred Tax	8.65	0.00	25.95	-0.18	58.90	8.65	0.00	25.95	-0.18	58.90
Net Profit	2303.95	1038.69	5874.87	2201.92	3024.66	1387.51	777.68	3655.59	1885.46	2573.39
Paid-up Equity Share Capital	1000.00	682.30	1000.00	682.30	682.30	1000.00	682.30	1000.00	682.30	682.30
Reserves and Surplus (excluding Revaluation Reserves including Share Premium)	-	-	51017.61	-	3668.81	-	-	48358.24	-	3221.50
Basic / Diluted EPS (Rs.) (adjusted to Par Value Rs.2)	6.65	3.04	17.22	6.45	8.87	4.01	2.28	10.71	5.53	7.54
Aggregate of non-promoter shareholding										
No. of Shares (adjusted to Par Value Rs.2)	32573450	18276950	32573450	18276950	18276950	32573450	18276950	32573450	18276950	18276950
Percentage	65.15	53.57	65.15	53.57	53.57	65.15	53.57	65.15	53.57	53.57

Notes:

1. The above financial results for the quarter ended December 31, 2006 have been reviewed by the Audit Committee and approved by the Board at its Meeting held on January 31, 2007. In compliance with Clause 41 of the listing agreement with the stock exchanges a limited review of the un-audited 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 Tanla Mobile Ltd., a wholly owned subsidiary of Tanla Solutions (UK) Ltd.
3. During the quarter December 2006 the company allotted 1,58,85,000 equity shares of Rs.2/- each at a premium of Rs.263/- on December 28, 2006 in Follow on Public Offer. Consequently, the paid-up equity share capital has been increased from 3,41,15,000 to 5,00,00,000 equity shares.
4. Details of utilisation of funds received from Follow on Public Offer of equity shares during the quarter as per Clause 43 of Listing Agreement are as follows:

	In Rs. Lakhs
Funds raised on Follow on Public Offer of equity shares during the quarter	42095.25
Less: Utilised during the quarter	Nil
Funds unutilised as on December 31, 2006	42095.25

5. The shares of the Company have been listed and admitted for trading on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited in addition to the existing stock exchanges i.e. Hyderabad Stock Exchange Limited, Madras Stock Exchange Limited & Ahmedabad Stock Exchange Limited w.e.f. January 5, 2007
6. Earnings per share has been calculated on the basis of weighted average number of Equity Shares as on December 31, 2006 after considering the shares allotted in Follow on Public Offer.
7. Non-promoter shareholding has increased during the quarter because of further issue of shares in the Follow on Public Offer.
8. The company continues to comply with Accounting Standard 15 (revised) on ' Employee Benefits' .
9. In terms of amended Clause 41 of the Listing Agreement, the Investor Grievances received and dispensed of during the quarter ended December 31, 2006 are as under:

Complaints pending at the beginning of the quarter	Nil
Complaints received during the quarter	18
Complaints disposed during the quarter	18
Complaints pending at the end of the quarter	Nil

10. Previous period / year figures have been regrouped wherever necessary.

Place: Hyderabad
Date : January 31, 2007

For and on behalf of the Board of Directors

(D.Uday Kumar Reddy)
Chairman & Managing Director