

**TANLA SOLUTIONS LIMITED**  
**TANLA TECHNOLOGY CENTRE, HITECH CITY ROAD, HYDERABAD - 500 081**  
**UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2007**

(Rupees in Lakhs)

Particulars	Consolidated Results for the					Tanla Solutions Limited - Results for the				
	Quarter ended September 30		Half Year ended September 30		Year ended March 31	Quarter ended September 30		Half Year ended September 30		Year ended March 31
	2007	2006	2007	2006	2007	2007	2006	2007	2006	2007
		Audited		Audited	Audited		Audited		Audited	Audited
<b>Gross Revenue:</b>										
- Overseas	10725.85	4719.11	19670.00	8663.15	22140.32	3158.22	1909.45	5745.10	3633.49	8156.98
- Domestic- India	6.78	18.81	7.78	44.46	44.46	6.78	18.81	7.78	44.46	44.46
Other Income	409.26	1.95	915.33	5.70	736.67	554.65	7.63	1182.46	11.38	912.20
<b>Total</b>	<b>11141.89</b>	<b>4739.87</b>	<b>20593.11</b>	<b>8713.31</b>	<b>22921.44</b>	<b>3719.65</b>	<b>1935.89</b>	<b>6935.34</b>	<b>3689.33</b>	<b>9113.64</b>
<b>Expenditure:</b>										
- Cost of sales	4784.84	1984.18	9161.23	3717.34	9864.25	742.44	457.63	1407.91	990.33	2090.57
- Selling & marketing expenses	668.78	140.59	1080.48	250.56	720.72	183.00	68.77	296.03	119.83	290.30
- Operating & administrative expenses	345.59	119.38	539.02	276.00	550.64	136.36	55.68	248.06	95.59	225.89
- Depreciation	445.29	86.00	777.17	130.25	803.62	181.80	26.40	362.70	48.57	586.01
<b>Total</b>	<b>6244.50</b>	<b>2330.14</b>	<b>11557.90</b>	<b>4374.15</b>	<b>11939.23</b>	<b>1243.60</b>	<b>608.48</b>	<b>2314.70</b>	<b>1254.32</b>	<b>3192.77</b>
Profit before Tax	4897.39	2409.73	9035.21	4339.16	10982.21	2476.05	1327.41	4620.64	2435.01	5920.87
Provision for Income Tax	1180.71	408.84	1948.72	699.98	1547.58	350.02	60.41	534.38	105.01	203.36
Provision for Fringe Benefit Tax	1.85	0.98	3.43	1.89	4.55	1.85	0.98	3.43	1.89	4.55
Provision for Deferred Tax	56.51	34.84	99.02	66.36	151.01	19.54	28.51	30.78	60.03	-49.75
<b>Net Profit</b>	<b>3658.32</b>	<b>1965.07</b>	<b>6984.04</b>	<b>3570.93</b>	<b>9279.07</b>	<b>2104.64</b>	<b>1237.51</b>	<b>4052.05</b>	<b>2268.08</b>	<b>5762.71</b>
Paid-up Equity Share Capital	1000.00	682.30	1000.00	682.30	1000.00	1000.00	682.30	1000.00	682.30	1000.00
Reserves and Surplus (excluding revaluation reserves including share premium)	-	7321.26	-	7321.26	53619.84	-	5280.41	-	5280.41	49427.02
<b>Basic / Diluted EPS in Rs.</b>	<b>7.32</b>	<b>5.76</b>	<b>13.97</b>	<b>10.47</b>	<b>24.31</b>	<b>4.21</b>	<b>3.63</b>	<b>8.10</b>	<b>6.65</b>	<b>15.10</b>
(adjusted to par value Rs.2)										
<b>Aggregate of non-promoter shareholding:</b>										
No.of Shares	-	-	-	-	32513450	32076450	18276950	32076450	18276950	32513450
(adjusted to par value Rs.2)										
Percentage of shareholding	-	-	-	-	65.03	64.15	53.57	64.15	53.57	65.03

Notes:

1. The above financial results for the quarter and half year ended September 30, 2007 have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on October 18, 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, Tanla Mobile Ltd., a wholly owned subsidiary of Tanla Solutions (UK) Ltd, Tanla Mobile Asia Pacific Pte. Ltd, Singapore, a wholly owned subsidiary, Tanla Mobile Ireland Private Limited, Dublin, Ireland and Tanla Mobile Inc., New Jersey, USA a wholly owned subsidiaries of Tanla Mobile Asia Pacific Pte. Ltd.
3. During the quarter Tanla Mobile Asia Pacific Pte. Ltd, Singapore and Tanla Mobile Ireland Private Limited, Ireland started its commercial operations, for which Tanla Solutions Limited provided Service Delivery Platform & technical support services. The effect of inter company transactions are considered in consolidated financials as per Indian Accounting Standards.
4. Other income consists of Interest & Dividend earned from investments in deposits and mutual funds from out of follow on public offer proceeds and internal accruals.
5. The Company is mainly engaged in the area of Software Development and related services. Hence Accounting Standard (AS 17) "Segment Reporting", is not applicable to the Company and to the nature of its business.
6. The company continues to comply with Accounting Standard 15 (revised) on 'Employee Benefits'.
7. During the fiscal year 2007 the company allotted 1,58,85,000 equity shares of Rs.2/- each at a premium of Rs.263/- on 28th December 2006 in the Follow on Public Offer. Consequently, the paid-up equity shares has been increased from 3,41,15,000 to 5,00,00,000 equity shares.
8. Details of utilisation of funds received from Follow on Public Offer of equity shares, as per Clause 43 of Listing Agreement are as follows:

	In Rs. Lakhs	
Funds raised on Follow on Public Offer of equity shares		42095.25
Less: Utilised upto 30.06.2007		18269.68
Funds available as on 01.07.2007		23825.57
Less: Utilised during the quarter		
Expansion & upgradation of existing Research & Product Development Facilities	225.65	
For working capital requirements	1224.51	
General Corporate purposes	947.45	
		2397.61
Funds un-utilised as on September 30, 2007		21427.96

9. In terms of amended Clause 41 of the Listing Agreement, Investor correspondence / compliants received and dispensed off during the quarter ended September 30, 2007 is as under:

Correspondence / compliants pending at the beginning of the quarter	Nil
Correspondence / compliants received during the quarter	141
Correspondence / compliants disposed during the quarter	141
Correspondence / compliants pending at the end of the quarter	Nil

10. Previous period / year figures have been re-grouped wherever necessary.

Place: Hyderabad  
Date : October 18, 2007

For and on behalf of the Board of Directors

(D.Uday Kumar Reddy)  
Chairman & Managing Director