

TANLA SOLUTIONS LIMITED
TANLA TECHNOLOGY CENTRE, HITECH CITY ROAD, HYDERABAD - 500 081
UN-AUDITED FINANCIAL RESULTS FOR QUARTER ENDED JUNE 30, 2007

(Rupees in Lakhs)

Particulars	Consolidated Results for the			Tanla Solutions Limited - Results for the		
	Quarter ended June 30		Year ended March 31	Quarter ended June 30		Year ended March 31
	2007	2006	2007	2007	2006	2007
Sale of software products and services			Audited			Audited
- Overseas	8944.15	3944.04	22140.32	2586.88	1724.04	8156.98
- India	1.00	25.65	44.46	1.00	25.65	44.46
Other Income	506.07	3.75	736.67	627.81	3.75	912.20
Total	9451.21	3973.44	22921.44	3215.69	1753.44	9113.64
Expenditure:						
- Cost of sales	4376.39	1633.16	9864.25	665.47	512.70	2090.57
- Selling & marketing expenses	411.70	209.97	720.72	113.03	71.06	290.30
- General & administrative expenses	193.43	156.62	550.64	111.70	39.91	225.89
- Depreciation & Amortisation	331.88	44.25	803.62	180.90	22.17	586.01
Total	5313.40	2044.01	11939.23	1071.09	645.84	3192.77
Profit before Tax	4137.82	1929.44	10982.21	2144.60	1107.60	5920.87
Provision for Income Tax	768.01	291.15	1547.58	184.36	13.61	203.36
Provision for Fringe Benefit Tax	1.58	0.91	4.55	1.58	4.52	4.55
Provision for Deferred Tax	42.51	31.52	151.01	11.24	58.90	-49.75
Net Profit	3325.72	1605.86	9279.07	1947.42	1030.57	5762.71
Paid-up Equity Share Capital	1000.00	682.30	1000.00	1000.00	682.30	1000.00
Reserves and Surplus (excluding Revaluation Reserves including Share Premium)	-	-	53619.84	-	-	49427.02
Basic / Diluted EPS (Rs.) (Par Value Rs.2)	6.65	4.71	24.31	3.89	3.02	15.10
Aggregate of non-promoter shareholding:						
No. of Shares	32513450	18276950	32513450	32513450	18276950	32513450
Percentage	65.03	53.57	65.03	65.03	53.57	65.03

Notes:

- The above financial results for the quarter ended June 30, 2007 have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on July 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.
- Consolidated results include Tanla Solutions (UK) Ltd., a wholly owned subsidiary and Tanla Mobile Ltd., a wholly owned subsidiary of Tanla Solutions (UK) Ltd.
- During the quarter Tanla Solutions Limited has incorporated & invested in its wholly owned subsidiary i.e., Tanla Mobile Asia Pacific Pte. Ltd, Singapore. Tanla Mobile Asia Pacific Pte. Ltd, has further incorporated Tanla Mobile Inc., New Jersey, USA & Tanla Mobile Ireland Private Limited, Dublin, Ireland as wholly owned subsidiaries, whose commercial operations are yet to be commenced.

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 31.03.2007		7652.98
Funds available as on 01.04.2007		34442.27
Less: Utilised during the quarter		
Setting up of Infrastructure facilities	6000.00	
Expansion & upgradation of existing Research & Product Development Facilities	247.52	
To Fund regional / Global expansion and acquire and invest in strategic business	1997.63	
For working capital requirements	1037.76	
General Corporate purposes	1333.80	
		10616.70
Funds un-utilised as on June 30, 2007		23825.57

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

Correspondence / complaints pending at the beginning of the quarter	Nil
Correspondence / complaints received during the quarter	512
Correspondence / complaints disposed during the quarter	512
Correspondence / complaints pending at the end of the quarter	Nil

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

Place: Hyderabad
Date : July 18, 2007

For and on behalf of the Board of Directors

(D.Uday Kumar Reddy)
Chairman & Managing Director