tanla

**CIN: L72200AP1995PLC021262**

Date: May 26, 2016

To,

| | |
|---|---|
| Bombay Stock Exchange Ltd,<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai – 400001. | National Stock Exchange of India Ltd<br>Exchange Plaza, Plot No.C/1, Block-G,<br>Bandra Kurla Complex,<br>Bandra (East)<br>Mumbai – 400051. |

Dear Sir,

**Sub: Outcome of the Board Meeting held on May 26, 2016.**

With reference to the notice issued on May 13, 2016, under Regulation 47 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors in the meeting held today i.e., May 26, 2016, approved the Statement of Audited Financial Results for the quarter & financial year ended on March 31, 2016.

Please find enclosed the following:

(i) Statement of Audited Financial Results for the quarter & financial year ended on March 31, 2016.

(ii) Audit Report issued by the Statutory Auditors for the quarter & financial year ended on March 31, 2016.

(iii) Form A for the audited Consolidated & Standalone Financial Results for the quarter & financial year ended on March 31, 2016.

(iv) Appointment of M/s. KPMG as Internal Auditors for the FY 2016-17.

Request you to take the same on record and oblige.

Thanking you,

Yours faithfully,
For **TANLA SOLUTIONS LIMITED**

Tanla Solutions Limited Hyderabad India

Seshanuradha Chava
ACS-15519
AVP - Legal & Secretarial
Email: investorhelp@tanla.com

TANLA SOLUTIONS LIMITED

TANLA TECHNOLOGY CENTRE, HITECH CITY ROAD, MADHAPUR, HYDERABAD - 500081

AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016

PART I

(Rupees in Lakhs)

| | Particulars (Refer notes below) | Consolidated Results for the | | | | | Stand alone Results for the | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 3 months ended 31-Mar-16 | Preceding 3 months ended 31-Dec-15 | Corresponding 3 months ended in the previous year 31-Mar-15 | Accounting year ended 31-Mar-16 | Previous accounting year ended 31-Mar-15 | 3 months ended 31-Mar-16 | Preceding 3 months ended 31-Dec-15 | Corresponding 3 months ended in the previous year 31-Mar-15 | Accounting year ended 31-Mar-16 | Previous accounting year ended 31-Mar-15 |
| | | Audited | Unaudited | Audited | Audited | Audited | Audited | Unaudited | Audited | Audited | Audited |
| 1 | **Income from Operations** | | | | | | | | | | |
| | (a) Overseas | 4626.67 | 4210.83 | 1566.91 | 13689.08 | 9256.49 | 0.52 | - | - | 3.06 | 21.29 |
| | (b) Domestic- India | 6753.66 | 6646.14 | 7174.50 | 29466.27 | 14992.65 | 6542.95 | 6427.46 | 6474.79 | 27991.55 | 13239.89 |
| | (c) Other Operating Income | - | - | - | - | - | - | - | - | - | - |
| | **Total income from operations (net)** | **11380.33** | **10856.97** | **8741.41** | **43155.35** | **24249.14** | **6543.47** | **6427.46** | **6474.79** | **27994.61** | **13261.17** |
| 2 | **Expenses** | | | | | | | | | | |
| | (a) Cost of sales | 8297.82 | 7813.86 | 6045.05 | 31654.50 | 14138.79 | 4984.61 | 5381.26 | 5502.24 | 24011.78 | 10820.02 |
| | (b) Change in inventories | - | - | - | - | - | - | - | - | 0.00 | - |
| | (c) Employee Benefits expense | 248.53 | 307.16 | 256.70 | 1112.97 | 982.09 | 185.30 | 196.01 | 206.95 | 779.89 | 664.05 |
| | (d) Depreciation expense | 1409.17 | 1341.21 | 1676.11 | 5295.24 | 7567.98 | 75.97 | 75.55 | 146.38 | 298.15 | 1038.27 |
| | (e) Connectivity & related expenses | 16.62 | 132.26 | 70.70 | 156.23 | 167.60 | 3.57 | 62.63 | 21.85 | 68.40 | 79.43 |
| | (f) Travel Expenses | 65.25 | 97.33 | 41.36 | 280.03 | 181.77 | 40.37 | 33.42 | 39.32 | 188.78 | 157.30 |
| | (g) Other Expenses | 1090.63 | 638.96 | 134.47 | 2982.32 | 1187.42 | 829.19 | 217.64 | 162.37 | 1295.38 | 436.84 |
| | **Total expenses** | **11128.02** | **10330.78** | **8224.38** | **41481.29** | **24225.65** | **6119.01** | **5966.52** | **6079.11** | **26642.38** | **13195.91** |
| 3 | **Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)** | **252.31** | **526.19** | **517.03** | **1674.06** | **23.49** | **424.46** | **460.94** | **395.68** | **1352.23** | **65.26** |
| 4 | Other Income | 58.86 | 33.95 | 176.64 | 105.88 | 522.96 | 2.79 | 33.12 | 23.01 | 49.00 | 520.78 |
| 5 | **Profit / (Loss) from ordinary activities before finance costs and exceptional items (3±4)** | **311.17** | **560.14** | **693.67** | **1779.95** | **546.45** | **427.25** | **494.07** | **418.69** | **1401.22** | **586.04** |
| 6 | Finance costs | - | - | - | - | - | - | - | - | - | - |
| 7 | **Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5±6)** | **311.17** | **560.14** | **693.67** | **1779.95** | **546.45** | **427.25** | **494.07** | **418.69** | **1401.22** | **586.04** |
| 8 | Exceptional items | - | - | - | - | - | - | - | - | - | - |
| 9 | **Profit / (Loss) from ordinary activities before tax (7±8)** | **311.17** | **560.14** | **693.67** | **1779.95** | **546.45** | **427.25** | **494.07** | **418.69** | **1401.22** | **586.04** |
| 10 | Tax Expense | | | | | | | | | | |
| | - Provision for Income Tax | 339.97 | 98.81 | 58.61 | 534.76 | 98.41 | 339.97 | 98.81 | 32.05 | 534.76 | 71.85 |
| | - Provision for Deferred Tax | -67.50 | 31.60 | 151.52 | 53.75 | 189.22 | -94.11 | 31.60 | 169.55 | 34.49 | 207.25 |
| 11 | **Net Profit / (Loss) from ordinary activities after tax (9±10)** | **38.70** | **429.73** | **483.54** | **1191.44** | **258.82** | **181.39** | **363.65** | **217.08** | **831.97** | **306.92** |
| 12 | Extraordinary items | - | - | - | - | - | - | - | - | - | - |
| 13 | **Net Profit / (Loss) for the period (11±12)** | **38.70** | **429.73** | **483.54** | **1191.44** | **258.82** | **181.39** | **363.65** | **217.08** | **831.97** | **306.92** |
| 14 | Share of profit / (loss) of associates | - | - | - | - | - | - | - | - | - | - |
| 15 | Minority Interest | - | - | - | - | - | - | - | - | - | - |
| 16 | **Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13±14±15)** | **38.70** | **429.73** | **483.54** | **1191.44** | **258.82** | **181.39** | **363.65** | **217.08** | **831.97** | **306.92** |
| 17 | Paid-up Equity Share Capital (Face Value of Re.1 each) | 1014.80 | 1014.80 | 1014.80 | 1014.80 | 1014.80 | 1014.80 | 1014.80 | 1014.80 | 1014.80 | 1014.80 |
| 18 | Reserves and Surplus (excluding revaluation reserves) as per balance sheet of previous accounting year | - | - | - | 63,838.61 | 61,097.26 | - | - | - | 62,092.39 | 61504.69 |
| 19.i | **Earnings per share (before extraordinary items) (of Re.1 each) (not annualised)** | | | | | | | | | | |
| | (a) Basic | **0.04** | **0.42** | **0.48** | **1.17** | **0.26** | **0.18** | **0.36** | **0.21** | **0.82** | **0.30** |
| | (b) Diluted | **0.04** | **0.42** | **0.48** | **1.17** | **0.26** | **0.18** | **0.36** | **0.21** | **0.82** | **0.30** |
| 19.ii | **Earnings per share (after extraordinary items) (of Re.1 each) (not annualised)** | | | | | | | | | | |
| | (a) Basic | **0.04** | **0.42** | **0.48** | **1.17** | **0.26** | **0.18** | **0.36** | **0.21** | **0.82** | **0.30** |
| | (b) Diluted | **0.04** | **0.42** | **0.48** | **1.17** | **0.26** | **0.18** | **0.36** | **0.21** | **0.82** | **0.30** |



Notes:

1. The above financial results for the quarter and year ended March 31, 2016 have been audited by the Auditors, reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on May 26, 2016

2. For the year ended March 31, 2016, tax provision has increased due to provision of regular income tax instead of provision of MAT tax arising on account of provision for doubtful debts

3. The Company has paid Interim dividend @ 20% on March 28, 2016 and the same is considered as final dividend for the year.

4. Segment Reporting (Consolidated) :

Reporting of Segment wise Revenue, Results and Capital Employed :

Rs. in Lakhs

| Sl. No. | Particulars | Consolidated Results for the | | | | |
|---|---|---|---|---|---|---|
| | | 3 months ended 31-Mar-16 Audited | 3 months ended 31-Dec-15 Unaudited | 3 months ended 31-Mar-15 Audited | Year ended 31-Mar-16 Audited | Previous accounting year ended 31-Mar-15 Audited |
| 1 | **Segment Revenue** | | | | | |
| | (a) Mobile VAS & Messaging Services | 11,180.33 | 10,656.97 | 8,153.65 | 41,755.35 | 22,605.63 |
| | (b) Property Development | 200.00 | 200.00 | 587.76 | 1,400.00 | 1,643.51 |
| | **Total Sales/Income from Operations** | **11,380.33** | **10,856.97** | **8,741.41** | **43,155.35** | **24,249.14** |
| | Less: Inter Segment Revenue | - | - | - | - | - |
| | **Net Sales/Income from operations** | **11,380.33** | **10,856.97** | **8,741.41** | **43,155.35** | **24,249.14** |
| 2 | **Segment Results - Profit(+)/Loss(-) before other income and tax** | | | | | |
| | (a) Mobile VAS & Messaging Services | 163.14 | 441.19 | 277.54 | 1,052.06 | (758.70) |
| | (b) Property Development | 89.17 | 85.00 | 239.49 | 622.00 | 782.18 |
| | **Total Segment Results - Profit(+)/Loss(-) before other income and tax** | **252.31** | **526.19** | **517.03** | **1,674.06** | **23.48** |
| | Less: Finance Cost | - | - | - | - | - |
| | Other Unallocable Income | (58.85) | (33.95) | (176.64) | (105.88) | (522.96) |
| | **Profit before Tax** | **311.17** | **560.14** | **693.67** | **1,779.95** | **546.45** |
| 3 | **Capital Employed** | | | | | |
| | (a) Mobile VAS & Messaging Services | 60,129.53 | 59,362.97 | 57,389.89 | 60,129.53 | 58,306.50 |
| | (b) Property Development | 4,723.88 | 4,101.88 | 4,722.16 | 4,723.88 | 3,805.55 |
| | **Total Capital Employed** | **64,853.41** | **63,464.85** | **62,112.05** | **64,853.41** | **62,112.05** |

5. In accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has published consolidated financial results. The Standalone financial results of the Company for the quarter and year ended March 31, 2016 are available on the Company's website (www.tanla.com) and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com)
Key standalone information is given below :

(Rs. In Lakhs)

| Particulars | Quarter Ended | | Year Ended | |
|---|---|---|---|---|
| | 31.03.2016 Audited | 31.12.2015 Audited | 31.03.2016 Audited | 31.03.2015 Audited |
| Income from operations & other income | 6543.47 | 6427.46 | 28043.60 | 13781.95 |
| Profit / (Loss before tax) | 427.25 | 494.07 | 1401.22 | 586.04 |
| Profit / (Loss after tax) | 181.39 | 363.65 | 831.97 | 306.92 |

6. The figures for the quarters ended March 31 2016 & March 31 2015 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures up to the third quarter.

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

Place: Hyderabad
Date: May 26, 2016

For and on behalf of the Board of Directors

(D.Uday Kumar Reddy)
Chairman & Managing Director
DIN: 00003382



**Tanla Solutions Limited**
**Statement of Assets and Liabilities**

Rs. In Lakhs

| | Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|---|
| | | As at 31-Mar-16 Audited | As at 31-Mar-15 Audited | As at 31-Mar-16 Audited | As at 31-Mar-15 Audited |
| A | **EQUITY AND LIABILITIES** | | | | |
| 1 | **Shareholders' Funds** | | | | |
| | (a) Capital | 1,014.80 | 1,014.80 | 1,014.80 | 1,014.80 |
| | (b) Reserves & Surplus | 63,838.61 | 61,097.26 | 62,092.39 | 61,504.69 |
| | (c) Money received against share warrants | - | - | - | - |
| | | **64,853.41** | **62,112.05** | **63,107.18** | **62,519.49** |
| 2 | **Share application money pending allotment** | 846.75 | - | 846.75 | - |
| 3 | **Minority Interest** | - | - | - | - |
| 2 | **Non-Current Liabilities** | | | | |
| | (a) Long-term borrowings | 25.32 | 29.73 | 8.51 | 29.73 |
| | (b) Other long term liabilities | 9.17 | 10.20 | 9.17 | 10.20 |
| | (b) Long term provisions | 10.43 | 11.86 | - | - |
| | | **44.92** | **51.79** | **17.68** | **39.93** |
| 3 | **Current Liabilities** | | | | |
| | (a) Short-term borrowings | 32.04 | 11.77 | 11.50 | 11.77 |
| | (a) Trade payables | 8,751.03 | 5,138.63 | 4,555.54 | 3,881.11 |
| | (b) Other current liabilities | 925.72 | 854.10 | 1,442.71 | 503.99 |
| | (c) Short-term provisions | 652.01 | 117.25 | 652.01 | 117.25 |
| | Sub-total Current Liabilities | **10,360.81** | **6,121.76** | **6,661.76** | **4,514.13** |
| | **TOTAL - EQUITY AND LIABILITIES** | **76,105.89** | **68,285.60** | **70,633.38** | **67,073.55** |
| B | **ASSETS** | | | | |
| 1 | **Non-current Assets** | | | | |
| | (a) Fixed Assets (incl. CWIP & Products under Development) | 55,577.13 | 45,678.21 | 3,334.10 | 3,084.88 |
| | (b) Goodwill on consolidation | 297.92 | 297.92 | - | - |
| | (c) Non-current Investments | - | - | 53,313.66 | 53,137.95 |
| | (d) Deferred tax assets (net) | 344.70 | 398.45 | 403.39 | 437.88 |
| | (e) Long term loans and advances | 264.74 | 284.20 | - | - |
| | (f) Other non-current assets | 1,256.42 | 895.69 | 1,335.24 | 1,218.33 |
| | **Sub-total Non-current assets** | **57,740.92** | **47,554.47** | **58,386.39** | **57,879.04** |
| 2 | **Current Assets** | | | | |
| | (b) Inventories | 2,924.87 | 2,661.78 | - | - |
| | (b) Trade receivables | 9,162.58 | 14,456.59 | 7,070.08 | 6,187.05 |
| | (c) Cash and cash equivalents | 5,089.90 | 2,990.29 | 4,406.92 | 2,497.35 |
| | (d) Short-term loans and advances | 579.01 | 244.48 | 168.48 | 132.10 |
| | (f) Other current assets | 608.61 | 378.00 | 601.50 | 378.00 |
| | Sub-total Current assets | **18,364.97** | **20,731.14** | **12,246.99** | **9,194.51** |
| | **TOTAL - ASSETS** | **76,105.89** | **68,285.60** | **70,633.38** | **67,073.55** |

Tanla Solutions Limited * Hyderabad.India *

**Auditor's Report on Consolidated Financial Results of the Tanla Solutions Limited Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015**

To
The Board of Directors
TANLA SOLUTIONS LIMITED
Hyderabad.

We have audited the accompanying consolidated financial results of M/s. TANLA SOLUTIONS LIMITED and its subsidiaries (collectively referred to as 'the Group') for the year ended 31st March, 2016 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement), 2015. These consolidated Financial Results have been prepared on the basis of the Financial Statements, which are the responsibility of the company's management .Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed, under section 133 of the Companies Act ,2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

The Consolidated Financial Statement includes audited financial statements of three subsidiaries, four step-down subsidiaries and one Joint Venture furnished by the management to us and our report in so far as it relates to the amounts included in respect of the subsidiaries is based solely on unaudited financial statement.

In our opinion and to the best of our information and to the explanations given to these financial results:

(i) It also includes the financial results of the following entities:

1. Tanla Solutions (UK) Limited., London
2. Tanla Mobile Asia Pacific Pte Limited., Singapore
3. Tanla Mobile Ireland Private Limited., Ireland
4. Tanla Mobile Middle East FZ LLC., Dubai
5. Tanla Mobile Finland OY., Finland
6. Tanla Oy., Finland
7. Tanla Corporation Private Limited., India
8. TZ Mobile Private Limited., India

Ramasamy Koteswara Rao & Co. FR No. 010396S Hyderabad Chartered Accountants

Plot No. 238/A, MLA's Colony, Road No. 12, Banjara Hills, Hyderabad - 500 034.
Ph: 040 - 23394982, 23394985, 23320277 Fax: 040 - 23430601
E-mail: rkandco@gmail.com, Website : www.rkandco.in

(ii) are presented in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement), 2015 in this regard; and

(iii) give a true and fair view of consolidated Net Profit and other financial information for the year April 1, 2015 to March 31, 2016.

For Ramasamy Koteswara Rao & Co,
Chartered Accountants
Firm Registration Number: 010396S




(C V Koteswara Rao)
Partner
Membership No.028353

Place: Hyderabad
Date: May 26, 2016

**Auditor's Report on Standalone Financial Results of the TANLA SOLUTIONS LIMITED Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015**

To
The Board of Directors
TANLA SOLUTIONS LIMITED
Hyderabad.

We have audited the accompanying Standalone Financial Results of M/s. TANLA SOLUTIONS LIMITED ('the Company) for the period ended 31st March, 2016 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement), 2015. The year to date Standalone Financial Results have been prepared on the basis of the Financial Statements, which are the responsibility of the company's management .Our responsibility is to express an opinion on these financial results based on our audit of such financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standards prescribed, under section 133 of the Companies Act ,2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free from material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by the management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and to the explanations given to these financial results:

(i) has been presented in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement), 2015 in this regard; and

(ii) give a true and fair view of Net Profit and other financial information for the year April 1, 2015 to March 31, 2016.

For Ramasamy Koteswara Rao & Co,
Chartered Accountants
Firm Registration Number: 010396S

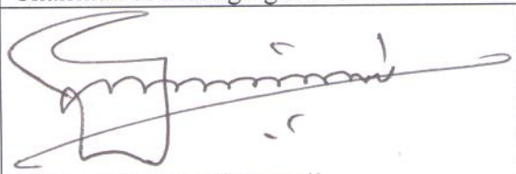



(C V Koteswara Rao)
Partner
Membership No.028353

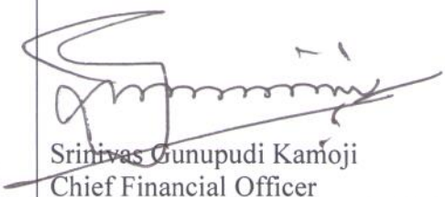
Place: Hyderabad
Date: May 26, 2016

Plot No. 238/A, MLA's Colony, Road No. 12, Banjara Hills, Hyderabad - 500 034.
Ph: 040 - 23394982, 23394985, 23320277 Fax: 040 - 23430601
E-mail: rkandco@gmail.com, Website : www.rkandco.in

**FORM A (for audit report with unmodified opinion)**

| | | |
|---|---|---|
| 1. | Name of the Company | **Tanla Solutions Limited** |
| 2. | Annual financial statements for the year ended | March 31, 2016<br>(Standalone financial results) |
| 3. | Type of Audit observation | Unmodified |
| 4. | Frequency of observation | Not Applicable |
| 5. | To be signed by-<br><br>CEO / Managing Director | <br>D Uday Kumar Reddy<br>DIN: 00003382<br>Chairman & Managing Director |
| | CFO | <br>Srinivas Gunupudi Kamoji<br>Chief Financial Officer |
| | Auditor of the Company | For Ramasamy Koteswara Rao & Co.,<br>Chartered Accountants<br>ICAI Firm Registration Number: 010396S<br><br><br>C V Koteswara Rao<br>Partner - Membership No.028353 |
| | Audit Committee Chairman | <br>Ram Narain Agarwal<br>DIN: 00003498<br>Audit Committee Chairman |

**FORM A (for audit report with unmodified opinion)**

| | | |
|---|---|---|
| 1. | Name of the Company | **Tanla Solutions Limited** |
| 2. | Annual financial statements for the year ended | March 31, 2016<br>(Consolidated financial results) |
| 3. | Type of Audit observation | Unmodified |
| 4. | Frequency of observation | Not Applicable |
| 5. | To be signed by-<br><br>CEO / Managing Director | <br>D Uday Kumar Reddy<br>DIN: 00003382<br>Chairman & Managing Director |
| | CFO | <br>Srinivas Gunupudi Kamoji<br>Chief Financial Officer |
| | Auditor of the Company | For Ramasamy Koteswara Rao & Co.,<br>Chartered Accountants<br>ICAI Firm Registration Number: 010396S<br><br><br>C V Koteswara Rao<br>Partner - Membership No.028353 |
| | Audit Committee Chairman | <br>Ram Narain Agarwal<br>DIN: 00003498<br>Audit Committee Chairman |