TANLA
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October 20, 2010

To,

National Stock Exchange Limited
Exchange Plaza,
Bandra East,
Mumbai 400 051

Sub: Submission of Un-Audited Financial Results for the Quarter ended on September 30 2010

With reference to the captioned subject, please find enclosed herewith the Un-Audited Financial Results for the quarter ended on September 30 2010. The same has been approved by the Board of Directors of the Company in their meeting held today, i.e. October 20 2010.

This is for your information and records.

Thanking you,

For Tanla Solutions Limited,

Ch. Seshanuradha
Company Secretary & Compliance Officer

Tanla Solutions Limited ★ Hyderabad, India ★

**Tanla Solutions Limited**
Tanla Technology Centre, Hitech City Road, Madhapur, Hyderabad - 500 081, Andhra Pradesh, India.
☎: + 91 - 40 - 4009 9999 🖷: + 91 - 40 - 2312 2888 E-mail: contact@tanla.com

**TANLA SOLUTIONS LIMITED**
**TANLA TECHNOLOGY CENTRE, HITECH CITY ROAD, MADHAPUR, HYDERABAD - 500081**
**UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2010**

(Rupees in Lakhs)

| Particulars | Consolidated Results for the | | | | | Tanla Solutions Limited - Results for the | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 3 months ended September 30, 2010 | Corresponding 3 months ended in the previous year September 30, 2009 | 6 months ended September 30, 2010 | Corresponding 6 months ended in the previous year September 30, 2009 | Previous accounting year ended March 31, 2010 | 3 months ended September 30, 2010 | Corresponding 3 months ended in the previous year September 30, 2009 | 6 months ended September 30, 2010 | Corresponding 6 months ended in the previous year September 30, 2009 | Previous accounting year ended March 31, 2010 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Audited | Unaudited | Unaudited | Unaudited | Unaudited | Audited |
| **Gross Revenue:** | | | | | | | | | | |
| - Overseas | 7604.29 | 8854.05 | 15057.44 | 17244.91 | 36195.79 | 379.68 | 1650.28 | 832.97 | 3229.50 | 4657.38 |
| - Domestic- India | 226.52 | 76.31 | 336.89 | 295.51 | 448.17 | 226.52 | 76.31 | 336.89 | 295.51 | 448.17 |
| Other Income | 4.16 | 136.72 | 48.90 | 348.29 | 560.12 | 3.63 | 190.54 | 37.06 | 520.54 | 668.36 |
| **Total** | **7834.97** | **9067.09** | **15443.23** | **17888.72** | **37204.09** | **609.83** | **1917.13** | **1206.92** | **4045.55** | **5773.91** |
| **Expenditure:** | | | | | | | | | | |
| - Cost of sales | 3679.24 | 4158.05 | 6766.76 | 8237.43 | 16724.52 | 227.63 | 760.73 | 450.86 | 1488.92 | 1696.69 |
| - Selling & marketing expenses | 855.00 | 915.79 | 1670.02 | 1934.63 | 4034.34 | 32.13 | 117.52 | 67.52 | 334.99 | 551.36 |
| - Operating & Administrative expenses | 1147.08 | 883.61 | 2762.60 | 1723.84 | 5190.38 | 192.34 | 212.64 | 675.06 | 503.65 | 1764.24 |
| - Depreciation | 1915.03 | 1743.37 | 3797.01 | 3346.68 | 8525.41 | 625.52 | 550.29 | 1238.78 | 1089.17 | 1814.96 |
| **Total** | **7596.35** | **7700.82** | **14996.39** | **15242.58** | **34474.65** | **1077.62** | **1641.18** | **2432.22** | **3416.73** | **5827.25** |
| Profit before Tax | 238.62 | 1366.27 | 446.84 | 2646.14 | 2729.44 | -467.79 | 275.95 | -1225.30 | 628.82 | -53.34 |
| Provision for Income Tax (including FBT) | 3.61 | 169.56 | 4.18 | 286.02 | 257.57 | 0.00 | 43.26 | 0.00 | 97.44 | 0.00 |
| Provision for Deferred Tax | -89.87 | 113.36 | -89.87 | 156.00 | -359.47 | -89.87 | 133.85 | -89.87 | 160.19 | -379.83 |
| **Net Profit** | **324.88** | **1083.35** | **532.53** | **2204.12** | **2831.34** | **-377.92** | **98.84** | **-1135.43** | **371.19** | **326.49** |
| Minority Interest | 0.00 | 30.21 | 0.00 | 144.51 | 54.45 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| **Net Profit after Minority Interest** | **324.88** | **1053.13** | **532.53** | **2059.61** | **2776.89** | **-377.92** | **98.84** | **-1135.43** | **371.19** | **326.49** |
| Paid-up Equity Share Capital (Face Value of Re.1 each) | 1014.80 | 1000.00 | 1014.80 | 1000.00 | 1014.80 | 1014.80 | 1000.00 | 1014.80 | 1000.00 | 1014.80 |
| Reserves and Surplus (excluding revaluation reserves including share premium) | - | - | - | - | 92742.33 | - | - | - | - | 64604.24 |
| **Basic / Diluted EPS in Rs.** (Adjusted to par value Re.1) | **0.32** | **1.05** | **0.52** | **2.06** | **2.78** | **-0.37** | **0.10** | **-1.12** | **0.37** | **0.33** |
| **Public shareholding** | | | | | | | | | | |
| No.of Shares (Adjusted to par value Re.1) | 65,270,269 | 63,741,636 | 65,270,269 | 63,741,636 | 65,221,229 | 65,270,269 | 63,741,636 | 65,270,269 | 63,741,636 | 65,221,229 |
| Percentage of shareholding | 64.32% | 63.74% | 64.32% | 63.74% | 64.27% | 64.32% | 63.74% | 64.32% | 63.74% | 64.27% |
| **Promoters and promoter group Shareholding **** | | | | | | | | | | |
| a) Pledged/Encumbered | | | | | | | | | | |
| Number of shares | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Percentage of shares (as a % of the total shareholding of promoter and promoter group | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Percentage of shares (as a% of the total share capital of the company | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| b) Non-encumbered | | | | | | | | | | |
| Number of Shares | 36,209,324 | 36,258,364 | 36,209,324 | 36,258,364 | 36,258,364 | 36,209,324 | 36,258,364 | 36,209,324 | 36,258,364 | 36,258,364 |
| Percentage of shares (as a% of the total shareholding of promoter and promoter group | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |
| Percentage of shares (as a % of the total share capital of the company | 35.68% | 36.26% | 35.68% | 36.26% | 35.73% | 35.68% | 36.26% | 35.68% | 36.26% | 35.73% |



Notes:

1. The above financial results for the quarter and half year ended September 30, 2010 have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on October 20, 2010.

2. The Company is mainly engaged in the Software Development and related services, hence Accounting Standard (AS17) "Segment Reporting" is not applicable to the Company and its nature of business. The Company adheres to the prescribed Accounting Standards as prescribed by the Institute of Chartered Accountants of India.

3. Consolidated financial results include the results of Tanla Solutions (UK) Ltd., a wholly owned subsidiary, Tanla Mobile Ltd. (U.K), a wholly owned subsidiary of Tanla Solutions (UK) Ltd, Tanla Mobile Private Limited (India) and Tanla Mobile Asia Pacific Pte. Ltd, (Singapore), wholly owned subsidiaries, Tanla Mobile Ireland Private Limited, (Ireland), Tanla Mobile Middle East FZ-LLC (UAE), Tanla Mobile South Africa Proprietary Ltd, (South Africa), wholly owned subsidiaries of Tanla Mobile Asia Pacific Pte Ltd, Tanla Oy (formerly Openbit Oy) (Finland) a subsidiary of Tanla Mobile Finland Oy, (Finland), Tanla Mobile South Asia Pvt Ltd (Srilanka), a wholly owned subsidiary of Tanla Mobile Asia Pacific Pte Ltd,, (Singapore) and TZ Mobile Pvt Ltd, a joint venture company.

4. Details of utilisation of funds received from Follow on Public Offer of equity shares, as per Clause 43 of Listing Agreement are as follows:

| | Rs. in Lakhs |
|---|---|
| Funds raised on Follow on Public Offer of equity shares | 42095.25 |
| Less: Utilised upto 30.06.2010 | 42095.25 |
| Funds available as on 01.07.2010 | 0.00 |
| Add: Balance of accumulated interest and dividends on deposits / mutual funds | 1479.85 |
| Less: Utilised during the quarter | 1479.85 |
| Funds un-utilised as on September 30, 2010 | 0.00 |

5. In accordance with Clause 41 of Listing Agreement, the Company has published consolidated financial results. The Standalone financial results of the Company for the quarter/half year ended September 30, 2010 are available on the Company's website (www.tanla.com) and on the website of BSE (www.bseindia.com) and NSE (www.nseindia.com) Key standalone information is given below

(Rs. In Lakhs)

| Particulars | Quarter Ended | | Year Ended |
|---|---|---|---|
| | 30.09.2010 | 30.09.2009 | 31.03.2010 |
| Income from operations & other income | 609.83 | 1917.13 | 5773.91 |
| Profit / (Loss before tax) | (467.79) | 275.95 | (53.34) |
| Profit / (Loss after tax) | (377.92) | 98.84 | 326.49 |

6. The number of investor complaints pending at the beginning of the quarter ended 30th September 2010 was Nil. During the quarter 11 complaints were received and 11 complaints were resolved. There were no complaints pending to be resolved in the end of the quarter ended 30th September 2010.

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

Place: Hyderabad
Date October 20, 2010

For and on behalf of the Board of Directors




(D.Uday Kumar Reddy)
Chairman & Managing Director

**Statement of Assets and Liabilities - Consolidated**

Rs. In Lakhs

| Particulars | 6 months ended | Corresponding 6 months ended in the previous year |
|---|---|---|
| | 30-Sep-10 | 30-Sep-09 |
| | Unaudited | Unaudited |
| Shareholders' Funds | | |
| (a) Capital | 1,014.80 | 1,000.00 |
| (b) Reserves & Surplus | 90,675.43 | 91,449.26 |
| Loan Funds | - | - |
| **Total** | **91,690.23** | **92,449.26** |
| | | |
| Fixed Assets | 38,753.57 | 40,148.84 |
| Goodwill | 8,322.43 | 6,296.26 |
| Investments | | 39.85 |
| Current Assets, Loans and Advances | - | - |
| (a) Inventories / Products Under Development | 4,333.98 | 1,965.01 |
| (b) Sundry Debtors | 16,273.65 | 20,276.30 |
| (c) Cash and Bank Balances | 12,162.33 | 16,104.62 |
| (d) Other Current Assets | - | - |
| (e) Loans and Advances | 16,151.41 | 15,221.76 |
| Less: Current Liabilities and Provisions | - | - |
| (a) Liabilities | (1,866.79) | (2,664.76) |
| (b) Provisions | (2,680.46) | (5,658.95) |
| Miscellaneous Expenditure (Not written off or adjusted) | 240.11 | 720.32 |
| Profit and Loss Account | - | - |
| **Total** | **91,690.23** | **92,449.26** |

