

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

Rupees in Lakhs

Particulars	Consolidated Results for the			Tanla Solutions Limited - Results for the		
	3 months ended	Corresponding 3	Previous	3 months ended	Corresponding 3	Previous
	June 30, 2010	months ended in the	accounting year	June 30, 2010	months ended in the	accounting year
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
<b>Gross Revenue:</b>						
- Overseas	7453.15	8390.86	36190.23	453.29	1579.22	4190.43
- Domestic- India	110.37	219.20	454.17	110.37	219.20	915.04
Other Income	44.74	211.57	534.53	33.43	330.00	668.36
<b>Total</b>	<b>7608.26</b>	<b>8821.63</b>	<b>37178.93</b>	<b>597.09</b>	<b>2128.42</b>	<b>5773.84</b>
<b>Expenditure:</b>						
- Cost of sales	3087.52	4079.38	16403.97	223.23	728.19	2140.37
- Selling & marketing expenses	815.02	1018.84	3804.84	35.39	217.47	433.40
- Operating & Administrative expenses	1615.52	840.23	4754.27	482.72	291.01	2510.39
- Depreciation	1881.98	1603.31	6737.27	613.26	538.88	1814.96
<b>Total</b>	<b>7400.04</b>	<b>7541.76</b>	<b>31700.35</b>	<b>1354.60</b>	<b>1775.55</b>	<b>6899.12</b>
Profit before Tax	208.22	1279.87	5478.59	-757.51	352.87	-1125.28
Provision for Income Tax (including FBT)	0.57	116.46	195.99	0.00	54.18	0.00
Provision for Deferred Tax	0.00	42.64	419.25	0.00	26.34	332.87
<b>Net Profit</b>	<b>207.65</b>	<b>1120.77</b>	<b>4863.35</b>	<b>-757.51</b>	<b>272.35</b>	<b>-1458.15</b>
Minority Interest	0.00	114.30	232.20	0.00	0.00	0.00
<b>Net Profit after Minority Interest</b>	<b>207.65</b>	<b>1006.47</b>	<b>4631.15</b>	<b>-757.51</b>	<b>272.35</b>	<b>-1458.15</b>
Paid-up Equity Share Capital (Face Value of Re.1 each)	1014.80	1000.00	1014.80	1014.80	1000.00	1014.80
Reserves and Surplus (excluding revaluation reserves including share premium)	-	-	93385.56	-	-	62042.73
<b>Basic / Diluted EPS in Rs.</b>	<b>0.20</b>	<b>1.01</b>	<b>4.63</b>	<b>-0.75</b>	<b>0.27</b>	<b>-1.46</b>
(Adjusted to par value Re.1)						
<b>Public shareholding</b>						
No. of Shares	65,270,269	63,741,636	65,221,229	65,270,269	63,741,636	65,221,229
(Adjusted to par value Re.1)						
Percentage of shareholding	64.32%	63.74%	64.27%	64.32%	63.74%	64.27%
<b>Promoters and promoter group Shareholding **</b>						
a) Pledged/Encumbered						
Number of shares	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
Percentage of shares (as a% of the total share capital of the company)	Nil	Nil	Nil	Nil	Nil	Nil
b) Non-encumbered						
Number of Shares	36,209,324	36,258,364	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%
Percentage of shares (as a % of the total share capital of the company)	35.68%	36.26%	35.73%	35.68%	36.26%	35.73%

Notes:

- The above financial results for the quarter ended June 30, 2010 have been subject to limited review by the Auditors. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on August 13, 2010.
- 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 Accounting Standards as prescribed by the Institute of Chartered Accountants of India.
- 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.
- 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 31.03.2010	42095.25
Funds available as on 01.04.2010	0.00
Add: Accumulated interest and dividends on deposits / mutual funds	2711.18
Less: Utilised during the quarter	1231.33
Funds un-utilised as on June 30, 2010	1479.85

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 ended June 30, 2010 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

Particulars	(Rs. In Lakhs)		
	Quarter Ended		Year Ended
	30.06.2010	30.06.2009	31.03.2010
Income from operations & other income	597.09	2128.42	5773.84
Profit / (Loss before tax)	(757.51)	352.87	(1125.28)
Profit / (Loss after tax)	(757.51)	272.35	(1458.15)

6. The number of investor complaints pending at the beginning of the quarter ended 30th June 2010 was Nil. During the quarter 4 complaints were received and 4 complaints were resolved. There were no complaints pending to be resolved at the end of the quarter ended 30th June 2010.
7. Pursuant to allotment of 14,79,593 equity shares at face value Re.1/- each, under preferential basis in March 2010, the paid up share capital of the Company stands increased to Rs. 10,14,79,593.
8. Previous period / year figures have been re-grouped wherever necessary.

Place: Hyderabad  
Date :August 13, 2010

For and on behalf of the Board of Directors

(D.Uday Kumar Reddy)  
Chairman & Managing Director