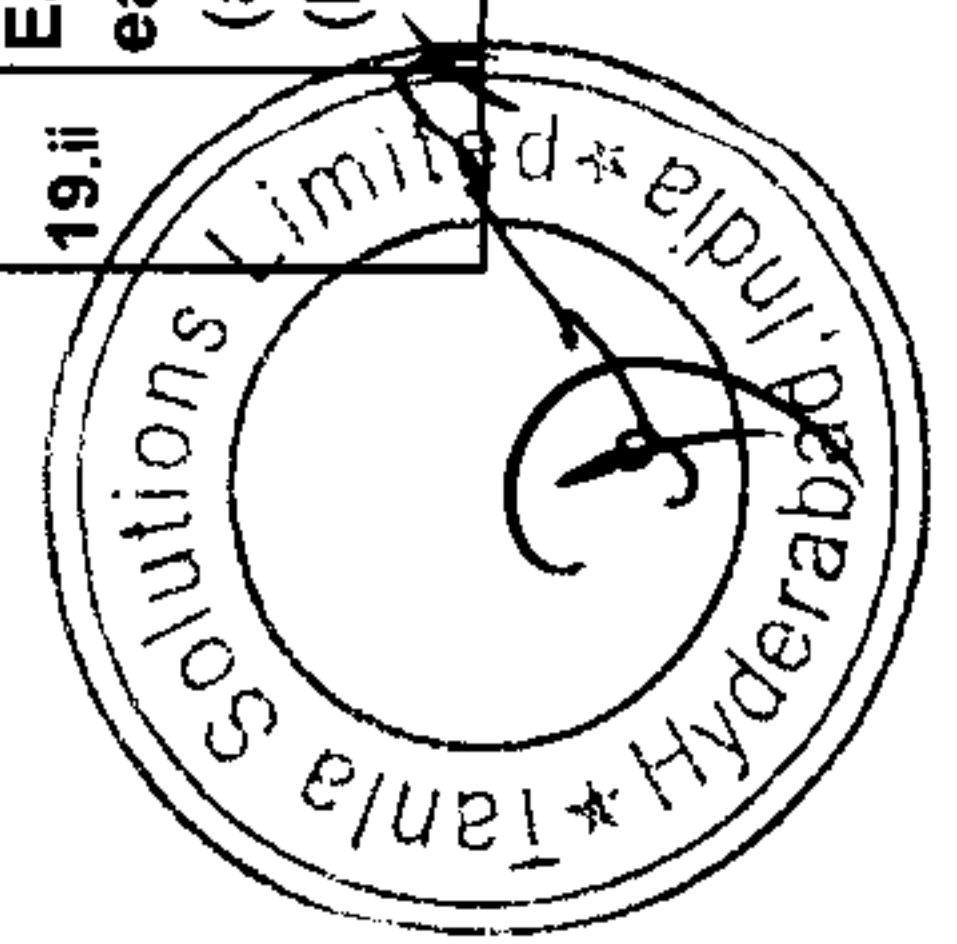


TANLA SOLUTIONS LIMITED
TANLA TECHNOLOGY CENTRE, HITECH CITY ROAD, MADHAPUR, HYDERABAD - 500081
UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2013

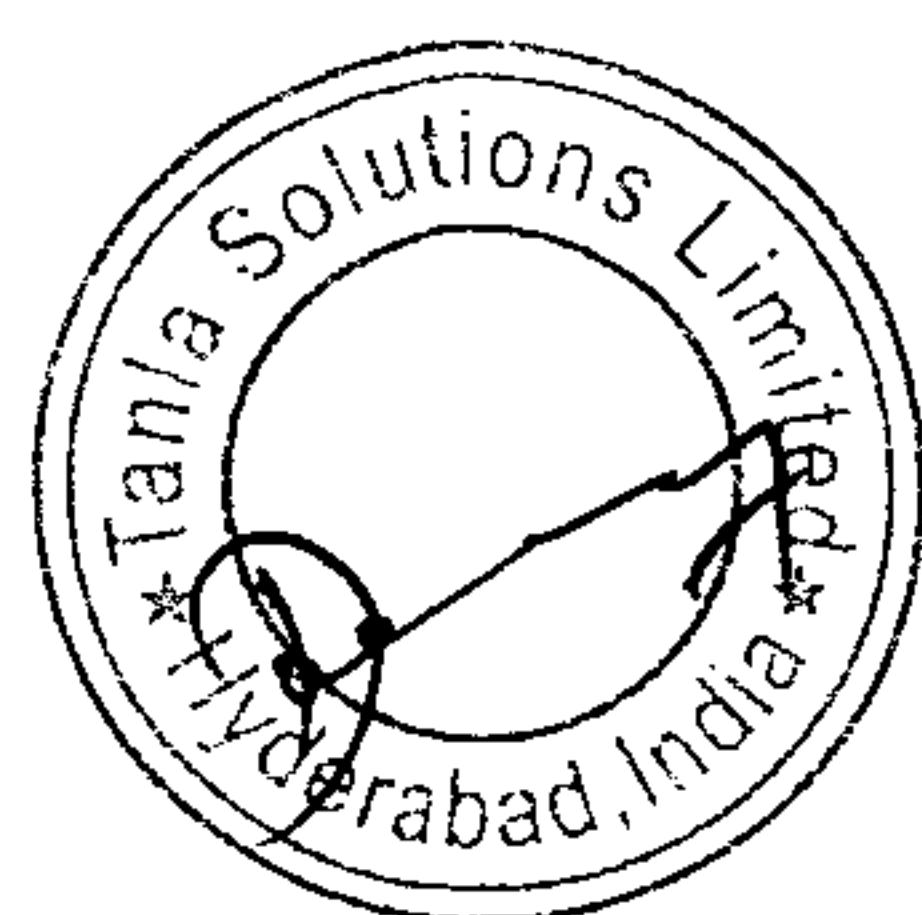
PART I		(Rupees in Lakhs)																
Particulars (Refer notes below)		Consolidated Results for the							Tania Solutions Limited - Results for the									
		3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for previous year ended	Previous accounting year ended	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figures for current period ended	Year to date figures for previous year ended	Previous accounting year ended					
		30-Sep-13 Unaudited	30-Jun-13 Unaudited	30-Sep-12 Unaudited	30-Sep-13 Unaudited	30-Sep-12 Unaudited	March 31, 2013 Audited	30-Sep-13 Unaudited	30-Jun-13 Unaudited	30-Sep-12 Unaudited	30-Sep-13 Unaudited	30-Sep-12 Unaudited	March 31, 2013 Audited					
1	Income from Operations	1444.36	1733.15	2291.37	3177.51	5137.28	9286.70	12.37	6.27	52.54	18.64	242.93	270.03					
	(a) Overseas	871.67	544.68	612.05	1416.35	1197.33	2451.84	871.67	544.68	612.05	1416.35	1197.33	2451.84					
	(b) Domestic- India	-	-	-	-	-	-	-	-	-	-	-	-					
	(c) Other Operating Income	2316.02	2277.83	2903.42	4593.85	6334.61	11738.54	884.04	550.95	664.59	1434.99	1440.26	2721.87					
2	Total income from operations (net)	1210.77	1245.09	2118.66	2455.86	4599.81	7766.87	497.79	230.77	424.08	728.56	928.27	1559.39					
	Expenses																	
	(a) Cost of sales	-	-	-	-	-	-	-	-	-	-	-	-					
	(b) Change in inventories	247.65	237.04	242.43	484.69	457.18	979.13	140.98	128.27	140.01	269.25	289.31	567.26					
	(c) Employee Benefits expense	1464.37	1473.36	3039.12	2937.73	6491.19	16886.40	267.05	267.06	257.50	534.11	515.00	1057.32					
	(d) Depreciation and Amortisation expense	26.86	27.15	141.59	54.01	287.07	391.63	6.57	4.13	0.00	10.70	0.00	26.58					
	(e) Advertisement expense	0.00	0.00	0.00	0.00	0.00	769.92	-	-	-	-	-	-					
	(f) Bad Debts provision	45.40	108.26	322.03	153.65	737.18	892.46	62.67	54.99	142.14	117.66	192.71	469.17					
	(g) Other Expenses	2995.06	3090.89	5863.83	6085.95	12572.44	27686.42	975.07	685.22	963.73	1660.29	1925.29	3679.72					
3	Total expenses	-679.04	-813.06	-2960.42	-1492.10	-6237.83	-15947.88	-91.03	-134.27	-299.14	-225.30	-485.03	-957.85					
4	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	44.99	128.34	73.44	173.33	136.88	1274.05	145.30	128.34	73.44	273.64	127.76	795.24					
5	Other Income	-634.05	-684.72	-2886.98	-1318.77	-6100.95	-14673.83	54.27	-5.93	-225.70	48.34	-357.27	-162.61					
6	Finance costs	-	-	-	-	-	-	-	-	-	-	-	-					
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5+6)	-634.05	-684.72	-2886.98	-1318.77	-6100.95	-14673.83	54.27	-5.93	-225.70	48.34	-357.27	-162.61					
8	Exceptional items	-	-	-	-	-	98.59	-	-	-	-	-	98.59					
9	Profit / (Loss) from ordinary activities before tax (7+8)	-634.05	-684.72	-2886.98	-1318.77	-6100.95	-14772.43	54.27	-5.93	-225.70	48.34	-357.27	-261.20					
10	Tax Expense																	
	- Provision for Income Tax	0.00	-	0.00	0.00	0.00	0.00	-	-	-	0.00	0.00	0.00					
	- Provision for Deferred Tax	-14.53	-5.25	-79.19	-19.78	-160.44	-23.02	-14.53	-5.25	-79.19	-19.78	-160.44	-83.53					
11	Net Profit / (Loss) from ordinary activities after tax	-619.51	-679.47	-2807.79	-1298.99	-5940.51	-14749.41	68.80	-0.68	-146.51	68.12	-196.83	-177.67					
12	Extraordinary items	-	-	-	-	-	-	-	-	-	-	-	-					
13	Net Profit / (Loss) for the period (11+12)	-619.51	-679.47	-2807.79	-1298.99	-5940.51	-14749.41	68.80	-0.68	-146.51	68.12	-196.83	-177.67					
14	Share of profit / (loss) of associates	0.00	0.00	-1.61	-	-	-	-	-	-	-	-	-					
15	Minority Interest	-	-	-	-	-	-	-	-	-	-	-	-					
16	Net Profit / (Loss) after taxes, minority interest and share of profit / (loss) of associates (13+14+15)	-619.51	-679.47	-2809.40	-1298.99	-5940.51	-14749.41	68.80	-0.68	-146.51	68.12	-196.83	-177.67					
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	1014.80	1014.80					
18	Reserves and Surplus (excluding revaluation reserves) as per balance sheet of previous accounting year	-	-	-	-	-	60503.10	-	-	-	-	-	61464.58					
19.i	Earnings per share (before extraordinary items) (of Re.1 each) (not annualised)																	
	(a) Basic	-0.61	-0.67	-2.77	-1.28	-5.85	-14.53	0.07	-0.001	-0.14	0.07	-0.19	-0.18					
	(b) Diluted	-0.61	-0.67	-2.77	-1.28	-5.85	-14.53	0.07	-0.001	-0.14	0.07	-0.19	-0.18					
19.ii	Earnings per share (after extraordinary items) (of Re.1 each) (not annualised)																	
	(a) Basic	-0.61	-0.67	-2.77	-1.28	-5.85	-14.53	0.07	-0.001	-0.14	0.07	-0.19	-0.18					
	(b) Diluted	-0.61	-0.67	-2.77	-1.28	-5.85	-14.53	0.07	-0.001	-0.14	0.07	-0.19	-0.18					



PART II**Select Information for the quarter and year ended September 30, 2013**

	Particulars (Refer notes below)	3 months ended 30-Sep-13	Preceding 3 months ended 30-Jun-13	Corresponding 3 months ended in the previous year 30-Sep-12	Year to date figures for current period ended 30-Sep-13	Year to date figures for previous year ended 30-Sep-12	Previous accounting year ended March 31, 2013	3 months ended 30-Sep-13	Preceding 3 months ended 30-Jun-13	Corresponding 3 months ended in the previous year 30-Sep-12	Year to date figures for current period ended 30-Sep-13	Year to date figures for previous year ended 30-Sep-12	Previous accounting year ended March 31, 2013
A	PARTICULARS OF SHAREHOLDING												
1	Public shareholding												
	No. of Shares	67,458,038	67,311,002	67,397,281	67,458,038	67,397,281	67,297,281	67,458,038	67,311,002	67,397,281	67,458,038	67,397,281	67,297,281
	(Adjusted to par value Re.1)												
	Percentage of shareholding	66.47%	66.33%	66.41%	66.47%	66.41%	66.32%	66.47%	66.33%	66.41%	66.47%	66.41%	66.32%
2	Promoters and promoter group Shareholding												
	a) Pledged/Encumbered												
	- Number of shares	Nil	Nil	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	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	Nil	Nil
	b) Non-encumbered												
	- Number of shares	34,021,555	34,168,591	34,082,312	34,021,555	34,082,312	34,182,312	34,021,555	34,168,591	34,082,312	34,021,555	34,082,312	34,182,312
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	- Percentage of shares (as a % of the total share capital of the company)	33.53%	33.67%	33.59%	33.53%	33.59%	33.68%	33.53%	33.67%	33.59%	33.53%	33.59%	33.68%

B	INVESTOR COMPLAINTS	3 months ended 30/09/2013
	Pending at the beginning of the quarter	-
	Received during the quarter	1
	Disposed of during the quarter	1
	Remaining unresolved at the end of the quarter	-



Notes:

1. The above financial results for the half-year and quarter ended September 30, 2013 have been subjected to a limited review by the Auditors, reviewed by the Audit Committee and approved by the Board of Directors at its Meeting held on October 31, 2013.
2. The Company is engaged in telecom infrastructure and related value added services business and its operations constitute a single segment in the context of Accounting Standard (AS17) "Segment Reporting".
3. Consolidated financial results include the results of Tanla Solutions (UK) Ltd., Tanla Mobile Asia Pacific Pte. Ltd, (Singapore), Tanla Mobile Private Limited (India) - wholly owned subsidiaries, Tanla Mobile Middle East FZ-LLC (UAE), Tanla Mobile Ireland Private Limited, (Ireland), Tanla Mobile South Asia Pvt Ltd (Srilanka) - wholly owned subsidiaries of Tanla Mobile Asia Pacific Pte Ltd (Singapore), Tanla Mobile Finland Oy, (Finland) - wholly owned subsidiary of Tanla Mobile Middle East FZ LLC (UAE), Tanla Oy (formerly Openbit Oy) (Finland) - wholly owned subsidiary of Tanla Mobile Finland Oy (Finland) and TZ Mobile Pvt Ltd - a joint venture company.
4. EBITDA has increased by 5% QoQ from Rs.7.89 Cr to Rs.8.30 Cr.
5. Other Income in stand alone results includes interest charged to subsidiary company and the same is eliminated in consolidated results.
6. During the quarter ended 30th September 2013, net asset value of mutual funds has dropped and the resultant loss is grouped under Other Expenses
7. Net gain on foreign currency transactions of Rs.44.99 lakhs is considered under Other Income as on 30th September 2013
8. Net loss on foreign currency translations of Rs. 17.56 crores are considered under Currency Translation Reserve in Reserves and Surpluses as on 30th September 2013
9. In accordance with Clause 41 of Listing Agreement, the Company has published consolidated financial results. The Standalone financial results of the Company for the half-year and quarter ended September 30, 2013 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 :

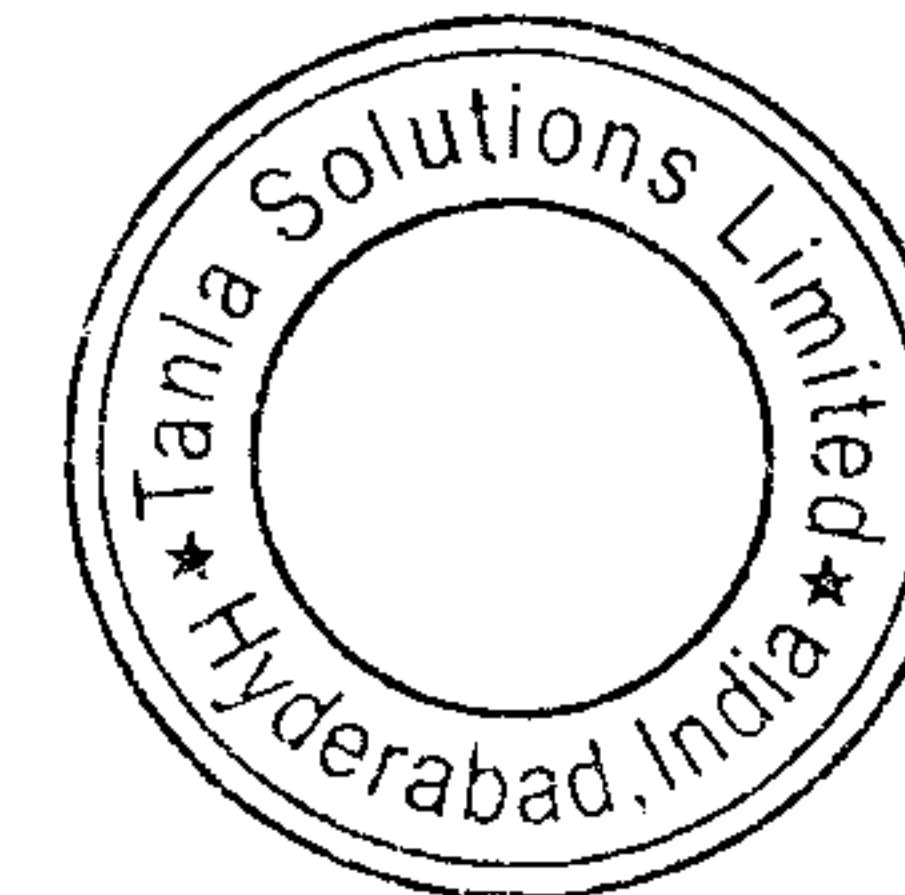
Particulars	(Rs. In Lakhs)		
	Quarter Ended		Year Ended
	30.09.2013 Unaudited	30.06.2013 Unaudited	31.03.2013 Audited
Income from operations & other income	1029.34	679.29	3517.11
Profit / (Loss before tax)	54.27	(5.93)	(261.20)
Profit / (Loss after tax)	68.80	(0.68)	(177.67)

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

Place: Hyderabad

Date: October 31, 2013

For and on behalf of the Board of Directors

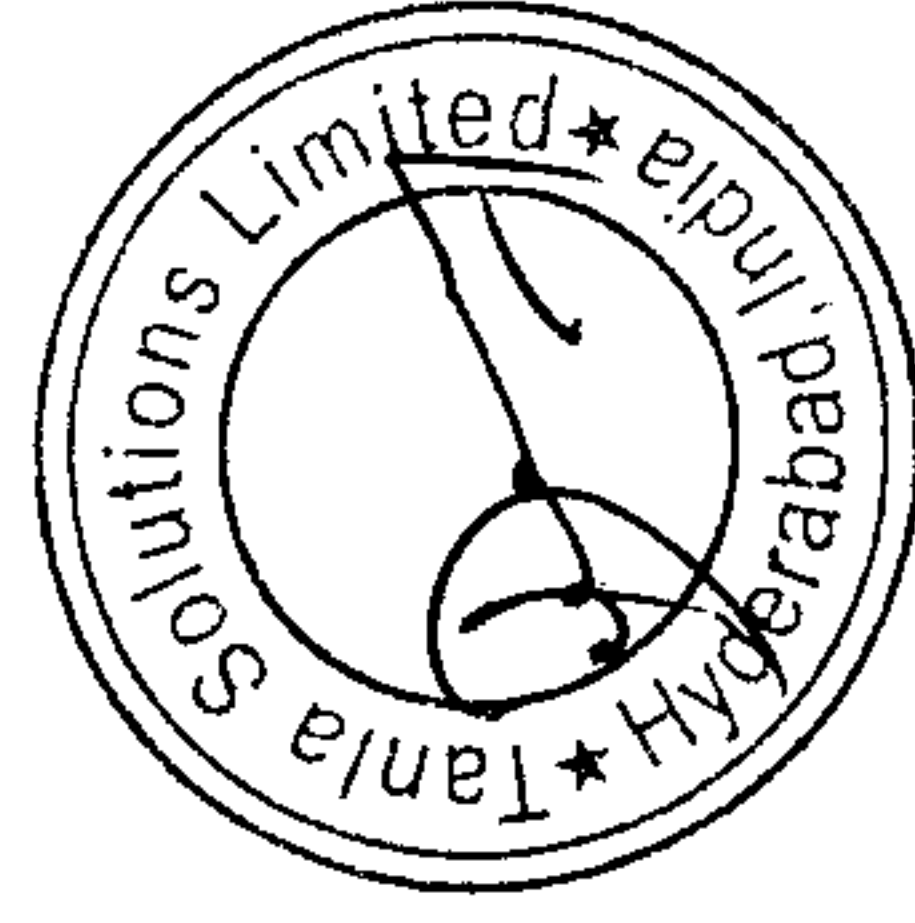



(D. Uday Kumar Reddy)
Chairman & Managing Director

Statement of Assets and Liabilities

Rs. In Lakhs

	Particulars	Consolidated		Standalone	
		As at 30-Sep-13 Unaudited	As at 31-Mar-13 Audited	As at 30-Sep-13 Unaudited	As at 31-Mar-13 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	57,468.00	60,503.10	61,532.70	61,464.58
	Sub-total Shareholders' funds	58,482.79	61,517.89	62,547.49	62,479.37
2	Non-Current Liabilities				
	(a) Long term provisions	13.63	13.63	-	-
	Sub-total Non-Current Liabilities	13.63	13.63	-	-
3	Current Liabilities				
	(a) Trade payables	1,507.23	837.76	1,853.99	673.37
	(b) Other current liabilities	460.24	281.69	35.03	1,722.62
	Sub-total Current Liabilities	1,967.46	1,119.46	1,889.01	2,395.99
	TOTAL - EQUITY AND LIABILITIES	60,463.88	62,650.98	64,436.51	64,875.36
B	ASSETS				
1	Non-current Assets				
	(a) Fixed Assets (incl. CWIP & Products under Development)	49,576.90	44,547.03	4,829.91	6,351.00
	(b) Goodwill on consolidation	297.92	297.92	-	-
	(c) Non-current Investments	-	-	47,472.95	47,472.95
	(d) Deferred tax assets (net)	60.90	41.12	697.68	677.89
	(e) Other non-current assets	-	193.69	-	193.69
	Sub-total Non-current assets	49,935.72	45,079.76	53,000.53	54,695.53
2	Current Assets				
	(a) Current investments in Short Term Mutual Funds	2,208.60	2,768.27	2,208.60	2,768.27
	(b) Inventories	2,250.66	-	-	-
	(c) Trade receivables	3,710.89	8,364.37	4,881.76	4,089.54
	(d) Cash and cash equivalents	566.78	2,443.42	425.43	1,847.48
	(e) Short-term loans and advances	1,791.23	3,995.16	3,920.18	1,474.54
	Sub-total Current assets	10,528.16	17,571.22	11,435.97	10,179.83
	TOTAL - ASSETS	60,463.88	62,650.98	64,436.51	64,875.36



BUSINESS UPDATE

- EA's Need for Speed – The Run (NFSTR), integrated with Tanla's social gaming platform, GameOn was launched in October 2013. The product has seen wide acceptance from the date of launch with two telecom operators on two Nokia Asha handsets, as evident from a daily user acquisition rate of more than 120% and an increase of virtual transactions by more than 63% day on day.
- Tanla will now launch NFSTR with all the handset models of Nokia Asha series across rest of the world and also add 2 new games to its GameOn Social platform by Q3FY14.
- Tanla continues to attract new customers to its Mobile Consultancy business. Projects executed in the quarter include a video streaming and scheduling app for a global media brand, a mobile shopping app for one of the world's leading retailers and a cross platform app for a fast growing social network. The outlook for this business is strong in the coming quarters with recruitment being the key challenge for this business vertical.
- Tanla's wrapper for monetization & discovery on the Android platform has been launched with a major handset manufacturer.

FINANCIAL UPDATE - Q2 FY2014 Vs. Q1 FY2014:

Result of Operations

- Consolidated net revenue increased by 2% QoQ from 22.8 Cr to 23.2 Cr
 - Domestic revenue increased by 60% QoQ from 5.45 Cr to 8.72 Cr on account of substantial increase in flagship Messaging Platform business due to acquisition of new clients.
 - Overseas revenue decreased by 17% QoQ from 17.3 Cr to 14.4 Cr on account of consolidation of business operations in various geographies to improve margins.
 - Gross Margin increased by 7% QoQ from Rs. 11.05 Cr to Rs. 10.33 Cr on account of better realizations.
 - EBITDA has increased by 5% QoQ from Rs.7.89 Cr to Rs.8.30 Cr and resultant Net Loss of Rs. 6.20 Cr for Q2 FY 2014 is on account of Depreciation and Amortisation.

- Details of Investments and yield in Mutual Funds during the preceding 3 quarters

Income from mutual funds is disclosed under the head “Other income” in financial results. Income from mutual funds registered a loss 0.2 Cr for the quarter on account of drop in net asset values of mutual funds investments of the company, which was fallout of the monetary measures taken by RBI to stem the fall of INR against the US Dollar and other international currencies.

Amount in Cr

Name of Mutual Fund	Q4 FY 2013		Q1 FY 2014		Q1 FY 2014	
	Invest ment	Rate of Return Per Annum	Invest ment	Rate of Return Per Annum	Invest ment	Rate of Return Per Annum
ICICI Prudential Gilt Fund - Invstt Plan PF Option	21.0	13.3%	15.5	16.6%	15.5	4.7%
Kotak Bond Scheme Plan A	6.1	14.7%	6.1	6.7%	6.1	7.7%
L & T Triple Ace Bond Fund Bonus Plan			1.7	-1.0%	0.5	0.1%
TOTAL	27.1	13.6%	23.3	12.7%	22.1	5.4%



RAMASAMY KOTESWARA RAO & CO.,
CHARTERED ACCOUNTANTS

LIMITER REVIEW REPORT
For the Quarter ended 30th September, 2013

Review Report to the Board of Directors, TANLA SOLUTIONS LIMITED

We have reviewed the accompanying statement of unaudited financial results of **TANLA SOLUTIONS LIMITED** for the period ended 30th September, 2013, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors/Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Ramasamy Koteswara Rao & Co.,
Chartered Accountants
Firm Regn No.010396S


(C.V.Koteswara Rao)
Partner
Membership No:028353



Place: Hyderabad
Date: October 31, 2013