



Tanla Platforms Limited 26th Annual General Meeting Transcript

Recording	55 Minutes
Board of Directors, Management, Auditors Aand Consultants	<ul style="list-style-type: none">▪ Uday Reddy - Founder, Chairman & Chief Executive Officer▪ Amrita Gangotra- Independent Director▪ Sanjay Baweja- Independent Director▪ Rahul Khanna- Independent Director▪ Rohit Bhasin- Independent Director▪ Dr.A.G. Ravindranath Reddy- Non- Executive Director▪ Sanjay Kapoor- Non- Executive Director▪ Deepak Goyal - Executive Director & Chief Business Officer▪ Aravind Viswanathan - Chief Financial Officer▪ Seshanuradha Chava– Company Secretary & General Counsel▪ Amit Agarwal- Partner, MSKA & Associates▪ Abhinav Shrivastav- Partner, BDO India▪ Vishal Shah- Partner, Deloitte Touche Tohmatsu India▪ Amit Jain- Partner, KPMG▪ Mukund Rajan- Chairman, Ecube Investments Advisors Pvt Ltd
Speaker Shareholders	<ul style="list-style-type: none">▪ Deepak Chokhani▪ Anil Nahata▪ Milind Karmarkar▪ Darshan Patel▪ ASPI Bamanshaw Bhesania

Operator: We are now live, please go ahead.

Seshanuradha Chava: Good afternoon, dear shareholders. I, Seshanuradha Chava, Company Secretary of Tanla Platforms, extend a warm welcome to the Chairman and CEO, shareholders, Directors, key executives, auditors and other invitees and colleagues who have joined us from various locations to the 26th Annual General Meeting of Tanla Platforms Limited. This meeting is being conducted through video conferencing in compliance with MCA circular and other applicable provisions of the Companies Act and SEBI Listing Regulations. Members attending the AGM through VC shall be counted for the purpose of reckoning forum under Section 103 of the Companies Act. As this AGM is being held through VC the facility for appointment of proxy is not applicable and hence the register of proxy is not available for inspection of the shareholders. The certificate from the statutory auditors relating to the company's stock options, RSUs and the register of directors and KMP and the shareholdings and the register of contracts or arrangement in which the directors are interested maintained under the Companies Act are available for inspection during the AGM. In compliance with the Companies Act and other SEBI regulations, the company has provided the shareholders with the facility of remote e-voting. So, e-voting services provided by NSDL. We would also like to inform that only those shareholders who have pre-registered as speaker will be allowed to express their views or ask questions during the AGM. As per the applicable regulations, the e-voting facility was available for four days, from August 22nd, 2022, until August 25th, 2022. For those shareholders who are participating in the AGM and are yet to cast their votes, the e-voting window will be open for 15 minutes after the conclusion of the AGM to enable them to cast their votes. Members may note that there is no voting by show of hands. We have appointed Ms. Madhu Lakhlan, Practicing Company Secretary as Scrutinizer to ensure the e-voting process is conducted in a fair and transparent manner. The results of e-voting shall be communicated within 48 hours after completion of the AGM to the stock exchanges and will also be uploaded on the website of the Company. I now hand over the floor to Mr. Uday Reddy, our Chairman to initiate the proceedings, over to you, sir.

Uday Reddy: Thank you, Anuradha. Good afternoon, everyone, a very warm welcome to all of you. The forum being present, we now commence AGM. I now request the directors, auditors, and the consultants to introduce themselves.

Amrita Gangotra: Good afternoon, everyone. Welcome to this AGM. I'm an Independent Director on Tanla. My name is Amrita Gandgotra. I'm also a member of the NRC Stakeholder Management and the Risk Committee. Thank you.

Rahul Khanna: Good afternoon esteemed shareholders, members of the Board, executives, auditors, invitees' ladies and gentlemen, I'm Rahul Khanna an Independent Director on the Board of your company. I am the chairman of the CSR Committee and I'm a member of the Audit Nomination and Remuneration and Stakeholder Relationship Committee. Thank you.

Rohit Bhasin: Good afternoon, everyone. I am Rohit Bhasin an Independent Director on the Board of your Company. I chair the NRC Committee and I am also member of the Audit Committee and the CSR Committee. Thank you.

- A.G.R. Reddy:** Hi, good evening. This is AGR Reddy, I'm Non-Executive Director of the Board of Tanla. I'm also the Chairman of Risk Management Committee and member of Stakeholder Relationship Committee and CSR Committee. Thank you.
- Sanjay Kapoor:** Good afternoon, ladies and gentlemen. My name is Sanjay Kapoor. I'm a Non-Executive Director on the Board of your company. I chair the Stakeholder Relationship Committee. Thank you.
- Deepak Goyal:** Good afternoon. I'm Deepak Goyal. I'm Executive Director and Chief Business Officer with your company. I'm also a member of Risk Management Committee. Thank you.
- Sanjay Baweja:** Good afternoon. I'm Sanjay Baweja. I'm an Independent Director on the Board. I'm also the Chairman of the Audit Committee and member of the Risk Committee. Thank you.
- Aravind Vishwnathan:** Good afternoon. A warm welcome to all our shareholders attending the AGM, my name is Aravind, and I am the CFO of the company. Thank you.
- Amit Agarwal:** Good afternoon to everybody. I'm Amit Agarwal, partner with MSC & Associates. We are the statutory auditors of Tanla Platforms Limited. Thank you.
- Abhinav Srivastav:** Good afternoon, all of you. I am Abhinav Srivastav. I work with Video India as a partner specializing in GST law. We have the GST auditors for the group. As part of this audit, we do a periodic review of the GST compliances. Thank you.
- Vishal Shah:** Good afternoon, everyone. I'm Vishal Shah partner with Deloitte Touche Tohmastu, we are the internal auditors of Tanla Platforms Limited. Thank you.
- Amit Jain:** Good afternoon, everyone. I am Amit Jain partner with KPMG in India. We have been associated with Tanla Platforms Limited as process consultants for over 5 years in driving multiple initiatives in areas of continuous process improvements, data analytics, KPI and other consulting initiatives. Thank you.
- Mukund Rajan:** Good afternoon. This is Muknd Rajan. I'm the Chairman of Ecube Investment Advisors, a firm I set up after a 23 year career with the Tata Group, where I served as brand custodian. We are honored to be advising Tanla Platforms on their Environment, Social and Governance or ESG strategy going forward. As you would all know from next year, the top 1000 listed companies in India, including your company, will need to mandatorily issue their business responsibility and sustainability reports covering a range of ESG disclosures, including carbon emissions, information security and human rights. Tanla is already operating on a strong ESG platform with a number of forward-looking initiatives in place. The agenda is being driven right from the top by the Chairman, with dedicated ESG resources of the company in place and strong support for the Board. We are therefore delighted to have this opportunity to support the further evolution of the company's strategy for long term, sustainable and profitable growth. Thank you.
- Seshanuradha Chava:** I now invite, Chairman to address the gathering

Uday Reddy:

I'm very delighted to see many of you joining our AGM. A very warm welcome to all of you very humbled by huge shareholders participation across the world and from the last AGM to now, our shareholder base has increased from 77,000 to almost 2.5 lakhs. In fact, I've seen many of you attending our AGM consistently over the last many years. I always enjoy interacting with you and it gives me a lot of energy and sense of purpose. Thank you for being here and I look forward to meeting you in person soon. I'm sure you had a chance to read our annual report in detail and appreciate our constant efforts to increase the number of disclosures. Please allow me to share my perspective on few topics.

Let me start with the market opportunity for us. I'm very excited as I see strong industry tailwind, we continue to see growth in digital interactions with the doubling of transacting users in the last 2 years. We estimate the Indian market size to grow from around INR 9,000 crores currently to over INR 25,000 crores in the next 4 years. The global market size is expected to be well over \$50 billion. So how are you to address this opportunity?

We have two engines of growth enterprise business and platform business.

On enterprise side, Karix is the market leader by a distance, probably 3x size of the nearest competitor in India. I'm excited to share that we are working with industry leaders in every vertical, be it financial, ecommerce, fintech, gaming as well as with the government. Karix has been outperforming the industry and we continue to see the strong momentum going forward.

We continue to go big on platforms business. We have seen the success of our DLT platform Trubloq, which is the largest blockchain use case in CPaaS with over a billion transactions, 1 billion transactions a day. To put this in perspective, Trubloq contributed around 15% of our total margins last year.

Wisely is our flagship platform and we have built this along with Microsoft. Wisely provides business solutions across customer engagement, regulatory complaints, and secure communication to enterprises. On Wisely we have 3 marquee exclusive partnerships so far. Which is Vodafone Idea Limited, Truecaller and Kore.ai.

We're already seeing success among our top customers. As an example, 3 out of top five banks are on Wisely and this will reflect in our financial performance in the coming quarters. Feedback on Wisely from a customer is encouraging and it will help us accelerate our innovation and partnership on Wisely.

One of the questions I frequently get is on geographical expansion. Wisely is a global platform and can scale seamlessly across all geographies. Our go to market strategy is to offer Wisely platform to our long-standing customers before they scale globally. Why am I so confident that our strategy will succeed? I strongly believe that our DNA for innovation, financial discipline and good governance will help us succeed.

Let me talk about financial discipline. We are driving growth. We have best in class margins we have strong cash flows and strong balance sheet. We are the most profitable pure play CPaaS Company in the world. We are energized by the building platforms and building business rather than acquiring business and numbers. We have consistently returned cash to our shareholders through dividends and buyback.

We recently announced our dividend policy. We are going to pay 30% of our consolidated PAT as dividend every year. We want to set the path high on governance and we have distinguished Board of Directors, auditors and partners. We have increased our disclosures significantly with the quarterly shareholder reports and with this annual report.

ESG is very core to us and we have integrated with our strategy. Mr. Mukund Rajan who is a thought leader in this space is advising us on our ESG initiatives.

In conclusion, we are executing well and my exceptional team and myself are fully geared to scale to the next phase of growth. Thank you for your trust and let us together build a glorious future for Tanla. Thank you.

Seshanuradha Chava: We'll now move on to the Q&A session.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question and answer session. Speaker shareholders who have registered themselves earlier will be allowed to speak one by one to ask questions or express views. Ladies and gentlemen, we'll wait for a moment while the question queue assembles. I now invite Mr. Deepak Chokhani to unmute his audio and ask the question or give comments. In the interest of time, may I request you to restrict your questions to two and Mr. Chokani has joined the call with the audio call.

Deepak Chokhani: Sir, Tanla has come a long way in the past 3-4 years. My questions, I've got 2-3 questions which are interlinked. Where do you see Tanla in the next 2-3 years and by when do you see Wisely realizing its full potential? That's question number one. Question number 2 is, are we planning to introduce any new products, any new segments in the next 2-3 years?

Aravind Vishwnathan: Deepak is that your question. I could see two questions where do you see Tanla in 2 years. And when do you think you will see Wisely realize full potential? Have I captured your questions?

Deepak Chokani: That's question number one, kind of interlinked.

Uday Reddy: Okay. Deepak thank you for being here as I told you in my earlier speech, we are the market leaders in India. Probably I think our revenue market share is about 40% in the Indian market. India is going much faster than what we expected. Current addressable market size is around INR 9000 crores. It looks like it's going to head towards INR 25,000 crores in the next 3-4 years. We've been the market leaders we would like to retain; we are going to retain our position and probably we would like to grow much faster than industry. That's why we're very clear on that. When it comes to Wisely again as I informed in my speech, we have seen 3 largest banks in India are on Wisely. We got fantastic feedback from all three banks that is really encouraging us to innovate more platforms on Wisely. In fact, we have seen the tremendous traction on Truecaller. Definitely it is going to reflect in the next couple of quarters. It is going to reflect on our financial performance in the next 2 quarters. Yes, there is a long way for Wisely in the sense like there's a lot of opportunity for India and global markets. So, we are pretty very-very excited. In fact, I've been pretty consistently saying a single platform strategy on Wisely for more than 2 years. With

all these successes, we are very-very excited and we're going to accelerate our innovation Wisely.

Deepak Chokhani: These 3 banks out of top 5 banks are on Wisely. This is really great to know, and I think from a regulatory perspective that's excellent because I guess the encryption and the RBI kind of requirement probably in future, this is going to be really great for the future. My next question sir is any new products apart from Wisely, any new segments you would like to enter in the next few years?

Aravind Vishwnathan: Could you repeat that Deepak, your voice little low?

Deepak Chokhani: My question is are we planning to get into any new segments, any new launches, any new products apart from Wisely in the next 2-3 years?

Uday Reddy: Deepak as I told you earlier, innovation is constant effort. We continue to innovate the various products and solutions on our Wisely platform. So definitely yes to answer your question, we would like to launch a lot of platforms and solutions on Wisely going forward.

Deepak Chokhani: Okay. It safe to say we plan to be like finacle of Infosys for the banking software? Do you think Wisely can be something like that?

Uday Reddy: That's the whole plan Deepak and with these 3 banks success story, we are pretty confident that we'd like to take it to most of our customers in India. We are pretty confident now. Deepak would like to add anything here?

Deepak Goyal: Yes, absolutely. Deepak when you talk about what more we are doing. So we are working on multiple channels. We are enabling our enterprise customers to reach out to their end customers on as many channels as possible to give them a choice and we are working on building solutions on them. One such channel is Truecaller, which we are very-very excited about. Okay journey has just started. We have started signing up customers on Truecaller and we would be building a lot of solutions and a lot of features would get rolled out in next few quarters. That is one channel which we are very upbeat about.

Deepak Chokhani: Thank you sir. All he best. Thank you.

Moderator: Thank you. I now invite Mr. Anil Nahata to unmute his audio and video and ask a question or give comments. In the interest of time, may I request you to restrict your questions to two.

Anil Nahata: Good afternoon. It's been a fantastic journey over the last many quarters for Tanla. Last quarter was a bit of jolt. My question around the headwinds that we face in the quarter 1 a two-fold, one is that have recovered from the fall in the enterprise gross margin which fell to 16.4 and are we effectively now running above it that is the first question. Issues were told be as one-time and unrecurring in nature so that is the first question in respect to that thing, and the second part of the question whether we are looking at some geographical diversification of risk. I know Uday he is not looking at acquisitions, but last quarter has sort of given us a jolt saying that one rough player can actually create a lot of havoc actually and given our enterprise revenues are

exclusively related to India a geographical risk is something that should be like addressed and that's the question I have on this. And I have a question on Wisely as well, but I would wait for the first question to be answered.

Aravind Vishwnathan: Thanks Anil. Let me answer the first question in terms of margins and profitability in Q1, we discussed about that in detail in our earnings call. We have clearly we made up a path and communicated that we would by Q3 go back to 20+ EBITDA levels and we are waiting to reach back to 20% (+) level. I can't give and interim feedback on where we are in Q2 as we speak, but directionally we still maintain that commentary we are improving and the worst is behind us and clearly Q1 was a jolt and we are building to a better Q2 and Q3 and reach back to 20%+ levels. We had specific issues which we talked about in detail, but that's where we are with respect to our gross margins, with respect to where we are today. On your second question, I think your question is in terms of a single player kind of being disruptive force impacting the market, Right? Maybe I will ask Mr. Deepak Goyal to address it. He again talked about it in the earnings call but Deepak maybe you can talk about it.

Deepak Goyal: You asked about geo expansion. Yes. Just to tell you, a few quarters back we announced our UAE operations and we have started signing a lot of customers in UAE now and we are expanding within MENA region now. You would see in next one or two quarters that we would be opening offices in a few other major countries in MENA region. So that is one step. Other than that, we are also working on a few other strategic locations where we would be starting our operations very soon so that you would hear from us. I also mentioned earlier about our top tech customers based, mostly based in SFO in the US, where we serve them for India, and we are working with them very closely to see if we can serve them in other countries as well. That plan is also on. As far as India market is concerned, little bit of setback in Q1, but I mentioned on the earnings calls as well, we have been signing a lot of customers, lot of new customers we have been signing and it takes some bit of time to onboard the customers and ramp up the overall revenues and volumes and so on. You would see the positive impact of that in our results in the future.

Anil Nahata: Deepak that's very nice to hear. I mean it's really heartening that the international, to clarify to that thing, this expansion to the MENA region and the UAE and all, it will be both for Wisely as the aggregated kind of business or it is only for Wisely.

Deepak Goyal: It's going to be both.

Anil Nahata: Okay, so basically on the enterprise side of it we will see a lot of traction coming in. Thank you for that. The second question was regarding Wisely only. Again, it may be a bit of early days, but from the last call in Q1, Uday did mention that around 2 million messages are passing through Wisely from the 45 billion odd messages in a month. Roughly you are already addressing around 5% of the Indian addressable market through Wisely which is very good news. From 2 banks we have grown to 3 banks now. When do you think it will be a good time for starting, giving some revenue ideas about what is already accruing from Wisely and what we can start looking forward to? Because it's been some kind of a black box for us, we know the great potential this platform has. I come from the telecom industry, so it's really and I like the product. But the point is in terms of what kind of contribution that is coming out

financially is by and large a black box to the investment community. I would like Uday and you guys to actually address that a bit.

Deepak Goyal:

So, this question is in terms of, I think you covered a part of it as part of the opening remarks. In terms of the potential of Wisely and what is the kind of revenue, disclosures that we can give to show the progress independently. So, Anil maybe I will start and Uday you can build on that, right? So, Anil if you look at last year, we started giving the breakup between platform and enterprises. So, we talked about Trubloq, we talked about Wisely, we started giving that disclosure. So, today you have got a sense in terms of what's happening on the platform business and what's happening on the enterprise business, and we have kind of given it in reasonable detail with almost 12 quarter trends, so you have a sense of that. Now obviously, we've done a lot of progress in Wisely over the last, I would say nine months. And I'm sure as we build scale, we will be giving more and more disclosures in terms of what is the kind of revenue potential, contribution, customer additions and the metrics that pertain to the platform business in more detail. So, we hear you. I think it is part of our roadmap. As we scale, definitely we will share more. But what I can say at this point is to just reiterate what Uday said in his opening statement that we have made tremendous progress as far as Wisely is concerned. We've seen adoption, we've seen feedback. I think once it reaches a little bit more scale and we expect, Uday talked about it in terms of it reflecting in your financial statements soon, I think obviously we will bring our disclosure to give you that insight in terms of how Wisely is performing on a standalone. Today you do have a sense through the platform business performance, but we will break it down as we scale.

Uday Reddy:

So, Anil it's a very good question. Let me add my bit here. In the sense like on Wisely what you need to understand the fact is the various channels are available. SMS being one of the major channels wherein India has got the potential of 45 billion messages per month. That's number one, right? And the number two is we have exclusive partnership with Truecaller as a channel is available only on Wisely. That means it's a green field opportunity for our enterprises. We are expecting a lot of transactions, a lot of digital interactions to happen on Truecaller because Truecaller has got more than 250 million users in India. And since it is exclusively available, only exclusively available on Wisely, so 245 billion, we're going to add a whole lot of transactions towards Truecaller. That's number two. Number three like Kore.ai we signed a quarter ago. Again, it's exclusive deal through again Kore.ai, our intention is to become the market leader in the conversational. Again, it is going to drive a lot of top line and margins. Again, it's exclusive deal. Again, it's going to really increase the TAM from SMS to Truecaller as a channel from Truecaller to again conversational. So, as and when we add some more platforms on our single platform strategy, our TAM is going to further increase. That's our strategy. So, to answer your question, I think we are firing on all cylinders. We have seen this tremendous progress on Wisely SMS. We have fantastic feedback from our top customers in India. That's number one. We also are very surprised to see how the Truecaller is being adopted in India. So, we are really going good on the Truecaller. Conversation probably it takes a bit of time because it's gigantic platform. It has to integrate with our Wisely as well as with our enterprise customers. It is way of TAM but it's going to add a massive TAM to our Wisely going forward.

Anil Nahata:

Thanks, Uday and team for the answer. Wish all the best. This is actually a very-very exciting industry and very exciting times. All the best.

Moderator: Thank you. I now invite Mr. Milind Karmakar to unmute his audio and video and ask the question or give comments. In the interest of time, may I request you to restrict your questions to two?

Milind Karmakar: Yes. Thank you very much. Now let me congratulate the management of Tanla and the team Tanla for the excellent results for financial year, 2022, and of course the launch of Wisely as well and announcing a dividend policy for returning cash to the shareholders. That's I think a very good initiative and congratulations to you for that. Telecom industry is a competitive industry. However, investments in technology are always necessary and because of that Tanla is always ahead of the curve. So, here is wishing Tanla team and the management all the best for the future and a great success going ahead. Before I end, I had two questions. One was on Wisely. Wisely basically is a platform where management has been talking a lot and they have great expectations out of Wisely. What I wanted to know was that how difficult is it to replicate a platform like Wisely. That was my first question. And should I go for the second question?

Uday Reddy: Yes, Milind please go ahead.

Milind Karmakar: Okay. My second question was we have been talking of rule of 40 and we have always been far ahead of the rule of 40. Now, rule of 40 if one looks at consists of two movable parts. One is the sales growth and second is the EBITDA margin which is there. Now, if I look at the base of 100, if I grow at 20% and EBITDA margin is 20%, then my absolute EBITDA on a base of 100 would be at about 24. But if I grow at 22% and my EBITDA margin comes to 18%, obviously the absolute EBITDA comes down to about 22. Now my question was that what in your view is a sustainable EBITDA margin over a longer period of time. Because I know that Tanla's focus has been to increase the EBITDA margin especially by driving the platform business. So, I wanted to know about that as well. So, these are my two questions. Thank you and all the best.

Uday Reddy: Thank you Milind. Let me answer on how somebody can replicate Wisely. So, I think let's step back here. Let's look at our DLT platform, which is a Trubloq platform, wherein 15% of our gross margins come only from Trubloq. We launched this platform probably more than two years ago. So, every year we are gaining our market share, every year. Every quarter we're gaining our market share. Because we don't want to just simply innovate, but we also would like to improve our innovation. That's our philosophy right now. So, not that like we launch the platform, and we are busy counting money. Absolutely no. So, if you look at our, in fact, we have a consortium with IBM and Tech Mahindra in India because it's a blockchain platform. And I don't hesitate to say that we are much ahead of our partners. So, we not only innovate, but believe in improving our platforms. So, we work very closely with our customers and the partners. My mandate to my team is very simple guys, keep innovating, keep improving. We don't want to follow anybody. We have to be ahead of the curve. And to answer your question, if somebody is going to copy, it's possible, but we always have almost three to four years...you know, they take four to five years before they come to our current level. In fact, I love to have competition so that we don't want to be in a comfort zone. We like to compete with the bigger players, not with the smaller players. I may sound a little arrogant, but I would like to be pushed. So, that's on Wisely.

In terms of numbers, as I mentioned as part of my opening speech, Milind, we are very cautious in terms of our growth. We don't want a growth we in fact, myself and Deepak have been talking to each other every day in the sense like we don't want to pick up some business just for the heck of it. We are very-very cautious about our margins. In fact, we an internal rule wherein we don't want to pick up some business unless and until we see ourselves with a decent margin. So, in other words we would like to grow the business and we don't want to compromise on our margins. Definitely, I'm not going to give you any guidance, but having said that, we will be operating at a minimum 20% EBITDA. That's what I'm pretty confident. Probably there is a bit of a headwind in Q1, but I think we have kind of recovered to great extent in Q2. By middle of Q3 or by the end of Q3 I think we got back to our original numbers. From there I think our drive is to improve from 20%. We are not happy with the 20%, let me put that way. Once we add our platforms revenues to our consolidated numbers where our gross margin is very high on our platform business, and once we have the revenues coming from the Wisely and other platforms, I think our blended EBITDA is definitely expected to go beyond 20% in this financial year.

Milind Karmakar: Okay, thank you very much and all the best. Thank you.

Moderator: Thank you. I now invite Mr. Darshan Patel to unmute his audio and video and ask a question or give comments. In the interest of time, may I request you to restrict your questions to two?

Darshan Patel: Good afternoon, everyone. Am I audible?

Uday Reddy: Yes.

Darshan Patel: Hi. Congratulate team for the fantastic numbers last year. And especially a big thanks to Mr. Uday. He always resonates the energy and the confidence that I would like to see in a management. I love the way you present yourself, sir. Keep it up. So, I've got a few questions. First is around the patent that was awarded to Wisely, I think, last week. For a layman, can you please elaborate what the patent means? Because it's for, I think, blockchain platform and it's been awarded for 20 years, so what are the long-term benefits that Tanla has in terms of getting that patent? Does it mean that it's hard for the competitors to replicate something like Wisely? The second question I have is in terms of the mix of enterprise business and platform business. So, this is probably a directional question. So, going forward, where do we see a mix of enterprise and platforms? Because platform is a high margin business. So, do we see platform business contributing more in the years to come and Enterprise take a step back? Probably, I'll wait for these two questions and then I'll ask the final one. Thank you.

Uday Reddy: It is a good question again, let me take the second question first in the sense like again, as I mentioned in my speech, we have the double engine strategy. One is enterprise business; and another one is platform business. In fact, we have two teams exclusively working on these verticals. Both the teams compete with each other. We have a tremendous healthy competition in the company. If you ask them which is going to grow, both are going to grow. Both are market leaders in their own space. Karix, as I mentioned, is a market leader in India in the enterprise space and we are undoubtedly, Tanla undoubtedly is a platform leader in India. And we not only

retain our revenue market share, but our intention is to increase our revenue market share. But it's not fair in my part to say that like one vertical is going to grow faster than another. Both are going to grow. That's the whole intent. But as everybody knows, platforms do enjoy better margins. So, as and when the platforms numbers add to the consolidated number, obviously our blended EBITDA, blended margins will definitely expect it to grow. So that's number one. Number two in terms of the patent. We being an innovative company in the sense like I formed this company 22 years ago and we are pretty focused. Our first invoice was on the revenue share. On the last invoice that we raise in the morning, today's morning is again on revenue share. And that's our philosophy. We never changed our strategy. We have continued to focus on platforms. So, we enjoy building platforms. So, that has to reflect somewhere. In the sense like our teams are pretty obsessed with. So they want to showcase the technology to the global market, right? Okay. So, in fact, if you look at Tanla's history, we had a lot of patents, probably more than 20 patents in the last 20 years. We are going to accelerate going forward. It will have a huge advantage. In the sense like so it will drive our teams to innovate more platforms so that we can be recognized by our patent offices. So that's number one. Number two is like as and when we get the patent in particular markets, like for example, we got the patent in India, we got the patents in US and other markets so, we have the certain rights for a particular period like, I don't exactly know the...

Management: 20 years.

Uday Reddy: Like what we patented in India recently what we got the patent in India recently is end-to-end encryption on SMS. That means once we have the data protection law in place, we are not supposed to have access to our customers consumers data. So, we are ahead of the curve. We have invented this product almost 3-4 years ago and patented office have recognized our contribution on innovation. So, we have the great advantage. Nobody can really implement end-to-end encryption on SMS at least for the next 20 years. Even if they do so, they cannot monetize it. So, we have a huge advantage. We have a huge advantage. In fact, I keep talking to my team to innovate to get more patents. That's how we are going to prove ourselves that we are more of innovating company rather than copying from someone else.

Darshan Patel: Thank you so much. That helps. Just a last one before I can let you go, is in terms of the cash flows we have and in terms of the big resource we have, so considering that our stock has corrected significantly, and I think the market is probably skeptical in terms of how it reflects in terms of price. I know that we've got this 30% of profits in terms of dividends, but are we looking for any buybacks like what our competitors did or are we looking for any acquisitions in the coming future?

Uday Reddy: I think we have the plans. But I cannot really talk about these plans right now because we're not supposed to open the buyback till the end of August, first week of September. So, probably yes, once the board decides to do something on the buyback, definitely our shareholders get to come to know the same minute. And in terms of the acquisitions, I'm pretty clear from the beginning we are not here to buy any company for numbers. We would like to build our own business. We would like to build our own platforms. We would like to build our own solutions and we don't enjoy buying the business from third party. We don't enjoy buying the numbers from third party. But having said that, if we come across any company which is what you

call it as a tuck-in acquisition which is going to help accelerate our innovation on Wisely, we may look at that. But it's going to be very-very small acquisition. But right now, if you ask me are we looking at any companies? Absolutely no. Absolutely no.

Darshan Patel: All right. Well, thank you so much for taking time to answering my questions. And as I said earlier, I love the confidence and the spirit that you emanate. So, keep up the good work and thank you. Bye.

Moderator: Thank you. I now invite Mr. Asmi Baman Shah Bisania to unmute his audio and ask a question or give comments. In the interest of time, may I request you to restrict your questions to two?

A. B. Shah Bisania: Madam, can you hear me? Okay, I'm Asmi from Bombay. Thanks for giving me an opportunity to talk. Sir, you've done very well, so congrats for that. But in first quarter, your topline has increased year on year but your profit has remained the same. So, what is the reason for margin going down so much? Can we expect a higher margin or the same margin in future also? That means the Q1 margin or the last year's margin, which margin can we expect? Thank you very much and all the best for the future.

Aravind Vishwnathan: So, let me answer that. We covered it in reasonable detail as part of our Q1 earnings call. We had a few headwinds in Q1. One was in terms of a certain market disruption that we faced with one large customer where we had to give a price drop and operate at negative profitability which affected us. We had certain platform issues which had an impact which we used as an opportunity to modernize many of our infrastructure and that resulted in a certain impact with respect to gross margins. And we also had some currency impact because of the sharp depreciation of Euro vis-à-vis the USD. So, many of them are more one off. So, what we've kind of working towards and talked and Uday also mentioned it in one of the earlier questions is that we are going back to a 20% kind of EBITDA by Q3, is what we have said. So, we said that we have kind of bottomed out. We had a little bit of multiple negative events happened at one go in Q1, but we are kind of building on that in Q2 and Q3 and we expect to get back to 20% kind of EBITDA by Q3. So, clearly that's the trajectory. If you look at slightly longer term, we're investing in platforms which are more profitable. So, many levers with us in terms of how we are driving. So, I would say that Q1 was more of a one off, but we will have to build back from where we left it and that's really how we are seeing margins.

A. B. Shah Bisania: Thank you very much and all the best for the future.

Moderator: Thank you. Due to paucity of time, we are unable to take further questions. Over to you, ma'am.

Seshanuradha Chava: We will now proceed with the notice of the AGM. In compliance with the MCA Circulars and SEBI Circular dated May 5th, 2022, the annual report containing the notice of the AGM audited standalone and consolidated financial statement for the year ending 31st March 2022, along with Director's Report and the Auditor's Report was emailed only through electronic mode to those members whose email address are registered with the Company or the depositories and were eligible to participate in the AGM. However, hard copy of the 26th AGM has been sent out to all the

shareholders who have requested for the same. With the permission of the shareholders, I now take the Board Report, the Auditor's Report and the Secretarial Auditor's Report as read.

We now move to the agenda items in the AGM notice requiring approval of the shareholders. Three items of ordinary business are to consider and adopt the audited, standalone and consolidated financial statements of the Company for the financial year ended March 31st, 2022, together with the reports of the Board of Directors and of the auditors thereon.

Second item, to declare final dividend of Rs. 2 per share of Re. 1 each to the shareholders for the financial year ended on March 31st, 2022.

The third item is to appoint a Director in place of Mr. Deepak Goyal who retires by rotation and being eligible seeks reappointment.

Four items of special business are, to approve the remuneration of Mr. D. Uday Kumar Reddy, Chairman and CEO of the Company at the existing levels.

Item number five, reappointment of Mr. Rohit Bhasin as an Independent Director of the Company for a term of two years effective end of this AGM.

We request the shareholders to note that we will be dropping the agenda item no. six as the director has withdrawn his consent to be appointed as independent director. Accordingly, reappointment of Mr. Sanjay Baweja as an independent director of the company will not be taken up as agenda item of the AGM.

Sanjay Baweja: This is Sanjay. I have indeed withdrawn my consent to be the board member due to some very pressing professional and personal that I have. It is indeed my loss not to be associated with this fantastic company. I am sure Uday with his passion, drive and leadership will steer this company to much greater heights. I thank Uday and all the fellow directors on the board for the support they have extended to my during my tenure as a director. Thank you.

Uday Reddy: Thank you Sanjay. On behalf of the board, I would like to thank you for your tremendous contribution to the Tanla. Giving my focus on governance, it was great to have a seasoned finance professional as a Chairman of Audit Committee and the insights were invaluable, I want to thank you and wish you all the best. Thank you Sanjay. Mr. Sanjay Kapoor would you like to add anything here?

Sanjay Kapoor: Uday I can only echo what you said and say that Sanjay is a tremendous professional who brings in a great values to whatever you do and at Tanla he brought in not only good practices from other boards and other committees but has rendered a new invigorated drive to the audit committee and the functioning of the audit and its mandate.

Uday Reddy: Rahul you want to add something here.

Rahul Khanna: You know I can concur with what Sanjay said. It mean it was learning a lot working with Sanjay as Chairman of the Audit Committee, and I'm a member there. And what

Sanjay brought to the table, he is very thorough, and he helped the company a lot. It will be a big loss, but Yes, Sanjay has to move on with his personal commitments. But yes, thank you so much, Sanjay for your contribution. I mean, it's changed a lot of processes and a lot of things have improved because you've been part of the Chairman of the audit committee and member of the board.

Uday Reddy: Okay, thank you Rahul. Let's move on.

Seshanuradha Chava: The last item on the agenda is reappointment of Mr. Sanjay Kapoor as Non-Executive Director of the company for a term of two years.

So that's the end of the agenda. I thank all the members for their continued support and for attending and participating in the AGM. I also would like to thank the Directors, the Auditors and the scrutinizer for joining the AGM. Thank you one and all.

Uday Reddy: Thank you. Bye.

This is a transcription and may contain transcription errors. The transcript has been edited for clarity. The Company takes no responsibility of such errors, although an effort has been made to ensure high level of accuracy.