

# TANLA SOLUTIONS LIMITED

CIN: L72200TG1995PLC021262

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

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & SIX MONTHS ENDED SEPTEMBER 30, 2019



₹ in Lakhs

Particulars (Refer notes below)	Consolidated Results for the						Standalone Results for the					
	Quarter ended Sept 30, 2019	Quarter ended June 30, 2019	Quarter ended Sept 30, 2018	Six months ended Sept 30, 2019	Six months ended Sept 30, 2018	Year ended March 31, 2019	Quarter ended Sept 30, 2019	Quarter ended June 30, 2019	Quarter ended Sept 30, 2018	Six months ended Sept 30, 2019	Six months ended Sept 30, 2018	Year ended March 31, 2019
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
<b>1</b> Revenue from Operations (net)	48,716.43	39,456.01	21,843.20	88,172.44	40,424.36	100,396.48	27,693.69	27,191.87	17,332.70	54,885.57	33,001.75	80,940.87
<b>2</b> Other Income	171.83	471.76	221.07	643.59	402.84	1,061.10	188.18	397.59	215.19	585.78	388.38	956.04
<b>3 Total income (1+2)</b>	<b>48,888.26</b>	<b>39,927.77</b>	<b>22,064.27</b>	<b>88,816.03</b>	<b>40,827.20</b>	<b>101,457.58</b>	<b>27,881.87</b>	<b>27,589.46</b>	<b>17,547.89</b>	<b>55,471.35</b>	<b>33,390.13</b>	<b>81,896.91</b>
<b>4 Expenses</b>												
(a) Cost of services	38,857.87	31,790.86	18,624.74	70,648.73	34,600.43	86,066.24	23,411.82	23,206.79	14,669.56	46,618.61	28,374.43	68,695.20
(b) Employee benefits expense	4,597.80	2,666.64	408.71	7,264.44	821.82	2,294.76	451.06	479.25	385.10	930.31	770.21	2,182.53
(c) Depreciation and amortisation expense	6,923.81	15,364.49	1,918.70	22,288.30	3,123.18	7,322.76	6,682.42	15,162.19	1,796.29	21,844.61	2,849.76	6,808.30
(d) Connectivity & related expenses	206.79	165.67	64.45	372.46	132.83	269.65	60.04	59.24	52.14	119.28	109.32	289.52
(e) Travel expenses	217.50	110.37	30.28	327.87	61.51	259.96	75.57	38.95	30.26	114.52	61.42	217.57
(f) Finance costs	118.03	148.05	5.08	266.08	5.08	32.34	114.34	212.99	88.36	327.33	148.14	295.45
(g) Other expenses	1,689.73	1,594.30	495.56	3,284.03	757.62	1,833.49	1,042.58	1,001.73	420.87	2,044.30	640.84	1,444.56
<b>Total expenses</b>	<b>52,611.53</b>	<b>51,840.38</b>	<b>21,547.52</b>	<b>104,451.91</b>	<b>39,502.47</b>	<b>98,079.20</b>	<b>31,837.83</b>	<b>40,161.14</b>	<b>17,442.58</b>	<b>71,998.96</b>	<b>32,954.12</b>	<b>79,933.13</b>
<b>5 Profit before non-controlling interest/ share in net profit/(loss) of associate</b>	<b>(3,723.27)</b>	<b>(11,912.61)</b>	<b>516.75</b>	<b>(15,635.88)</b>	<b>1,324.73</b>	<b>3,378.38</b>	<b>(3,955.96)</b>	<b>(12,571.68)</b>	<b>105.31</b>	<b>(16,527.61)</b>	<b>436.01</b>	<b>1,963.78</b>
<b>6</b> Share in net profit/(loss) of associate	(149.82)	(19.21)	-	(169.04)	-	(30.96)	-	-	-	-	-	-
<b>7 Profit before tax</b>	<b>(3,873.09)</b>	<b>(11,931.82)</b>	<b>516.75</b>	<b>(15,804.92)</b>	<b>1,324.73</b>	<b>3,347.42</b>	<b>(3,955.96)</b>	<b>(12,571.68)</b>	<b>105.31</b>	<b>(16,527.61)</b>	<b>436.01</b>	<b>1,963.78</b>
<b>8</b> Tax Expense												
- Current tax	266.80	197.92	31.61	464.71	107.14	490.00	-	-	18.32	-	88.90	411.10
- Mat credit entitlement	0.55	(31.17)	(31.61)	(30.62)	(107.14)	(403.78)	-	-	(18.32)	-	(88.90)	(411.10)
- Deferred Tax	560.98	(4,528.12)	(326.76)	(3,967.14)	313.22	279.08	482.82	(4,124.24)	(366.85)	(3,641.42)	271.20	256.20
<b>9 Profit / (Loss) for the period (7-8)</b>	<b>(4,701.43)</b>	<b>(7,570.45)</b>	<b>843.51</b>	<b>(12,271.87)</b>	<b>1,011.51</b>	<b>2,982.12</b>	<b>(4,438.78)</b>	<b>(8,447.44)</b>	<b>472.16</b>	<b>(12,886.19)</b>	<b>164.81</b>	<b>1,707.58</b>
Attributable to												
Shareholders of the Company	(4,701.43)	(7,570.45)	843.51	(12,271.87)	1,011.51	2,982.12	(4,438.78)	(8,447.44)	472.16	(12,886.19)	164.81	1,707.58
Non controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>10</b> Other Comprehensive Income	338.60	292.44	56.12	631.03	59.15	119.57	72.63	2.12	(6.14)	74.76	(3.11)	433.87
<b>11 Total Comprehensive Income (9+10)</b>	<b>(4,362.83)</b>	<b>(7,278.01)</b>	<b>899.63</b>	<b>(11,640.84)</b>	<b>1,070.66</b>	<b>3,101.69</b>	<b>(4,366.15)</b>	<b>(8,445.32)</b>	<b>466.02</b>	<b>(12,811.43)</b>	<b>161.70</b>	<b>2,141.45</b>
Attributable to												
Shareholders of the Company	(4,362.83)	(7,278.01)	899.63	(11,640.84)	1,070.66	3,101.69	(4,366.15)	(8,445.32)	466.02	(12,811.43)	161.70	2,141.45
Non controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>12</b> Paid-up Equity Share Capital (Face Value of Re.1 each)	1,437.65	1,403.87	1,124.22	1,437.65	1,124.22	1,156.27	1,437.65	1,403.87	1,124.22	1,437.65	1,124.22	1,156.27
<b>13</b> Total reserves	-	-	-	-	-	<b>72,143.77</b>	-	-	-	-	-	<b>68,815.27</b>
<b>14</b> Earnings per share (before extraordinary items) (of Re.1 each) (not annualised)												
(a) Basic	(3.27)	(5.39)	0.75	(8.54)	0.90	2.58	(3.09)	(6.02)	0.42	(8.96)	0.15	1.48
(b) Diluted	(3.27)	(5.39)	0.75	(8.54)	0.90	2.58	(3.09)	(6.02)	0.42	(8.96)	0.15	1.48

**Notes:**

- The above Un-audited financial results for the quarter and six months ended September 30, 2019 have been subject to a limited review by the Statutory Auditors, reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 09, 2019. The statutory auditors have expressed an unmodified opinion on these results.
- The above un-audited financial results have been prepared in accordance with the Ind AS notified under Section 133 of the Companies Act, 2013, read with (Indian Accounting Standards) Rules, 2015 as amended.
- The above un-audited consolidated financial results include financials of:  
Subsidiaries:
  - Karix Mobile Pvt Ltd., India
  - Unicel Technologies Pvt Ltd., India,
  - Tanla Mobile Asia Pacific Pte Ltd., Singapore
  - Tanla Corporation Pvt Ltd, India
  - Capitalsiri Investments Pvt Ltd., India
 Joint Venture  
  - TZ Mobile Private Limited., India
 Associate  
  - Jengatron Gaming India Pvt Ltd., India
- Karix Mobile Private Limited and Unicel Technologies Private Limited were acquired w.e.f., April 10, 2019. The accounting for these business combinations have been made on a provisional basis as information regarding the identifiable assets and liabilities as at the acquisition date may arise during the measurement period within the financial year.  
The Consolidated financial results for the quarter and six months ended Sept 30, 2019 include the results of the operations of the above entities from April 10, 2019. The corresponding figures for the prior periods are not comparable.
- As per the Telecom Commercial Communications Customer Preference Regulations (TCCCPR), 2018, voice and text communications should be provided using block chain technology. New technology and cloudification of services has resulted in a need for re-assessment of useful life of technology assets leading to additional provision of accelerated depreciation amounting to ₹ 4,726.00 lakhs for Q2 FY20 and ₹ 18,041.00 lakhs for the six months ended September 30, 2019 (September 30, 2018 – Rs Nil)
- (i) The Company has allotted 27,60,000 equity shares of face value Rs.1/- each during Q1 FY20 and 32,40,000 equity shares of face value ₹ 1/- each during the quarter ended September 30, 2019 under Employee stock Purchase scheme. Employee cost of ₹ 2,947.14 lakhs for Q2 FY20 and ₹ 4,102.20 lakhs for the six months ended September 30, 2019 (September 30, 2018 – ₹ Nil) have been charged to the statement of profit and loss for the respective periods.  
  
(ii) The Company has allotted 1,38,195 equity shares of face value ₹ 1/- each during the quarter ended September 30, 2019 pursuant to exercise of options under employee stock option scheme.
- The Company has acquired “Gamooga Softtech Private Limited” on October 24, 2019 for a purchase consideration of ₹ 4,850.0 lakhs. The purchase consideration comprised of a cash payment of ₹ 3,150.0 lakhs and allotment of 21,19,688 equity shares of Tanla Solutions Limited of face value ₹ 1 each at a price of ₹ 80/- per equity share, to the erstwhile promoters of Gamooga.
- The Board of Directors of the Holding Company (“Company”) have approved a scheme of arrangement (“the Scheme”) for amalgamation of its subsidiaries (i.e., Karix Mobile Private Limited & Unicel Technologies Private Limited with Tanla Corporation Private Limited) on August 30, 2019 and the scheme Application has been filed with National Company Law tribunal (NCLT) Hyderabad on September 30, 2019
- Effective April 01, 2019, the Company has adopted Ind AS 116 “Leases”, which sets out the principles for recognition, measurement, presentation and disclosure of leases and require lessees to account for all leases under a single on-balance sheet date model. The adoption of the standard did not have any material impact on the financial results of the company for the quarter and six months ended Sept 30, 2019.
- The Company operates in a single segment “A2P messaging services”, as such reporting is done on single segment basis.
- The Un-audited financial results for the quarter and six months ended Sept 30, 2019 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 :

₹ in Lakhs

Particulars	Quarter Ended		
	30-Sep-19 Un-audited	30-Jun-19 Un-audited	30-Sep-18 Un-audited
Revenue from operations & other income	27,881.87	27,589.46	17,547.89
Profit / (Loss) before tax	(3,955.96)	(12,571.68)	105.31
Profit / (Loss) after tax	(4,438.78)	(8,447.44)	472.16



**12. Statement of Assets and Liabilities (Un-audited):**

₹ in Lakhs

Particulars	Consolidated		Standalone	
	30-Sep-19	31-Mar-19	30-Sep-19	31-Mar-19
<b>I. ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	15,284.86	34,971.26	12,057.77	33,748.32
(b) Intangible assets under developments	799.49	576.13	799.49	576.13
(c) Intangible assets	26.63	-	-	-
(d) Investments	-	169.04	29,007.70	5,585.26
(e) Goodwill	22,258.10	-	-	-
(f) Deferred tax assets (net)	5,323.08	1,123.14	4,698.79	1,060.92
(g) Other non-current assets	10,251.49	7,310.00	1,983.33	7,228.75
<b>Total non current assets</b>	<b>53,943.65</b>	<b>44,149.57</b>	<b>48,547.08</b>	<b>48,199.38</b>
<b>(2) Current Assets</b>				
(a) Financial Assets				
(i) Investments	3,603.74	7,376.17	3,603.74	7,376.17
(ii) Trade receivables	35,208.25	30,782.95	30,247.91	23,628.52
(iii) Cash and cash equivalents	13,138.46	15,502.49	7,906.15	13,519.67
(iv) Other Financial Assets	16,221.39	8,976.92	8,483.78	8,544.38
(b) Other current assets	4,940.90	3,899.54	3,304.68	3,978.26
<b>Total current assets</b>	<b>73,112.74</b>	<b>66,538.07</b>	<b>53,546.26</b>	<b>57,047.00</b>
<b>TOTAL ASSETS</b>	<b>127,056.39</b>	<b>110,687.64</b>	<b>102,093.34</b>	<b>105,246.38</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
(a) Equity share capital	1,437.65	1,156.27	1,437.65	1,156.27
(b) Other equity	74,410.39	71,398.01	70,657.03	68,815.27
<b>Total equity</b>	<b>75,848.04</b>	<b>72,554.28</b>	<b>72,094.68</b>	<b>69,971.54</b>
<b>(2) Non current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	4,331.94	4,692.53	-	4,692.53
(ii) other financial liabilities	18.03	19.03	18.03	19.03
(b) Provisions	661.50	-	-	-
(c) Other non-current liabilities	11.35	8.85	11.35	8.85
<b>Total Non Current Liabilities</b>	<b>5,022.82</b>	<b>4,720.41</b>	<b>29.38</b>	<b>4,720.41</b>
<b>(4) Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	1,272.72	1,295.67	-	1,295.67
(ii) Trade payables	27,204.66	20,232.49	24,260.26	24,820.02
(iii) other financial liabilities	2.54	-	3,835.28	2,452.98
(b) Other current liabilities	16,854.97	11,394.79	1,873.74	1,574.66
(c) Liabilities for current tax (net)	850.64	490.00	-	411.10
<b>Total Current liabilities</b>	<b>46,185.53</b>	<b>33,412.95</b>	<b>29,969.28</b>	<b>30,554.43</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>127,056.39</b>	<b>110,687.64</b>	<b>102,093.34</b>	<b>105,246.38</b>



**13. Statement of Cash flows (Un-audited):**


₹ in Lakhs

	Particulars	Consolidated		Standalone	
		Sept'2019	Sept'2018	Sept'2019	Sept'2018
A	CASH FLOWS FROM OPERATING ACTIVITIES:				
	Profit before tax	(15,804.92)	1324.72	(16,527.63)	436.02
	Adjusted for :				
	Depreciation	22,288.30	3,123.18	21,844.61	2,849.76
	Interest & other income received	(531.83)	(401.01)	(568.48)	(386.55)
	Provision for diminution of investment	169.04		200.00	-
	ESOP and ESPS cost	2,948.53	25.58	16.33	25.58
	Exchange fluctuation	-	60.71	-	57.85
	Provision for doubtful debts	235.47	3.20	87.68	(2.86)
	<b>Operating profits before working capital charges</b>	<b>9,304.59</b>	<b>4,136.38</b>	<b>5,052.51</b>	<b>2,979.80</b>
	Changes in current assets and liabilities				
	(Increase)/Decrease in trade receivables	(4,425.29)	(6,152.00)	(6,619.39)	(3,240.32)
	(Increase)/Decrease in financial and non-financial assets	(10,835.36)	(1,697.73)	5,979.60	(1,451.31)
	Increase/(Decrease) in financial and non-financial liabilities	5,516.58	(148.54)	665.17	2,246.69
	Increase/(Decrease) in trade payables & other liabilities	6,972.17	2,744.88	(559.77)	(3.09)
	<b>Cash generated from operations</b>	<b>6,532.69</b>	<b>(1,117.01)</b>	<b>4,518.12</b>	<b>531.77</b>
	Income taxes paid	-	-	-	-
	<b>Net cash generated from operating activities</b>	<b>6,532.69</b>	<b>(1,117.01)</b>	<b>4,518.12</b>	<b>531.77</b>
B	CASH FLOWS FROM INVESTING ACTIVITIES:				
	(Purchase)/Sale of fixed assets	(1,785.34)	1,694.02	(384.46)	1,694.01
	Investments in Subsidiary/associate	(23,622.44)	-	(23,622.44)	(50.00)
	(Purchase)/Sale of Investments (net)	3,772.43	(12,868.35)	3,772.43	(12,868.35)
	Interest & other income received	531.83	401.02	568.48	386.55
	<b>Net cash used in investing activities</b>	<b>(21,103.52)</b>	<b>(10,773.31)</b>	<b>(19,665.99)</b>	<b>(10,837.79)</b>
C	CASH FLOWS FROM FINANCING ACTIVITIES:				
	Proceeds from issue of shares	61.38	-	61.38	-
	Borrowings	(383.54)	-	(5,988.20)	-
	Movement in share capital	12,528.95	-	15,461.15	-
	Dividends and dividend tax paid during the year	-	(405.92)	-	(405.92)
	<b>Net Cash generated from financing activities</b>	<b>12,206.79</b>	<b>(405.92)</b>	<b>9,534.33</b>	<b>(405.92)</b>
D	<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(2,364.04)</b>	<b>(12,296.24)</b>	<b>(5,613.54)</b>	<b>(10,711.94)</b>
E	Cash and cash equivalents at the beginning of the year	15,502.49	16,544.38	13,519.67	13,601.91
F	<b>Cash and cash equivalents at the end of the year</b>	<b>13,138.45</b>	<b>4,248.14</b>	<b>7,906.13</b>	<b>2,889.97</b>

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

 Hyderabad  
 Nov 09, 2019

For and on behalf of the Board of Directors



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

