

TANLA SOLUTIONS LIMITED

CIN: L72200TG1995PLC021262

TANLA TECHNOLOGY CENTRE, HITECH CITY ROAD, MADHAPUR, HYDERABAD - 500081
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019



₹ in Lakhs

Particulars (Refer notes below)	Consolidated Results for the						Standalone Results for the					
	Quarter ended December 31, 2019	Quarter ended September 30, 2019	Quarter ended December 31, 2018	Nine months ended Dec 31, 2019	Nine months ended Dec 31, 2018	Year ended March 31, 2019	Quarter ended December 31, 2019	Quarter ended September 30, 2019	Quarter ended December 31, 2018	Nine months ended Dec 31, 2019	Nine months ended Dec 31, 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
1 Revenue from Operations (net)	53,903.91	48,716.43	28,177.61	142,076.35	68,601.96	100,396.47	27,176.51	27,693.69	21,369.22	82,062.07	54,370.97	80,940.87
2 Other Income	222.69	171.83	274.14	866.28	676.98	1,061.10	116.76	188.18	262.63	702.54	651.01	956.04
3 Total income (1+2)	54,126.60	48,888.26	28,451.75	142,942.63	69,278.94	101,457.57	27,293.27	27,881.87	21,631.85	82,764.61	55,021.98	81,896.91
4 Expenses												
(a) Cost of services	43,510.57	38,857.87	24,248.49	114,159.30	58,848.92	86,066.24	22,126.94	23,411.82	17,831.55	68,745.55	46,205.97	68,695.20
(b) Employee benefits expense	1,826.41	4,597.80	544.87	9,090.84	1,366.69	2,294.76	506.06	451.06	520.57	1,436.37	1,290.77	2,182.53
(c) Depreciation and amortisation expense	7,083.85	6,923.81	2,166.07	29,372.16	5,289.25	7,322.76	5,562.21	6,682.42	2,035.59	27,406.82	4,885.35	6,808.30
(d) Connectivity & related expenses	203.83	206.79	68.78	576.29	201.61	269.65	63.95	60.04	93.70	183.22	203.02	289.52
(e) Travel expenses	148.96	217.50	47.99	476.83	109.49	259.96	71.50	75.57	47.69	186.02	109.11	217.57
(f) Finance costs	183.94	118.03	27.38	450.02	32.47	32.34	121.61	114.34	105.85	448.95	253.99	295.45
(g) Other expenses	1,845.19	1,689.73	473.56	5,129.22	1,231.19	1,833.49	472.12	1,042.58	298.39	2,516.43	939.23	1,444.56
Total expenses	54,802.75	52,611.53	27,577.14	159,254.67	67,079.62	98,079.20	28,924.39	31,837.83	20,933.34	100,923.36	53,887.44	79,933.13
5 Profit before non-controlling interest/ share in net profit/(loss) of associate	(676.15)	(3,723.27)	874.60	(16,312.04)	2,199.32	3,378.37	(1,631.12)	(3,955.96)	698.51	(18,158.75)	1,134.54	1,963.78
6 Share in net profit/(loss) of associate	-	(149.82)	-	(169.04)	-	(30.96)	-	-	-	-	-	-
7 Profit before tax (5-6)	(676.15)	(3,873.09)	874.60	(16,481.08)	2,199.32	3,347.41	(1,631.12)	(3,955.96)	698.51	(18,158.75)	1,134.54	1,963.78
8 Tax Expense												
- Current tax	(464.71)	266.80	183.44	-	290.58	490.00	-	-	155.58	-	244.48	411.10
- Mat credit entitlement	30.62	0.55	(183.44)	-	(290.58)	(403.78)	-	-	(155.58)	-	(244.48)	(411.10)
- Deferred Tax	(310.24)	560.98	(122.64)	(4,277.38)	190.58	279.08	(408.47)	482.82	(121.02)	(4,049.89)	150.18	256.20
9 Profit / (Loss) for the period (7-8)	68.18	(4,701.43)	997.24	(12,203.70)	2,008.74	2,982.10	(1,222.65)	(4,438.78)	819.53	(14,108.86)	984.36	1,707.58
Attributable to:												
Shareholders of the Company	68.18	(4,701.43)	997.24	(12,203.70)	2,008.74	2,982.10	(1,222.65)	(4,438.78)	819.53	(14,108.86)	984.36	1,707.58
Non controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-
10 Other Comprehensive Income	51.10	338.60	20.27	682.14	79.42	119.57	29.77	72.63	0.91	104.53	(2.20)	433.87
11 Total Comprehensive Income (9+10)	119.28	(4,362.83)	1,017.51	(11,521.56)	2,088.17	3,101.68	(1,192.88)	(4,366.15)	820.44	(14,004.33)	982.16	2,141.45
Attributable to:												
Shareholders of the Company	119.28	(4,362.83)	1,017.51	(11,521.56)	2,088.17	3,101.68	(1,192.88)	(4,366.15)	820.44	(14,004.33)	982.16	2,141.45
Non controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-
12 Paid-up Equity Share Capital (Face Value of ₹ 1 each)	1,458.85	1,437.65	1,127.22	1,458.85	1,127.22	1,156.27	1,458.85	1,437.65	1,127.22	1,458.85	1,127.22	1,156.27
13 Total reserves	-	-	-	-	-	71,398.01	-	-	-	-	-	-
14 Earnings per share (before extraordinary items) (of ₹ 1 each) (not annualised)												
(a) Basic	0.05	(3.27)	0.88	(8.60)	1.78	2.58	(0.84)	(3.09)	0.73	(9.94)	0.87	1.48
(b) Diluted	0.05	(3.27)	0.88	(8.60)	1.78	2.58	(0.84)	(3.09)	0.73	(9.94)	0.87	1.48



Notes:

- The above Un-audited financial results for the quarter and nine months ended December 31, 2019 have been subject to a limited review by the Statutory Auditors, reviewed by the Audit Committee held on February 12, 2020 and approved by the Board of Directors at its meeting held on February 13, 2020. The statutory auditors have expressed an unmodified opinion on these results.
- The above un-audited financial results have been prepared in accordance with the Indian Accounting Standard 34 (referred to as Ind AS 34) - Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
- The above consolidated financial results has been prepared in accordance with principles and procedures set out in the IND AS 110 on Consolidated financial statements and IND AS 28 on Investments in associates and joint ventures" notified under section 133 of Companies Act, 2013 and Companies (Indian accounting standards) Rules, 2015 as amended.
- The above un-audited financial results include financials of subsidiaries :

1. Karix Mobile Pvt Ltd., India	2. Unicel Technologies Pvt Ltd., India	3. Tanla Mobile Asia Pacific Pte Ltd., Singapore
4. Tanla Corporation Pvt Ltd, India	5. Capitalsiri Investments Pvt Ltd. India	6. Gamooga Softtech Pvt Ltd., India
7. Tanla Digital Labs Pvt Ltd., India	Joint venture: 8. TZ Mobile Private Limited	Associate: 9. Jengatron Gaming India Pvt Ltd
- (i) The following companies were acquired w.e.f., April 10, 2019 : 1. Karix Mobile Pvt Ltd., India, 2. Unicel Technologies Pvt Ltd., India and the Consolidated financial results for the quarter and nine months ended December 31, 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.
 (ii) The Company has acquired Gamooga Softtech Private Limited w.e.f., October 24, 2019. The Consolidated financial results for the quarter ended December 31, 2019 include the results of the operations of the above entity from October 24, 2019. The corresponding figures for the prior periods are not comparable. The accounting for the above 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.
- 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 ₹ 3,767.00 lakhs for Q3FY20 and ₹ 21,955.18 lakhs for nine months ended December 31, 2019 (December 31, 2018 - Nil)
- Merger of Karix Mobile Private Limited and Unicel Technologies with Tanla Corporation Private Limited is in progress. As per the NCLT order dated December 19, 2019, a meeting of the unsecured creditors of Unicel Technologies Private Limited was conducted on Feb 01, 2020 and the requisite reports have been submitted on Feb 03, 2020. Final petition has been filed with the NCLT.
- 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 the 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 nine months ended December 31, 2019.
- Tanla Digital Labs Private Limited, ("Tanla Digital Labs") wholly owned subsidiary of Tanla Solutions Limited was incorporated on December 18th, 2019, to focus on innovation and development of new products and solutions using state of art technology, pursuant to approval by the Board of Tanla Solutions Limited for investment u/s 186 of the Companies Act, 2013. Tanla Digital Labs has been granted approval for setting up a SEZ unit in Raheja Mindspace, Hi-Tech City, Hyderabad- 500081.
- The Government of India, on September 20, 2019, vide the Taxation laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company is in the process of evaluating its position with respect to the aforesaid option.
- The Company operates predominantly in "A2P messaging services", accordingly reporting is done on single segment basis.
- The Un-audited financial results for the quarter and nine months ended Dec 31, 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 :

Particulars	Quarter Ended		
	31-Dec-19 Un-audited	30-Sep-19 Un-audited	31-Dec-18 Un-audited
Revenue from operations & other income	27,293.27	27,881.87	21,631.85
Profit / (Loss) before tax	(1,631.12)	(3,955.96)	698.51
Profit / (Loss) after tax	(1,222.65)	(4,438.78)	819.53

₹ in Lakhs

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

Mumbai
February 13, 2020

For and on behalf of the Board of Directors

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

