

Tanla announces un-audited financial results for Q1FY2021.

HYDERABAD — August 12, 2020 [NSE-TANLA; BSE-532790] — The Board of Tanla Solutions Limited at its Board Meeting held on August 12, 2020 announced the un-audited financial results for the quarter ended on June 30, 2020 for FY21.

- Revenue at ₹455.5 crore increased by 15% sequentially from first quarter of FY20.
- Gross Margin at ₹105.3 crore increased by 37% sequentially from first quarter of FY20.
- Net Profit at ₹78.6 crore increased by 204% sequentially from first quarter of FY20.
- EPS at ₹5.17, increased by 196% sequentially from first quarter of FY20.
- Tanla and all its subsidiaries remain debt free.
- Provision of ₹3.7 crore for loss of investment in liquid funds and a provision of ₹2.92 crore created for doubtful debts in FY20, have been reversed in the current quarter, as the same have been realized.
- Tax refund of ₹1.44 crore has been received during Q1FY2021.
- Interest income of ₹3.42 crore comprises of ₹1.4 crore as interest on TDS and ₹2.02 crore realized as interest from fixed deposits made in HDFC Bank.

“Tanla’s quarterly performance bucks the trend amidst the raging pandemic disrupting global economies,” said Uday Reddy, Chairman & Managing Director of Tanla. “Our unique market standing as a leading Digital and Cloud Communications player have resulted in robust topline and bottom-line growth both YOY and QOQ.”

Commenting on TRAI’s directive for commercial launch of DLT services from Sept 1, 2020, Uday Reddy said, “With the commercial rollout of Trubloq slated for September 1, this blockchain enabled platform has the traction to become the gold standard in its space. For Regulators, Telco’s and Enterprises alike spams and mobile fraud risks can be mitigated and additionally provide the end users with the power to choose.”

Business Highlights

- During Q1FY21, 80 new customers were signed up with an annual potential revenue of ₹80 crore, constituting a healthy mix of customers from leading verticals (e-commerce, BFSI, EdTech, Telecom etc.) including established brands to high potential startups.
- Tanla was awarded a contract by a leading telecom service provider in Dubai for deploying the subscriber consent management system for promotional/bulk SMS based on blockchain technology.

Corporate and other Highlights

Update on Buy-back

- In the buyback offer, 1.67 Cr number of shares were tendered, representing 87.80% of the buy-back offer size, resulting in the paid-up share capital reducing to 13.55 Cr equity shares of ₹1/ each from *15.22 Cr equity shares of ₹1/ each.
- Post buy-back, the number of shareholders reduced by 3614 shareholders from 50,711 on June 12, 2020 to 47,097, on July 31, 2020.

- Total buy-back proceeds of ₹135.2 crore were discharged to the shareholders on July 22, 2020 and buy-back tax of ₹29.5 crore was paid on August 5, 2020.
- The Shareholding pattern pre and post buy-back is as given below:

Particulars	Pre-Buyback (as on June 12th, 2020)			Post-Buyback (as on July 31st, 2020)		
	No. of shareholders	No. of shares	% of shareholding	No. of shareholders	No. of shares	% of shareholding
Promoters	6	5,36,10,558	35.21	6	5,36,10,558	39.55
Banyan Investments Limited	1	2,19,99,824	14.45	1	2,19,99,824	16.23
Employees	45	85,32,785	5.6	42	80,47,835	5.94
Public	50,659	6,81,14,390	44.74	47,048	5,19,06,588	38.27
Total	50,711	*15,22,57,557	100.0	47,097	13,55,64,805	100.0

*Note: Listing approval from BSE Limited is pending for listing of 62,85,858 Equity Shares allotted on April 3, 2020 pursuant to conversion of warrants.

Update on Merger

- The Hyderabad bench of the Honorable NCLT, approved the merger of Karix Mobile Private Limited ("Karix") and Unicel Technologies Private Limited ("Unicel") with Tanla Corporation Private Limited ("Tanla") on June 30, 2020.
- As per the NCLT Order, the appointed date for the merger is April 09, 2019.
- As approved in the NCLT Order, Tanla shall be named as Karix subject to regulatory approvals.
- As an impact of Merger, Goodwill amounting to ₹158.4 crore is now available as a tax allowable expense for Tanla.

HR Update

The annual appraisal of the employees has been conducted and the employees have received the increments and promotions as per the Company Policy, for FY2021, resulting in the total resource cost increase by ~ 10%.

For Further Financial updates, visit <https://tanla.com/investors.html>

Auditors

Internal Auditors: Deloitte Touche Tohmastu India LLP

Statutory Auditors: MSKA & Associates

About Tanla

Tanla is a Hyderabad, India-based company, established in 1999. It is a global leader in its domain as one of the largest Cloud Communication providers, handling over 200 billion business communications annually. Tanla is innovating the way the world communicates, continuously raising the bar through enhanced speed, ease, and simplicity of Cloud Communication solutions, adopting cutting-edge technologies like blockchain, Artificial Intelligence, Machine Learning to meet the discerning needs of a diverse clientele, from enterprises to carriers across geographies. Tanla has always adopted new technologies and has many patents to its name including world's first blockchain based commercial communication stack "Trubloq" to address the growing concerns for spam and fraud. Tanla is working with all leading Telco's in India creating India's first Telecom Blockchain Network. Tanla is a public limited company listed on leading Indian stock exchanges (NSE: TANLA & BSE: 532790)

Safe Harbor:

This presentation might contain 'forward-looking statements' that are based on our current expectations, assumptions, estimates and projections about Tanla Solutions Limited (the "Company"), our industry, economic conditions in the markets in which we operate, and certain other matters. Those statements include, among other things, the discussions of our business strategy and expectations concerning our market position, future operations, margins, profitability, liquidity, and capital resources. These statements are subject to known and unknown risks, uncertainties and other factors and they depend on future events and circumstances. Such statements do not guarantee future results or development and the actual results or outcomes may differ materially from those implied by the forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, fluctuations in foreign exchange rates, our ability to manage growth, intense competition in the services provided by the Company, including those factors which may affect our cost advantage, wage increases, our ability to attract and retain highly skilled professionals, time and cost overruns on fixed-price, fixed-time frame contracts, client concentration, restrictions on immigration, industry segment concentration, our ability to manage our international operations, reduced demand for technology in our key focus areas, disruptions in telecommunication networks or system failures, our ability to successfully complete and integrate potential acquisitions, liability for damages on our service contracts, the success of the companies in which the Company has made strategic investments, withdrawal or expiration of governmental fiscal incentives, political instability and regional conflicts, regulatory changes, legal restrictions on raising capital or acquiring companies outside India, and unauthorized use of our intellectual property and general economic conditions affecting our industry. In light of these and other uncertainties, you should not conclude that the results or outcomes referred to in any of the forward-looking statements will be achieved. All forward-looking statements are based on information available to us on the date hereof, and we do not undertake to update these forward-looking statements to reflect future events or circumstances unless required to do so by law.