

Tanla records best ever Quarter fuelled by CPaaS and Digital revenues

Hyderabad, India — October 31, 2020 — Tanla Platforms Limited, largest CPaaS provider, today announced the results for the quarter ended on September 30th, 2020 as compared to the corresponding quarter of previous financial year

- Revenue was ₹583.2 Cr and increased 20%
- EBITDA was ₹97.5 Cr and increased 210%
- PAT was ₹81.5 Cr and increased 273%
- EPS was ₹5.85 and increased 279%
- ROCE at 47.5% and increased 177%
- EBITDA to Cash Conversion remained robust at 82%

"I'm delighted to report highest ever Revenue, EBITDA & EPS in Q2FY21. Our pioneering and dominant market position in CPaaS, in this cathartic phase in Digital, powered the surge in Revenue", commented Uday Reddy, Chairman & CEO of Tanla.

Commenting further Uday Reddy said, "Going forward our unwavering focus and investments on platforms & products, brand, customer success and talent, will drive future growth."

Business Highlights

- 89,203 enterprises 6,339 telemarketers are registered on DLT platform.
- In the first commercial go-live month of Sept 2020, Tanla's Trubloq handled 70% of the total DLT traffic which is 35Bn.
- Acquired healthy mix of customers from leading verticals (Banking, Financial services, e-commerce, Gaming, OTT etc.) Including established brands to high potential startups.
- 83 New Customer opportunities were signed up during Q2FY21, with an annual potential revenue of ~ 76 Cr

Tanla's paid up share capital was 13,60,36,450 equity shares of ₹1/ each on Sept 30, 2020 after a share buyback of 1,66,92,752 equity shares of Re.1 each and allotment of 4,71,645 equity shares of Re.1 each under the Employee Stock Purchase Plan, 2016.

The Company has paid an interim dividend of Re.1 per share to the Shareholders as on the Record date on September 18, 2020 aggregating ₹13,57,87,600/-.

Support during COVID-19

During these trying periods, we focused on ensuring the safety of our employees encouraged them to work from home and minimize interaction at public places by providing them with the required infrastructure and a Covid Fund to help them meet medical needs for self and immediate family. We have also succeeded in providing the required support to our customers and partners and ensured they succeeded in providing their best work while they operated remotely.

About Tanla

Tanla is a Hyderabad, India, based company, established in 1999. It is a largest CPaaS provider, handling over 250 billion business communications annually with a market share of ~70%. 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 is working with all leading Telcos 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)

Disclaimer

This release might contain 'forward-looking statements' that are based on our current expectations, assumptions, estimates and projections about Tanla Platforms 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.

For further information, you may write to: investorhelp@tanla.com

CONSOLIDATED P&L (UN-AUDITED)

Rs in Lakhs

Particulars	Q2FY21	Q1FY21	Q2FY20
I. Revenue from operations	58,324.7	45,554.8	48,716.4
II. Other income	474.5	1,322.8	171.8
III. Total Income (I+II)	58,799.1	46,877.5	48,888.3
IV. Expenses			
Cost of services	44,891.7	35,024.6	38,857.9
Employee benefits expense	2,283.3	1,990.2	4,597.8
Depreciation expense	992.3	1,148.8	6,923.8
Connectivity expenses	280.8	197.0	206.8
Finance cost	8.9	70.0	118.0
Other expenses	1,115.7	843.0	1,907.2
Total expenses (IV)	49,572.6	39,273.5	52,611.5
V. Profit before non-controlling interest/share in net profit/(loss) of associate (IV- V)	9,226.5	7,604.0	(3,723.3)
VI. Share in net profit/(loss) of associate	-	-	(149.8)
VII. Profit before tax (V - VI)	9,226.5	7,604.0	(3,873.1)
VIII. Tax expense:			
Current tax	1,053.2	553.8	266.8
Prior period taxes/MAT credit	-	(1,074.8)	0.5
Deferred tax	26.0	264.5	561.0
IX. Profit for the year (VII -VIII)	8,147.3	7,860.6	(4,701.4)
X. Other comprehensive income	(330.5)	(1.7)	338.6
XI. Total Comprehensive income for the period (X + XI)	7,816.8	7,858.8	(4,362.8)
XII. Earnings per equity share			
Basic & Diluted (not annualised)	5.85	5.17	(3.27)

BALANCE SHEET AS AT:

Rs in Lakhs

Particulars	Consolidated	
	As at Sept 30, 2020 (Un-audited)	As at Mar 31, 2020 (Audited)
I. ASSETS		
(1) Non-current assets		
(a) Property, Plant and Equipment	3,098.80	3,591.39
(b) Intangible assets	7,011.63	8,183.05
(c) Intangible assets under development	2,427.52	1,330.75
(d) Goodwill on Consolidation	13,455.69	13,455.69
(e) Right-of-use assets	425.15	504.35
(f) Financial assets		

(i) Investments	-	-
(ii) Loans and advances	618.26	388.56
(iii) Other financial assets	82.17	56.86
(g) Deferred tax assets (net)	5,275.25	5,674.24
(h) Other non-current assets	5,684.45	7,967.47
Total non-current assets	38,078.92	41,152.36
(2) Current Assets		
(a) Financial Assets		
(i) Trade receivables	37,293.14	32,576.94
(ii) Cash and cash equivalents	19,740.66	17,078.98
(iii) Bank balances other than cash and cash equivalents	3,650.15	2,978.49
(iv) Loans and advances	374.89	294.57
(v) Other financial assets	17,073.22	20,472.22
(b) Other current assets	2,213.44	4,340.91
Total current assets	80,345.50	77,742.11
TOTAL ASSETS	118,424.42	118,894.47
II. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	1,360.36	1,459.72
(b) Other equity	68,538.35	68,713.73
Total equity	69,898.71	70,173.45
(2) Non current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	327.23	434.91
(ii) other financial liabilities	147.49	22.95
(b) Provisions	501.93	644.80
(c) Other non-current liabilities	389.00	428.70
Total Non Current Liabilities	1,365.65	1,531.36
(4) Current liabilities		
(a) Financial liabilities		
(i) Trade payables	27,155.25	28,060.26
(ii) Lease liabilities	81.27	103.80
(iii) other financial liabilities	19,306.71	16,865.63
(b) Other current liabilities	494.18	2,014.98
(c) Provisions	122.64	144.99
(d) Liabilities for current tax (net)	-	-
Total Current liabilities	47,160.03	47,189.65
TOTAL EQUITY AND LIABILITIES	118,424.42	118,894.47

CASH FLOW STATEMENT

Rs in Lakhs

<u>Particulars</u>	Consolidated	
	<u>Six months ended</u>	<u>Six months ended</u>
	<u>30-Sept-2020</u>	<u>30-Sept-2019</u>
Cash flows from Operating Activities		
Profit before tax	16,830.56	(15,804.92)
Adjusted for :		
Depreciation and amortization expenses	2,141.04	22,288.30
Interest & other income	(1,577.66)	(531.83)
Share based payments	7.13	2,948.53
Buy back expenses	115.36	-
Provision for diminution of investment in Associate	-	169.04
Unrealized loss on forex exchange fluctuation	0.26	-
Allowance for advances	-	-
Provision for doubtful debts	54.04	235.47
Operating profits before working capital charges	17,570.72	9,304.59
Changes in operating assets and liabilities		
(Increase)/Decrease in trade receivables	(4,716.20)	(4,425.29)
(Increase)/Decrease in financial and non-financial assets	7,553.38	(10,835.36)
Increase/(Decrease) in financial and non-financial liabilities	(163.50)	5,516.58
Increase/(Decrease) in trade payables	(905.01)	6,972.17
Cash generated from operations	19,339.40	6,532.69
Income taxes paid	-	-
Net cash generated from operating activities	19,339.40	6,532.69
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Purchase)/sale of fixed assets/intangible assets	(1,500.25)	(1,785.34)
Investments in subsidiary	-	(23,622.44)
Proceeds from sale of investments	-	3,772.43
Dividend received from subsidiary	-	-
Interest & other income	1,508.03	531.83
Net cash generated/(used) in investing activities	7.78	(21,103.52)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of shares	2,009.88	12,590.33
Payment for buy back of equity shares including transaction cost	(16,585.06)	-
Repayment of Borrowings	-	(383.54)
Principal payment of lease liabilities	23.59	-
Interest paid on lease liabilities	(104.37)	-
Dividend paid	(1,357.88)	-
Net Cash used in financing activities	(16,013.84)	12,206.79
Net change in cash and cash equivalents	3,333.34	(2,364.04)
Cash and cash equivalents at the beginning of the period	20,057.47	15,502.49
Cash and cash equivalents at the end of the period	23,390.81	13,138.45