

## Year-end report April 2021 - March 2022

### January - March 2022

- Revenue increased by 32% year-over-year to ₹8,531 million.
- Gross profit increased by 38% year-over-year to ₹2,434 million. Gross margin at 28.5%, improved by 126 basis points year-over-year.
- EBITDA increased by 37% year-over-year to ₹1,841 million. EBITDA at 21.6 %, improved by 91 basis points year-over-year.
- Profit after tax increased by 37% year-over-year to ₹1,406 million.
- Earnings per share increased by 37% to ₹10.36.
- Free cash flow at ₹ 444 million and Cash & Cash Equivalents at ₹ 9,222 million.

### April 2021 - March 2022

- Revenue increased by 37% year-over-year to ₹ 32, 060 million.
- Gross profit increased by 57% year-over-year to ₹ 9,080 million. Gross margin at 28.3% and improved by 365 basis points year-over-year.
- EBITDA increased by 62% year-over-year to ₹ 7,001 million. EBITDA at 21.8% and improved by 333 basis points year-over-year.
- Profit after tax increased by 51% year-over-year to ₹ 5,393 million.
- Earnings per share increased by 57% to ₹ 39.77.
- Free cash flow at ₹ 4,284 million.

“Tanla continues its outstanding track record of growth with revenues going up 6X in the last 6 years. FY22 was a year of financial and business milestones, and we are entering FY23 with strong momentum.” - Uday Reddy, Founder Chairman & CEO

### Significant events during the quarter

- Vodafone Idea (Vi) is live on Wisely Network to enhance performance for the entire international messaging traffic from 29 April, 2022.
- Tanla and Truecaller entered into an exclusive partnership to deliver a distinctive digital experience for business messaging powered by Wisely.
- Trubloq, our blockchain platform has contributed to 44% decrease in complaints against registered telemarketers since go-live.
- Dividend of ₹2 per share (200% of face value of ₹1 per share) has been recommended by the board subject to shareholders approval.
- Tanla was awarded the prestigious MEFYYS award at MWC 2022, Barcelona, in Enterprise Communication category for its pathbreaking Wisely platform.
- Tanla was awarded at the Global HR Excellence 2022 for successfully Managing Health at Work and Transitioning to Virtual Workplace.
- Tanla has been included in Nifty Alpha Digital 50 index.

### Invitation to conference

Tanla will host a conference call and live webcast to discuss the financial results on 2 May, 2022 at 4.30 PM IST. Watch the presentation at <https://www.tanla.com/investors> or call.

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# Message from Chairman

"What a fabulous year we have had. And we are ending it on a high note – today, Wisely went live with Vodafone Idea Limited (Vi) as part of our multi year exclusive partnership. This is one of the largest deal in CPaaS industry globally. I am very confident that we will be able to showcase the power of Wisely to both enterprises and Vi in the next 60 days.

We are fortunate that FY22 has been filled with milestones like this with most metrics at all time highs. Our Revenues have crossed the ₹30 billion milestone with growth of 37% YoY. Gross Margin is the parameter I track most closely, and it has expanded 365 basis points in FY22, driven by our platform business. Our financial performance is backed by a strong zero-debt balance sheet with cash balance of over ₹9 billion and free cash flow generation of over ₹4 billion

We are operating significantly higher than Rule of 40, at levels which are aspirational for SaaS companies. If we compare our performance with global CPaaS peers like Twilio, Sinch and Ring Central for the quarter ending December 31, 2021 quarter, we are ahead on all parameters like Revenues (35% vs 34% of best-in-class global peer), Efficiency (77% GM to EBITDA conversion vs 25% of best-in-class global peer) and Profitability (EBITDA of 23% vs 4% of best-in-class global peer) except on Gross Margin (29% vs 70% of best-in-class global peer).

Revenues in Q4 grew 32% YoY while Net Income grew 37% YoY. Q4 was in line with expectations, and lower than Q3 due to lower calendar days and higher seasonal spends by our customers in Q3 on promotions around festive season. Q4 was a very exciting quarter from an activity perspective - we announced an exclusive partnership with Truecaller. I am very excited about this partnership as we have an exclusive channel with ~300 million monthly active users to help enterprises engage with users in a secure environment.

I travelled to Mobile World Congress in Barcelona after a break of two years, and it was exhilarating to meet customers and partners in person. I would have personally done around twelve meetings in two days, and I walked away enthused by how much Wisely resonated with all of them.

As I look forward, we are fully geared up to capitalize on the opportunity ahead of us. We came together as a team of over 100 people as part of our Annual Operating Plan in March and the energy in our sessions was contagious. We have come out with new ways of working and looking at our business across 3 dimensions – Organic Growth, New customers addition and New Products revenue streams. We have specialized cross functional teams driving our business and we have ambitious plans.

Organic growth is focused on driving growth with our existing customers by driving wallet share gains on existing products. We have been successful in scaling our customers - our customers giving us more than ₹500 million revenues has almost doubled from 9 to 17.

New customer addition is a major focus - we see a high opportunity with digital natives and other new age companies, and we have a targeted approach to driving strong revenues from new customers.



While we see a lot of momentum in our existing business, we have a separate team driving new products. We have an incredible track record of commercializing platforms of scale. Trubloq is a great example. I am personally driving our very strong innovation engine focused on creating greenfield opportunities for us. Wisely, our flagship platform is seeing adoption across enterprises, telcos and OTT players. Our dedicated team focusing on innovation will be housed in a truly unique customer experience and innovation center in Hyderabad. We are confident that our new products will create new revenue streams with significantly higher gross margin profile.

We are building the business for the long term holistically. We are driving business excellence with best-in-class governance. We are focused on ESG and have big initiatives around education and ecology.

In summary, Tanla is unique. We are different from our CPaaS peers. We believe in platforms, we believe in 'build' over 'buy'. We have demonstrated our capability to build at-scale platforms. We believe in driving profitable business. We believe in cash generation and not raising capital. We believe in greenfield opportunities and partnerships. We believe in addressing the entire ecosystem in a secure and compliant manner. Our strategy is working, and the future looks incredibly exciting.

I am excited to see my teams back in office and all of us are excited by the opportunities ahead of us. FY23 will be the year of Wisely.

Thank you for your support."

Hyderabad, 29 April, 2022

A handwritten signature in black ink, appearing to read 'Uday Reddy', written in a cursive style.

Uday Reddy  
Founder Chairman & CEO

# Tanla Overview

For the list of definitions please refer to page 17

(In ₹ million, unless otherwise stated)

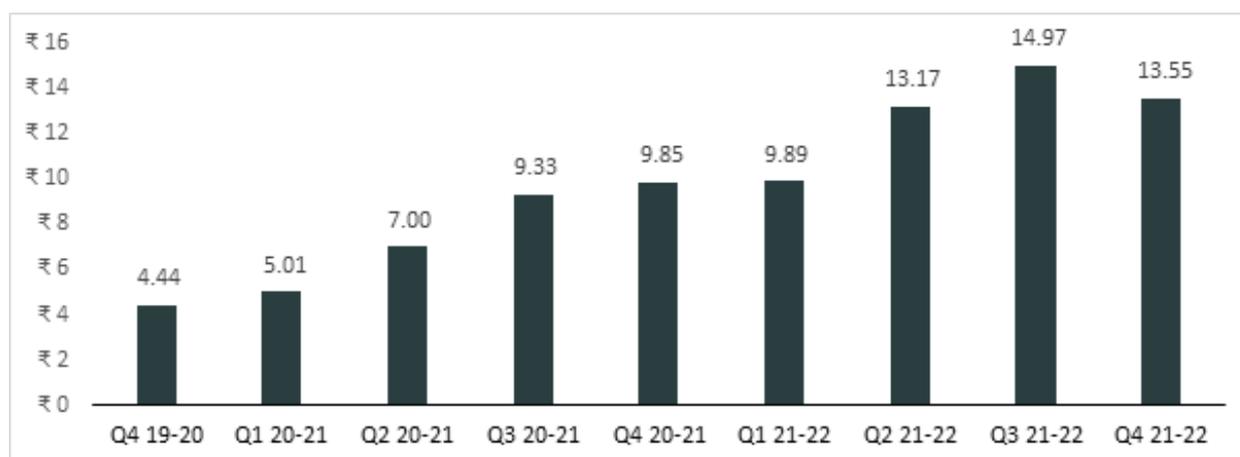
	Three months Ended March 31		Year Ended March 31	
	21-22	20-21	21-22	20-21
	(Audited)		(Audited)	
Revenue from operations	8,531	6,486	32,060	23,415
Gross profit	2,434	1,769	9,080	5,777
<b>Gross margin</b>	<b>28.5%</b>	<b>27.3%</b>	<b>28.3%</b>	<b>24.7%</b>
EBITDA	1,841	1,340	7,001	4,334
<b>EBITDA margin</b>	<b>21.6%</b>	<b>20.7%</b>	<b>21.8%</b>	<b>18.50%</b>
Gross profit/EBITDA	75.7%	75.8%	77.1%	75.0%
Adjusted EBITDA	1,841	1,340	7,001	4,346
Adjusted EBITDA margin	21.6%	20.7%	21.8%	18.6%
Gross profit/Adjusted EBITDA	75.7%	75.8%	77.1%	75.0%
EBIT	1,739	1,248	6,593	3,939
<b>EBIT margin</b>	<b>20.40%</b>	<b>19.20%</b>	<b>20.60%</b>	<b>16.80%</b>
Interest Income	46	15	142	105
Interest yield	4.0%	3.7%	3.9%	3.8%
Profit after tax	1,406	1,025	5,393	3,561
<b>Profit after tax margin</b>	<b>16.5%</b>	<b>15.8%</b>	<b>16.8%</b>	<b>15.2%</b>
Free cash flow	444	1,361	4,248	5,293
<b>Earnings per share (In ₹)</b>	<b>10.36</b>	<b>7.54</b>	<b>39.77</b>	<b>25.27</b>
EBITDA per share (In ₹)	13.55	9.85	51.62	31.86
Adjusted EBITDA per share (In ₹)	13.55	9.85	51.62	31.96
<b>Cash and Cash equivalents</b>	<b>9,222</b>	<b>5,841</b>	<b>9,222</b>	<b>5,841</b>
ROCE - (Including CCE)	-	-	47%	47%
<b>ROCE - (Excluding CCE)</b>	<b>-</b>	<b>-</b>	<b>141%</b>	<b>129%</b>
<b>DSO days</b>	<b>59</b>	<b>60</b>	<b>54</b>	<b>61</b>
Average number of employees	633	513	602	524

## Items affecting comparability

(In ₹ million, unless otherwise stated)

	Q4 21-22	Q4 20-21	21-22	20-21
Buy back costs	-	-	-	12
<b>Total items affecting comparability in EBITDA</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>

## Adjusted EBITDA per share



# Quarterly Trends

Revenue (In ₹ million)	Q4 19-20	Q1 20-21	Q2 20-21	Q3 20-21	Q4 20-21	Q1 21-22	Q2 21-22	Q3 21-22	Q4 21-22
Platform	209	185	327	477	463	555	624	658	687
Enterprise	5,012	4,370	5,505	6,064	6,023	5,709	7,792	8,191	7,844
<b>Total</b>	<b>5,221</b>	<b>4,555</b>	<b>5,832</b>	<b>6,541</b>	<b>6,486</b>	<b>6,264</b>	<b>8,416</b>	<b>8,849</b>	<b>8,531</b>

Gross profit (In ₹ million)	Q4 19-20	Q1 20-21	Q2 20-21	Q3 20-21	Q4 20-21	Q1 21-22	Q2 21-22	Q3 21-22	Q4 21-22
Platform	200	176	313	451	437	533	578	598	650
Enterprise	920	877	1,030	1,161	1,332	1,201	1,724	2,012	1,784
<b>Total</b>	<b>1,120</b>	<b>1,053</b>	<b>1,343</b>	<b>1,612</b>	<b>1,769</b>	<b>1,734</b>	<b>2,302</b>	<b>2,610</b>	<b>2,434</b>

Gross margin	Q4 19-20	Q1 20-21	Q2 20-21	Q3 20-21	Q4 20-21	Q1 21-22	Q2 21-22	Q3 21-22	Q4 21-22
Platform	95.7%	95.0%	95.6%	94.6%	94.5%	96.2%	92.7%	90.9%	94.7%
Enterprise	18.4%	20.1%	18.7%	19.1%	22.1%	21.0%	22.1%	24.6%	22.7%
<b>Overall gross margin</b>	<b>21.40%</b>	<b>23.10%</b>	<b>23.00%</b>	<b>24.60%</b>	<b>27.30%</b>	<b>27.70%</b>	<b>27.4%</b>	<b>29.50%</b>	<b>28.50%</b>

Gross Margin for Platform are arrived after deducting cloud hosting charges

EBITDA (In ₹ million)	Q4 19-20	Q1 20-21	Q2 20-21	Q3 20-21	Q4 20-21	Q1 21-22	Q2 21-22	Q3 21-22	Q4 21-22
EBITDA	586	750	975	1,269	1,340	1,345	1,787	2,028	1,841
Items effecting comparability	63	12	-	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>649</b>	<b>762</b>	<b>975</b>	<b>1,269</b>	<b>1,340</b>	<b>1,345</b>	<b>1,787</b>	<b>2,028</b>	<b>1,841</b>
EBITDA margin	11.2%	16.5%	16.7%	19.4%	20.7%	21.5%	21.2%	22.9%	21.6%
Adjusted EBITDA margin	12.4%	16.7%	16.7%	19.4%	20.7%	21.5%	21.2%	22.9%	21.6%
<b>EBITDA/Gross profit</b>	<b>52.3%</b>	<b>71.2%</b>	<b>72.6%</b>	<b>78.7%</b>	<b>75.8%</b>	<b>77.5%</b>	<b>77.6%</b>	<b>77.7%</b>	<b>75.6%</b>
Adjusted EBITDA/Gross profit	57.9%	72.3%	72.6%	78.7%	75.8%	77.5%	77.6%	77.7%	75.6%
EBITDA/per share	4.01	4.93	7.00	9.33	9.85	9.89	13.17	14.97	13.55
Adjusted EBITDA/per share	4.44	5.01	7.00	9.33	9.85	9.89	13.17	14.97	13.55

Items affecting comparability (In ₹ million)	Q4 19-20	Q1 20-21	Q2 20-21	Q3 20-21	Q4 20-21	Q1 21-22	Q2 21-22	Q3 21-22	Q4 21-22
Buy back costs	-	12	-	-	-	-	-	-	-
Employee stock purchase scheme	-	-	-	-	-	-	-	-	-
Provision towards MF investment	37	-	-	-	-	-	-	-	-
Marketing event	26	-	-	-	-	-	-	-	-
<b>Total</b>	<b>63</b>	<b>12</b>	<b>-</b>						

<b>Profit/(loss) after tax (In ₹ million)</b>	<b>Q4 19-20</b>	<b>Q1 20-21</b>	<b>Q2 20-21</b>	<b>Q3 20-21</b>	<b>Q4 20-21</b>	<b>Q1 21-22</b>	<b>Q2 21-22</b>	<b>Q3 21-22</b>	<b>Q4 21-22</b>
Profit/(loss) after tax	(891)	786	815	935	1,025	1,045	1,362	1,580	1,406
<b>Profit after tax margin</b>	<b>-</b>	<b>17.3%</b>	<b>14.0%</b>	<b>14.3%</b>	<b>15.8%</b>	<b>16.7%</b>	<b>16.2%</b>	<b>17.9%</b>	<b>16.5%</b>

<b>Earnings per Share (In ₹)</b>	<b>Q4 19-20</b>	<b>Q1 20-21</b>	<b>Q2 20-21</b>	<b>Q3 20-21</b>	<b>Q4 20-21</b>	<b>Q1 21-22</b>	<b>Q2 21-22</b>	<b>Q3 21-22</b>	<b>Q4 21-22</b>
<b>Basic EPS</b>	<b>(6.11)</b>	<b>5.17</b>	<b>5.85</b>	<b>6.87</b>	<b>7.54</b>	<b>7.68</b>	<b>10.04</b>	<b>11.66</b>	<b>10.36</b>

<b>Rule of 40</b>	<b>Q4 19-20</b>	<b>Q1 20-21</b>	<b>Q2 20-21</b>	<b>Q3 20-21</b>	<b>Q4 20-21</b>	<b>Q1 21-22</b>	<b>Q2 21-22</b>	<b>Q3 21-22</b>	<b>Q4 21-22</b>
Revenue growth	64.2%	15.5%	19.7%	21.3%	24.2%	38.0%	44.3%	35.3%	31.5%
EBITDA margin %	11.2%	16.4%	16.7%	19.4%	20.7%	22.0%	21.2%	22.9%	21.6%
<b>Rule of 40</b>	<b>75.4%</b>	<b>31.9%</b>	<b>36.4%</b>	<b>40.7%</b>	<b>44.9%</b>	<b>60.0%</b>	<b>65.5%</b>	<b>58.2%</b>	<b>53.1%</b>

FY20 growth rates have the benefit of Karix acquisition

<b>Free cash flow (In ₹ million)</b>	<b>Q4 19-20</b>	<b>Q1 20-21</b>	<b>Q2 20-21</b>	<b>Q3 20-21</b>	<b>Q4 20-21</b>	<b>Q1 21-22</b>	<b>Q2 21-22</b>	<b>Q3 21-22</b>	<b>Q4 21-22</b>	<b>Q3 21-22</b>
<b>Free cash flow</b>	<b>773</b>	<b>(968)</b>	<b>250</b>	<b>1,534</b>	<b>2,147</b>	<b>1,361</b>	<b>1,285</b>	<b>2,217</b>	<b>302</b>	<b>444</b>

# Management Discussion & Analysis

## January- March 2022

### Revenue

Revenue grew by 32% YoY to ₹ 8,531 million, driven by increase in volumes in BFSI, Retail and Government verticals of our domestic business and faster growth in OTT channels. On a sequential basis, Q4 21-22 showed a decline due to lower calendar days and higher seasonal spends in Q3 around festive season. Due to seasonality, Q4 revenue has been lower than Q3 in the past three fiscal years.

Platform revenue grew by 49% YoY to ₹687 million, led by Trubloq. Enterprise revenue grew by 30% YoY to ₹7,844 million, driven by increasing wallet share in existing customers and new customer additions. Contribution from customers with greater than ₹10 million annual revenue increased to ₹8,278 million in Q4 21-22, a YoY growth of 32%.

### Gross profit

Gross profit grew by 38% YoY to ₹2,434 million. Platform business grew 49% (YoY) and Enterprise business by 34%(YoY). Gross margin improved by 126 basis points to 28.5% YoY, driven by higher profitability in our domestic business.

### EBITDA

EBITDA grew by 37% YoY to ₹1,841 million. EBITDA margin improved by 91 basis points to 21.6% YoY. Gross profit to EBITDA conversion 75.7% in Q4 21-22 as against 75.8% in Q4 20-21.

(In ₹ million, unless otherwise stated)	Q4 21-22	Q4 20-21	Change %	% of revenue
Sales and Marketing expense	142	57	150%	2%
General and Administrative expenses (G&A)	451	372	78%	5%
<b>Total</b>	<b>593</b>	<b>429</b>	<b>70%</b>	<b>7%</b>

In Q4 21-22, Sales & Marketing expenses have increased due to investments in sales team and participation in large events such as Mobile World Congress- Barcelona. S&M expense at 2% of revenue in Q4 21-22.

Increase in G&A expenses primarily due Salary cost. Increase in salary cost is driven by new additions, RSU cost and yearly salary increments. Other indirect expenses remain constant as a % of revenue

### EBIT

EBIT grew by 39% YoY to ₹1,739 million and EBIT margin improved by 114 basis points to 20.4% YoY. Depreciation at ₹102 million in Q4 21-22 as against ₹92 million in Q4 20-21 and it has increased mainly due to capitalization of platforms.

Depreciation, amortization (In ₹ million)	Q4 21-22	Q4 20-21	21-22	20-21
Amortisation on Platforms	34	14	131	30
Amortisation on Customer Relationship	31	23	124	124
Amortisation on Trade Name	9	8	35	35
Amortisation on Technology	6	5	23	44
Amortisation on Non-compete	1	5	5	9
Depreciation on tangible assets & right of use assets	21	37	91	154
<b>Total Depreciation &amp; amortisation</b>	<b>101</b>	<b>92</b>	<b>409</b>	<b>396</b>

### Other income

(In ₹ million, unless otherwise stated)	Q4 21-22	Q4 20-21	21-22	20-21
Interest income	46	15	142	105
<b>Interest yield</b>	<b>4.0%</b>	<b>3.7%</b>	<b>3.9%</b>	<b>3.8%</b>

Average interest yield for the quarter at 4%. Implementation of sweep-in-structure for our some of our current accounts helped improve interest yield. Fixed deposits are placed with HDFC Bank, Axis Bank, State Bank of India, Kotak Bank, IDBI bank, HDFC Limited, LIC Housing Limited and ICICI bank which are in line with our investment policy.

## Cash & cash equivalents composition

(In ₹ million, unless otherwise stated)	Q4 21-22	Q3 21-22	Q2 21-22	Q1 21-22
Restricted cash	196	107	502	464
Current accounts- INR	597	407	605	843
Current accounts- USD	3,208	3,006	3,295	2,167
Fixed deposits (Note-1)	5,221	5,287	4,055	3,698
<b>Cash and cash equivalents (CCE)</b>	<b>9,222</b>	<b>8,807</b>	<b>8,457</b>	<b>7,171</b>

Restricted cash are held as margin money deposits given for bank guarantees and cash credit limits. Sequential increase in restricted cash is due to issue of fresh bank guarantees for contracts won during the period. Higher balances in current account due to high day end collections at the month end. Balance in dollar accounts is at 35% of the overall CCE. Dollar accounts earns no interest.

## Cash & cash equivalents break up (CCE)

(In ₹ million, unless otherwise stated)	Current accounts- INR	Current accounts-USD	Fixed deposits	Restricted cash	Total
HDFC Bank	478	142	2,688	136	3,444
HDFC Limited	-	-	1,600	-	1,600
LIC Housing Limited	-	-	200	-	200
State Bank of India	13	-	133	-	146
Axis Bank	39	-	361	-	400
ICICI Bank	13	-	150	-	163
Kotak Mahindra Bank	54	-	89	-	143
Citibank (Dubai)	-	749	-	-	749
DBS Bank (Singapore)	-	2,317	-	27	2,345
Others	-	-	-	33	33
<b>Total</b>	<b>597</b>	<b>3,208</b>	<b>5,221</b>	<b>196</b>	<b>9,222</b>

## Profit after tax

Profit after tax grew by 37% at ₹1,406 million YoY, primarily attributed to revenue growth and improved profitability. Profit after tax margin improved by 67 basis points to 16.5% YoY. Effective tax rate at 21.1% for Q4 21-22. Effective tax rate higher due to reallocation of education cess as per provisions of Union budget.

Tax contribution to exchequer in Q4 21-22 was ₹2,274 million. The contribution includes corporate income taxes and contributions by way of withholding taxes and indirect taxes such as GST in India.

Income tax assessment for FY 19-20 is currently in progress for the Company and its subsidiaries. Refund of ₹120 million which was expected based on the assessments completed by 31 March 2022 is due to be received in Q1 22-23.

Deferred tax asset of ₹ 396 million represents timing differences in depreciation charge between Income Tax Act and Companies Act and will be reversed in future periods.

## Earnings per share

Earnings per share grew by 37% to ₹10.36 YoY. EPS growth driven by combination of PAT growth and lower equity shares due to buyback.

(In ₹ )	Q4 21-22	Q4 20-21
Basic earnings per share	10.36	7.54
<b>Weighted average number of shares outstanding</b>	<b>13,57,45,523</b>	<b>13,60,36,000</b>

## April 2021 to March 2022

### Revenue

Revenue grew by 37% YoY ₹32,060 million, driven by combination of increase wallet share from our existing business, change in price ILD, growth in OTT channel, new customer additions and creation of new revenue stream -Trubloq. Platform revenue grew by 74% to ₹2,523 million, driven by Trubloq. Enterprise revenue grew by 34% to ₹29,537 million. Revenue from new customers for the year at ₹1,010 million in 21-22.

### Gross profit

Gross profit grew by 57% YoY to ₹9,080 million, Platform business by 71% and Enterprise business by 53%. Gross margin improved by 365 basis points to 28.3% YoY on back of increased contribution from our platform business and lower telco cost.

### EBITDA

EBITDA grew by 62% YoY at ₹7,001 million. EBITDA margin improved by 333 basis points to 21.8% YoY. Salary cost has increased by ₹409 million YoY, primarily driven by new additions, RSU cost and yearly increments. Sales & Marketing expenses have increased due to participation in large events and investments in sales teams. Other expenses remain constant as a % of revenue.

### Profit after tax

Profit after tax increased by 51% at ₹5,393 million. Profit after tax margin improved by 162 basis points to 16.8% YoY. Increase in profit after tax is line with revenue growth and improvement in profitability. The effective tax rate at 20% for 21-22.

### Earnings per share

Earnings per share grew at 57% to ₹39.77. EPS growth driven by combination of PAT growth and lower equity shares due to buyback.

### Property, Plant and Equipment

Increase in net block of Property, Plant and Equipment due to additions of ₹195 million towards IT & networks.

### Intangible assets under development

Increase in intangible assets under development is due to investments towards platform which is expected to go live in Q1 22-23.

### Right of use of assets

Ind-AS 116 on lease accounting provides for recognition of the asset and liability in respect of leased assets in the books of lessee and hence, the asset/liability in respect of leased office premises of the group companies has been quantified and disclosed under non-current and current assets/liabilities for values accountable after one year and within one year respectively.

### Other financial assets

Accrued income represents unbilled revenue accrued as at end of each month, as an industry practice invoicing happens in the subsequent month post reconciliation. Accrued income for FY22 is 12% of revenue.

### Other financial liabilities

Other financial liabilities comprise of cost of services not yet billed to the Company and payable to capital creditors. The increase is primarily on account of growth in volume of transactions.

## Cash flow

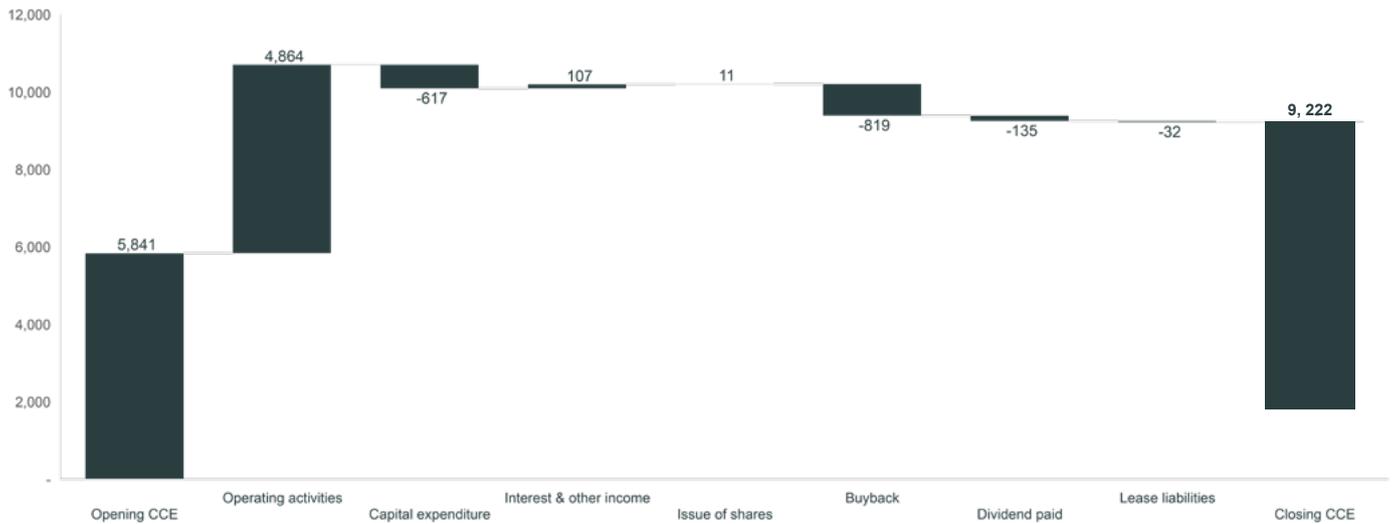
Cash and cash equivalents (CCE) increased from ₹5,841 million to ₹9,222 million 21-22. CCE increase is primarily driven by robust growth in revenue and effective working capital management. Cash generated from operations at ₹ 4,864 million and Free cash flow at ₹ 4,248 million for 21-22. Free cash flow at 79% of PAT for 21-22.

We generated lower cash flow in 21-22 due to:

- Increase in investments in Platforms.
- Increase in tax payouts which is line with our revenue growth.

### Cash movement for year-over-year is explained below:

(In millions)



## Customers

Robust growth across customer segments driven by increase in wallet share and new customer additions.

- We added 270 new customers during the year, Revenue from new customers at ₹1,010 million.
- Customers with revenue greater than ₹500 million contributed 56% in 21-22, as against 51% in 20-2.
- Our top twenty customers contributed ₹19,401 million in 21-22, as against ₹14,784 in Q4 20-21, up 31%.
- Customer concentration from top twenty customers reduced from 63% in 20-21 as against 61% in 21-22.

Customer segment	20-21		21-22		Growth in count	Growth in revenue
	Count	Revenue	Count	Revenue		
> ₹500M	9	11,879	17	17,906	89%	51%
> ₹100M - < ₹500M	26	7,018	36	8,510	38%	21%
> ₹10M - < ₹100M	94	3,390	139	4,621	48%	36%
<b>Total</b>	<b>129</b>	<b>22,287</b>	<b>192</b>	<b>31,038</b>	<b>49%</b>	<b>39%</b>

# Condensed Income Statement

(In ₹ million, unless otherwise stated)

	Three months Ended March 31		Year Ended March 31	
	21-22	20-21	21-22	20-21
	(Audited)		(Audited)	
<b>Revenue from operations</b>	<b>8,531</b>	<b>6,486</b>	<b>32,060</b>	<b>23,415</b>
Cost of services	(6,097)	(4,717)	(22,980)	(17,638)
<b>Gross profit</b>	<b>2,434</b>	<b>1,769</b>	<b>9,080</b>	<b>5,777</b>
Operating expenses				
Sales and Marketing	(142)	(57)	(367)	(218)
General and administrative	(451)	(372)	(1,712)	(1,225)
<b>Total operating expenses</b>	<b>(593)</b>	<b>(429)</b>	<b>(2,079)</b>	<b>(1,443)</b>
<b>EBITDA</b>	<b>1,841</b>	<b>1,340</b>	<b>7,001</b>	<b>4,334</b>
Depreciation	(102)	(92)	(409)	(396)
<b>EBIT</b>	<b>1,739</b>	<b>1,248</b>	<b>6,593</b>	<b>3,938</b>
Finance cost	(3)	(1)	(13)	(10)
Other income	46	15	161	219
<b>Profit before tax</b>	<b>1,782</b>	<b>1,262</b>	<b>6,741</b>	<b>4,147</b>
Tax expenses	(376)	(237)	(1,348)	(586)
<b>Profit after tax</b>	<b>1,406</b>	<b>1,025</b>	<b>5,392</b>	<b>3,561</b>
<b>Earnings per share</b>	<b>10.36</b>	<b>7.54</b>	<b>39.77</b>	<b>25.27</b>

## Earnings per share

Earnings per share (In ₹ )	Q4 21-22	Q4 20-21	21-22	20-21
<b>Basic earnings per share</b>	<b>10.36</b>	<b>7.54</b>	<b>39.77</b>	<b>25.27</b>

# Condensed Balance Sheet

Particulars (In ₹ million)	March 31, 2022 (Audited)	March 31, 2020 (Audited)
<b>ASSETS</b>		
Non-current assets		
Property, plant and equipment	429	297
Platforms	484	395
Customer Relationships	257	382
Brands	4	39
Technology	13	36
Non-Compete	30	36
Intangible assets under development	402	64
Goodwill	1,346	1,346
Capital work in progress	134	-
Right-of-use-lease assets	484	39
Financial assets*	711	106
Deferred tax assets (net)	396	428
Other non-current assets	439	297
<b>Total non-current assets</b>	<b>5,129</b>	<b>3,465</b>
Trade receivables	5,603	3,731
Cash and bank balances	8,623	5,841
Other Financial assets	3,951	2,565
Other current assets	641	524
<b>Total current assets</b>	<b>18,817</b>	<b>12,661</b>
<b>TOTAL ASSETS</b>	<b>23,946</b>	<b>16,126</b>
*Includes ₹ 600M of deposits with more than twelve months maturity		
<b>EQUITY AND LIABILITIES</b>		
Equity share capital		
Equity share capital	136	136
Other equity	13,404	8,795
<b>Total equity</b>	<b>13,540</b>	<b>8,931</b>
Non current liabilities		
Financial liabilities		
Lease liabilities	447	35
Other financial liabilities	4	5
Provisions	70	60
Other non-current liabilities	5	3
<b>Total Non Current Liabilities</b>	<b>526</b>	<b>103</b>
<b>Current liabilities</b>		
Trade payables	6,785	5,062
Lease liabilities	89	9
Other financial liabilities	2,443	1,919
Other current liabilities	272	76
Short term provisions	11	9
Liabilities for current tax (net)	280	17
<b>Total Current liabilities</b>	<b>9,880</b>	<b>7,092</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,946</b>	<b>16,126</b>

## Condensed change in equity statement

Equity Statement (In ₹ million)	Share capital	Reserves	Retained earnings	Other contributions	Total
<b>Opening balance 01 April 2020</b>	<b>146</b>	<b>6,877</b>	<b>(164)</b>	<b>159</b>	<b>7,018</b>
Profit for the period	-	-	3,561	-	3,561
Other comprehensive income	-	-	-	(54)	(54)
Issue of equity shares	7	220	-	-	227
Shares bought back	(17)	(1,645)	-	-	(1,662)
Dividend declared	-	-	(136)	-	(136)
Others	-	-	-	(23)	(23)
<b>Closing balance 31 March 2021</b>	<b>136</b>	<b>5,452</b>	<b>3,261</b>	<b>82</b>	<b>8,931</b>
<b>Opening balance 01 April 2021</b>	<b>136</b>	<b>5,452</b>	<b>3,261</b>	<b>82</b>	<b>8,931</b>
Profit for the period	-	-	5,393	-	5,393
Other comprehensive income	-	-	-	69	69
Issue of equity shares	1	10	-	-	11
Shares bought back	(1)	(819)	-	-	(820)
Dividend declared	-	-	(134)	-	(134)
Others	-	-	-	91	91
<b>Closing balance 31 March 2022</b>	<b>136</b>	<b>4,643</b>	<b>8,519</b>	<b>242</b>	<b>13,540</b>

# Condensed Statement of Cash Flow

Cash flow (In ₹ million)	Q4 21-22	Q4 20-21	21-22	20-21
Cash flow before changes in working capital	1,907	1,328	7,249	4,381
Changes in working capital	(675)	657	(1,220)	1,790
<b>Cash generated from operations</b>	<b>1,232</b>	<b>1,985</b>	<b>6,029</b>	<b>6,171</b>
Taxes	(516)	(561)	(1,165)	(561)
<b>Cash flow from operating activities</b>	<b>716</b>	<b>1,424</b>	<b>4,864</b>	<b>5,610</b>
Net investments in tangible and intangible assets	(272)	(63)	(616)	(319)
Interest and other income received	7	61	107	220
<b>Movement in other cash balances</b>	<b>(600)</b>	<b>-</b>	<b>(600)</b>	<b>-</b>
<b>Cash flow from investing activities</b>	<b>(865)</b>	<b>(2)</b>	<b>(1,109)</b>	<b>(99)</b>
Issue of shares	-	(17)	11	184
Buyback of shares	-	(2)	(818)	(1,661)
Dividend paid during the year	-	-	(135)	(136)
Payment and Interest paid on lease liabilities	(20)	(55)	(32)	(63)
<b>Cash flow from financing activities</b>	<b>(20)</b>	<b>(74)</b>	<b>(975)</b>	<b>(1,676)</b>
<b>Cash flow for the period</b>	<b>(169)</b>	<b>1,348</b>	<b>2,780</b>	<b>3,835</b>
Cash and cash equivalents at the beginning of period	8,791	4,493	5,841	2,006
Cash and cash equivalents	8,622	5,841	8,622	5,841
<b>Fixed deposits having maturity greater than 12 months</b>	<b>600</b>	<b>-</b>	<b>600</b>	<b>-</b>
<b>Cash and cash equivalents closing balance</b>	<b>9,222</b>	<b>5,841</b>	<b>9,222</b>	<b>5,841</b>

## Key Ratios

Key financial ratios	Q4 19-20	Q1 20-21	Q2 20-21	Q3 20-21	Q4 20-21	Q1 20-21	Q2 20-22	Q3 21-22	Q4 21-22
Rule of 40	75.4%	31.9%	36.4%	40.7%	44.9%	60.0%	65.5%	58.2%	53.1%
Revenue growth	64.2%	15.5%	19.7%	21.3%	24.2%	38.0%	44.3%	35.3%	31.5%
Gross margin %	21.4%	23.1%	23.0%	24.6%	27.3%	27.7%	27.4%	29.5%	28.5%
EBITDA margin %	11.2%	16.4%	16.7%	19.4%	20.7%	21.5%	21.2%	22.9%	21.6%
EBIT margin %	-	13.9%	15.0%	18.0%	19.2%	20.0%	20.0%	21.7%	20.4%
Net profit margin %	-	17.3%	14.0%	14.3%	15.8%	16.7%	16.2%	17.9%	16.5%
Free cash flow	(968)	250	1,534	2,147	1,361	1,285	2,217	302	444
Day sales outstanding	60	59	59	60	58	58	48	54	59
ROCE (Including CCE)	(25.0%)	31.0%	42.0%	47.0%	46.0%	50.0%	54.0%	51%	47%
ROCE (excluding CCE)	(35.8%)	44.8%	63.1%	101.0%	129.0%	169.0%	247.0%	170%	141.0%

# Equity Capital

Tanla is listed on two national exchanges, the NSE and BSE and included in prestigious indices such as the Nifty 500, BSE 500, Nifty Digital Index, Nifty Alpha 50, FTSE Russell and MSCI.

## Share capital

The Company has only one class of shares - equity shares of par value of ₹1/- each. The authorized share capital of the Company is 20,00,00,000 equity shares. As on March 31, 2022, paid-up share capital was ₹ 135.7 million.

## Shareholders

As of 31 March 2022, Company has about 130,040 shareholders as compared to 61,586 shareholders as on 31 March 2021. Promoters and employees hold 49.3% of the total equity. Institutional investors (FII and DII) have increased from 17.6% to 18.3% over the past twelve months.

## Shareholder Distribution by Category

Movement in shareholder pattern for last five quarters

Shareholder category	31-Mar-21	30-Jun-21	30-Sep-21	31-Dec-21	31-Mar-22
Promoters	41.2%	42.3%	42.5%	43.7%	43.7%
Employees	6.4%	5.4%	5.9%	6.0%	5.6%
Retail	34.7%	34.1%	32.9%	32.2%	32.2%
FII	17.1%	16.5%	16.8%	15.3%	15.3%
DII	0.6%	1.8%	1.9%	2.8%	3.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100%</b>

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# Key Policies

## Basis for preparation of financial statements

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under Section 133 of the Companies Act, 2013 (the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 as amended, issued by Ministry of Corporate Affairs ("MCA"). Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

## Revenue recognition

Revenue are derived from our Enterprise and Platform business. Revenue from Enterprises are computed based on total transactions processed through our platforms at the agreed fixed value per transaction. Platform revenue are computed by way of revenue share measured as a rate applicable to transaction processed on their network from mobile carriers and other suppliers. Revenue is recognized upon provision of service to customers that reflects the consideration we expect to receive in exchange for those service.

## Depreciation and Amortization

Fixed assets including IT assets are depreciated over their estimated useful lives using the straight-line method. Intangible assets created at time of acquisition based on purchase price allocation methodology. Intangible assets are amortized over their estimated useful lives using the straight-line method.

Capitalization of Platforms: Research and development cost are aimed at developing new and innovative products, expanding features for our existing platforms and products. Development cost comprises of third-party product development and other direct related cost associated with it. Internal cost which are revenue expenditure in nature are not capitalized. Development cost incurred are capitalized on product go-live.

## Provision for bad and doubtful debts

We have an Audit Committee approved policy on norm-based provision for bad and doubtful debts. Debtors are assessed at end of each reporting period and provided for based on bad and doubtful debt policy which is norm based (50%- debtor aged between 180-270 days and 100% for greater than 270 days for Enterprises and 100% for greater than 365 days for Government). Provisions created shall be higher of Expected Credit Loss (ECL) or provision determined by the policy.

## Investment policy

We have an Audit Committee approved policy on investments. Investments can be in form of liquid funds- fixed deposits/term deposits with banks, housing finance companies and saving scheme/securities/bonds issued by the central government. Investments are mainly in Fixed deposits with banks and housing finance companies having a credit rating of "AAA". Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

## Governance policies:

### Code of Conduct:

This code of conduct on the website is for Directors and Senior Employees- the code of conduct generally applicable to all employees in on the HRMS tool.

### Supplier code of conduct:

We believe in conducting business with ethics and integrity, treating all people with dignity and respect, supporting our communities and honoring the laws & regulations of the countries in which we operate. We will endeavor to choose reputable business partners who conduct their business in a manner that shows high ethical standards, safe and healthy work environments, protection of human rights and dignity, protection of environment and compliance with the law. The SCoC outlines our expectations regarding the workplace standards and the business practices of our suppliers and those in their supply chain.

### Whistle Blower Policy:

This policy is formulated with a view to provide a mechanism for employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the company's code of conduct.

### Code for Insider Trading:

All information shall be handled within the Company on a need-to-know basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his legal obligations. The Compliance Officer shall report on insider trading to the Board of Directors and to the Chairman of the Audit Committee, if any, at such frequency as may be stipulated by the Board of Directors.

**Risk Management policy:**

We are affected by general economic, financial, and regulatory developments at the domestic and international level, as well as by conditions specific to certain countries or regions. We have put in place a structure, procedures, and control systems to detect risks and implement appropriate measures to prevent and mitigate them. The Risk Management Committee reviews the efficiency of the internal control systems and submits a report to the Board and the shareholders.

**Related Party Transaction Policy:**

approved by the Audit Committee, are reported on a half-yearly basis to the Stock Exchanges. Our related party transactions are limited to inter-company transactions with our subsidiaries.

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# Definitions

## Platform business segment

Platform business segment refers to all revenue generated from "Platform as a service offering" where only cloud and hosting charges is a direct charge on revenue.

## Enterprise business segment

Enterprise business refers to revenue generated based on total transactions processed at an agreed price per transaction, through multiple channels like SMS, emails, WhatsApp and others. Cost of services for enterprise business mainly consist of transaction fee paid to mobile carriers and other suppliers.

## Gross profit

Revenue less cost of services. Cost of services comprises of service transaction fee paid to mobile carriers and other suppliers.

## Gross margin

The gross margin reflects percentage of revenue less cost of services.

## Sales and marketing expense

Sales and marketing expenses comprise of employee cost and expenses directly associated with sales, marketing, and promotional activities.

## General and administrative expense

General and administration expenses comprise of employee cost (excluding the salary cost mentioned above), cloud and data center hosting charges and expenses incurred for day-to-day operations such as rent of facilities, office maintenance, professional fee, and other general expenses.

## Operating profit-EBITDA

Earnings before interest, taxes, depreciation, and amortization reflects profit derived based on revenue less of operating expenses. It is reflection of profitability of operating business.

## Adjusted EBITDA

Adjusted EBITDA excludes one-time expenses such as one time acquisition, buy back, ESPS and other event related costs.

## Operating cash flow

Operating cash flow is a measure of amount of cash generated from business operations.

## Free cash flow

Free cash flow is derived by reducing capital expenditure from operating cash flow. It measures how much cash is at disposal after covering cost associated with business operations.

## Capex expenditure

Investments in platforms, IT & Networks and facilities during the period. Development cost incurred on intangible assets are capitalized until product starts generating revenue.

## Return on capital employed (ROCE)

### ROCE including CCE:

EBIT divided by capital employed. Capital employed is derived by reducing current liabilities from total assets.

### ROCE excluding CCE:

EBIT divided by capital employed. Cash and cash equivalents (CCE) are not considered while computing capital employed.

## Rule of 40

Rule of 40 metric is used to measure performance of SaaS companies. This metric which is a summation of Revenue growth and EBITDA margin is expected to be at or above 40%.

## New customer

New customers include every unique new contracting entity added in the year.

## Customer segments

Customer segments are arrived at on a quarterly annualized basis (quarter revenue multiplied by four).

## About Tanla:

Tanla Platforms Limited transforms the way the world collaborates and communicates through innovative CPaaS solutions. Founded in 1999, it was the first company to develop and deploy A2P SMSC in India. Today, as one of the world's largest CPaaS players, it processes more than 800 billion interactions annually and about 63% of India's A2P SMS traffic is processed through Trubloq, making it the world's largest Blockchain use case. Wisely, our patented enterprise grade platform offers private, secure and trusted experiences for enterprises and mobile carriers. Tanla Platforms Limited is headquartered in Hyderabad. Tanla is listed on two national exchanges, the NSE and BSE, and included in prestigious indices such as the Nifty 500, BSE 500, Nifty Digital Index, Nifty Alpha 50, FTSE Russell and MSCI.

## Guidance

Tanla does not provide any guidance.

## ESG

The purpose of our ESG is to build solutions & services which offer security & transparency, earning the trust of customers, investors and governments while acting responsibly towards employees and communities. We envision in building a resilient organization that engages with the customers, suppliers and employees to provide an unparalleled global communications platform while being steadfast to ethics and integrity that result in a better future and a committed triple bottom line of People Planet and Profit. To build strong ESG principles and process a wide range of initiatives are being implemented under ESG- achieving net zero neutrality by 2025.

## Forward-looking statements

This document might contain statements that are forward looking in nature. All statements other than statements of historical fact could be deemed as forward-looking in nature. Such state-

ments are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. By receiving this document, you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of our business.

## Certification

The CEO and CFO certify that financial results do not contain any false or misleading statements or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

## Headquarters

Tanla Technology Centre,  
Hi-Tech City Road, Madhapur,  
Hyderabad – 500 081,  
Telangana, India.  
CIN: L72200TG1995PLC021262  
[tanla.com](http://tanla.com)

## For additional information, please contact:

Ritu Mehta	Aravind Viswanathan
Investor Relations	Chief Financial Officer
<a href="mailto:ritu.mehta@tanla.com">ritu.mehta@tanla.com</a>	

## Board of Directors

Mr. Uday Reddy Founder Chairman & CEO	Ms. Amrita Gangotra Independent Director Ex CTIO -Vodafone	Mr. Sanjay Baweja Independent Director Ex CFO - Flipkart, Tata Communication Ltd	Mr. Rahul Khanna Independent Director Chief Investment officer Habrok Capital Management LLP
Mr. Rohit Bhasin Independent Director Ex-Partner - PWC India	Dr. A. G. Ravindranath Reddy Non-Executive Director Corporate consultant	Mr. Sanjay Kapoor Non-Executive Director Ex CEO - Airtel	Mr. Deepak Goyal Executive Director

## Auditors

Statutory Auditor M/s. MSKA & Associates Amit Agarwal - Partner	Internal Auditor Deloitte Touche Tohmatsu India LLP Vishal Shah - Partner	GST Auditor M/s. MSKA & Associates Abhinav Shrivastav
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## Consultants

Process consultants KPMG in India Purushothaman KG - Partner Amit Jain- Director	Secretarial consultants BSR & CO LLP Pradeep Narayana - Partner	Tax consultants PWC in India Amit Jain - Partner	Digitalization consultants EY Prashant Singhal - Partner
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