



 **Tanla Platforms Limited**
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Date: July 18, 2024

To,

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 532790	National Stock Exchange of India Ltd. “Exchange Plaza” Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 Symbol: TANLA
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Dear Madam/Sir,

Sub: Letter to Shareholders for quarter ended June 30, 2024.

With reference to the subject cited, we are enclosing herewith Letter to Shareholders for quarter ended June 30, 2024.

Request you to take the same on record and oblige.

Thanking you

Yours faithfully,
For **Tanla Platforms Limited**

Seshanuradha Chava
General Counsel and Company Secretary
ACS-15519



tanla BUSINESS REVIEW

Shareholders' Letter
and Results

Q1 FY25

Shaping the world of Digital Interactions

Durgam Cheruvu overlooking Tanla Innovation
Center, Hyderabad, India

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OTT contribution to overall revenue was 19.9% in Q1 FY25, as against 7.9% in Q1 FY24.

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About Tanla

Tanla 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.



Financial Performance Q1 FY25

Revenue

INR 10,022 Mn

↑ 10.0% YoY growth

Gross Profit

INR 2,694 Mn

↑ 11.7% YoY growth

EBITDA

INR 1,886 Mn

↑ 3.5% YoY growth

PAT

INR 1,412 Mn

↑ 4.3% YoY growth

EPS

INR 10.50 Per Share

↑ 4.3% YoY growth

Cash and Cash equivalents

INR 7,572 Mn

↑ INR 763 Mn QoQ

Digital Platforms

Revenue

INR 868 Mn

↓ 1.2% YoY de-growth

Gross Profit

INR 856 Mn

↑ 0.7% YoY growth

EBIT

INR 584 Mn

67.3% Margin

Enterprise Communications

Revenue

INR 9,154 Mn

↑ 11.2% YoY growth

Gross Profit

INR 1,838 Mn

↑ 17.7% YoY growth

EBIT

INR 1,073 Mn

11.7 % Margin

Significant Events

1. Tanla has once again been recognized as a 'Visionary' in the 2024 Gartner® Magic Quadrant™ for Communications Platform as a Service (CPaaS)
2. Tanla signed a commercial agreement with one of the Global Tech Majors on Wisely ATP to combat scam on their messaging platform by identifying fraudulent phone numbers
3. MaaS platform for Google RCS went live in July 2024
4. Appointment of Abhishek Kumar Jain as Chief Financial Officer effective August 1, 2024. Abhishek will join Tanla post a nearly two-decade stint in Wipro Limited, a leading publicly traded IT Services company

We are progressing well with our strategic shifts. Our ~3X growth over the year coupled with go-live of the MaaS platform showcases our leadership in OTT space. Our partnership with a global tech major on Wisely ATP to combat scams is a huge step to tackle this global menace. We are moving in the right direction to elevate our growth trajectory.

- Uday Reddy, Founder Chairman & CEO

Invitation to conference

Tanla will host a conference call and live webcast to discuss the financial results on July 19, 2024 at 4.30 PM IST. Watch the presentation at <https://bit.ly/TanlaQ1FY25EarningsCall>

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Message from Chairman

"I will start by sharing my thoughts on the industry trends, following which I will give you an update on the Digital Platform and Enterprise Communication businesses.

Industry Trend

I continue to feel very excited about the CPaaS industry in India. If you read my past letters, I have been consistently maintaining that the industry is operating at a TAM of ~\$1.5-\$1.8 billion and growing at mid to high teens. This has been validated by Gartner, which has noted that the commercial messaging market in India will reach \$3.2 billion by 2028.

Enterprise spending on all use cases is going up in volume terms, but the pricing dynamics vary across use cases. Domestic SMS continues to see volume growth, but it is a very price-sensitive environment. International SMS is soft as volumes are shifting to OTT channels like WhatsApp, which are also at lower price points (international message pricing for WhatsApp is at \$0.03 compared to mobile carriers at \$0.05). Enterprises are leveraging rich media OTT channels for their promotional spends due to higher readability, click-through rates, and conversational capabilities. WhatsApp is also changing its utility pricing starting August 2024. There is a big push by Google on RCS, and India is probably their biggest market. So, we are seeing a convergence of enterprise use cases across channels. This will lead to growth in OTT channels, which is around 15% of the market today and expected to become 50% of the market by 2028.

What do these trends mean for Tanla and why am I excited?

We are leaders in an industry with a growing TAM and are best positioned to address the market opportunity. In domestic SMS, which is 50%+ of our revenues, we have the scale and enterprise reach – we have the lowest sourcing cost in the industry, and that helps us drive profitable growth. International messaging has been a challenging market where there is a decline in volume and pricing, but we have de-risked ourselves by lowering our dependency on this business (~25% compared to 35%+ a year back). The real shift we have made at Tanla is around OTT channels, which now contribute 20% of our revenues and are growing at over 150% YoY. We have strong partnerships with all the OTT players – Google, Meta, and Truecaller – and we are investing in platforms and solutions to drive new use cases. As OTT channels grow, we are best positioned to grow in this space.

We are not stopping at enabling enterprises but are equally focused on protecting users. We are addressing very different buying centers in enterprises with our platforms like Wisely ATP, and we do not have competition in these white spaces.

Digital Platforms

Digital Platforms revenue de-grew by 1.2% YoY due to the loss of revenues on Vi network for ILD messaging. Normalized for this impact, our Digital Platforms revenue would have grown by 31% YoY. There would be no further impact on a sequential basis due to the Vi ILD network deal.



We have had two big developments in the last couple of months:

- We have gone live on our MaaP platform for Google RCS with Vodafone Idea Business Services – we expect the traffic to scale up in Q2 and beyond.
- We signed a commercial agreement with one of the Global Tech Majors on Wisely ATP to combat scams on their messaging platform by identifying fraudulent phone numbers – this is a global mandate, and we are very excited about how we are partnering with the ecosystem to combat the menace of phishing scams.

Enterprise Communications

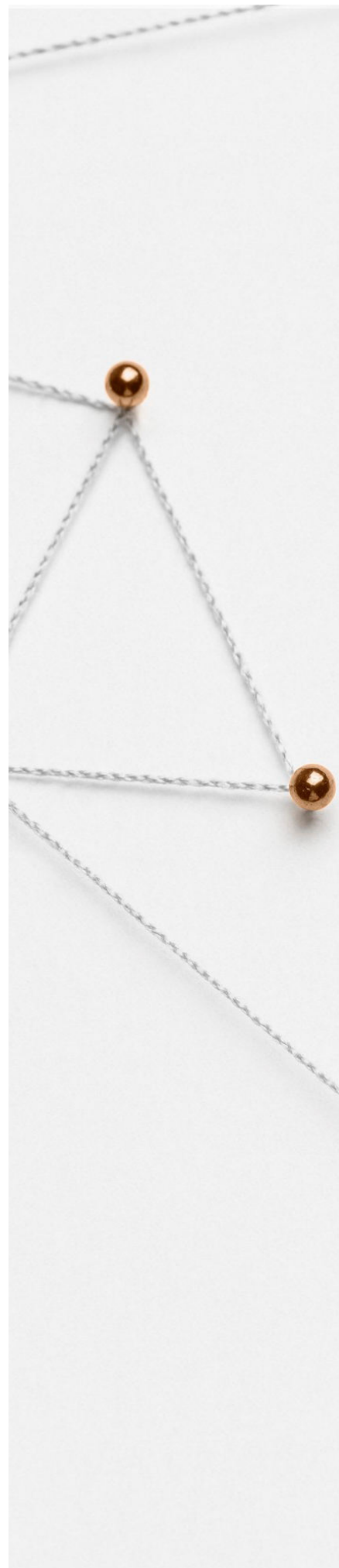
Enterprise communications revenues grew double digits driven by the growth of our OTT channels and the ValueFirst acquisition. We have seen a lot of growth in OTT – OTT channels grew by 2.7X YoY, compensating for the softness in the international SMS business. We added 121 new customers, out of which 19% were added on WhatsApp, overall contributing to INR 53.5 Mn in Q1. Our customers contributing to greater than INR 500 Mn annualized revenue grew by 9% sequentially.

In summary, we are proceeding well on our strategic shifts. We are gaining share in OTT, we are scaling new platforms, and we are pursuing interesting opportunities in our international expansion journey. We have received regulatory approval for the closure of the ValueFirst International acquisition, and we are likely to close the acquisition in July 2024.

I am very confident that we are moving in the right direction, and this will elevate our growth trajectory. Thank you for all the support and encouragement.”



Uday Reddy
Founder Chairman & CEO



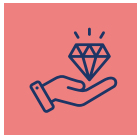
Case Study

Using WhatsApp to Fly High in Customer Delight



Problem Statement

India's largest airline group needed an efficient method to gather customer feedback and boost mobile application adoption to enhance the overall travel experience.



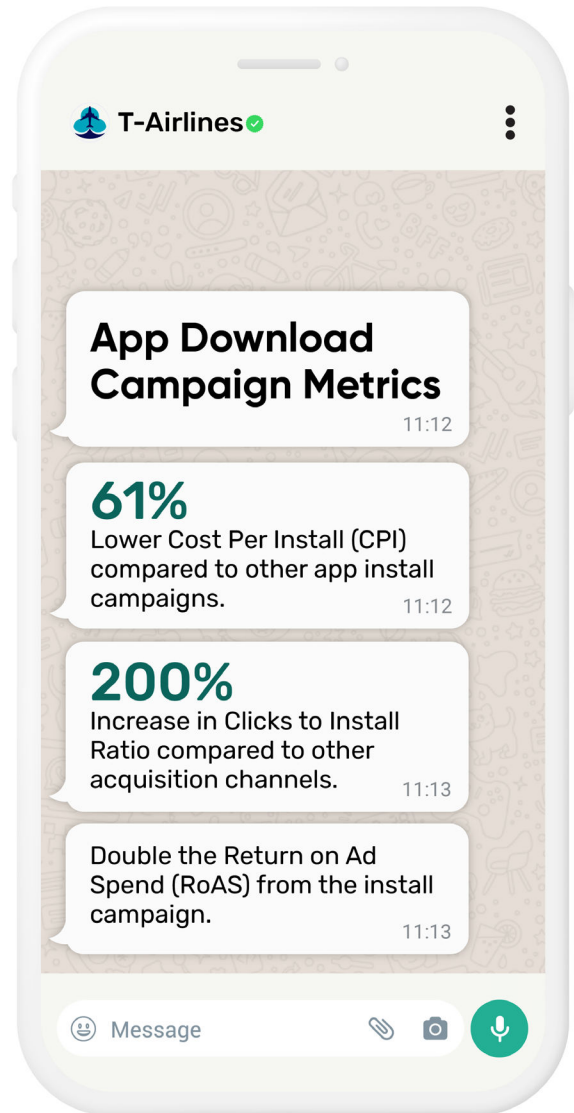
Value Proposition

By integrating WhatsApp Business API, the airline could streamline the entire feedback process and effectively promote their mobile app, significantly improving customer engagement and satisfaction.



Solution

Tanla implemented WhatsApp Business API for automated feedback collection and promotional campaigns, resulting in increased response rates, higher app downloads, and enhanced customer interaction.



If your goal is to enhance customer engagement in line with larger business goals in a short-time, use WhatsApp. The WhatsApp Business API is an easily scalable tool to gauge various use-case like customer experiences and drive sign-ups etc."

Chief Marketing Officer



Management Discussion

Q1 Can you summarize key outcomes on growth and profitability in Q1 FY25?

In Q1, revenue grew by 10.0% YoY to INR 10,022 Mn. We have delivered flat growth sequentially in a seasonally weak quarter.

From a channel performance in Q1, OTT continues to deliver strong growth. OTT contribution to overall revenue was 19.9% in Q1 FY25, as against 7.9% in Q1 FY24.

In Q1, gross profit grew by 11.7% YoY to INR 2,694 Mn and sequentially grew by 0.3%. We improved our gross margin by 17 bps sequentially to 26.9%.

On profitability front in Q1, EBITDA grew by 3.5% to INR 1,886 Mn. The YoY growth in EBITDA is post consolidation of ValueFirst India business. Profit after tax grew by 4.3% to INR 1,412 Mn. Earnings per share grew by 4.3% to INR 10.50.

Please click the below button for quarterly and yearly breakdown of Revenue, Gross Profit and EBIT for our two main segments.

[Deep dive chart](#)

Q2 Can you breakdown Digital Platforms performance of Q1?

In Q1, Digital Platforms revenue de-grew by 1.2% YoY to INR 868Mn. On a sequential basis, Digital Platforms revenue de-grew by 3.6%, mainly due to loss of revenues on Vi network for ILD messaging. If adjusted for Vi impact our Digital Platforms revenue would have grown by 31% YoY.

Gross profit grew by 0.7% YoY to INR 856 Mn in Q1. The gross profit expansion was driven by Trubloq and Wisely OTT. Gross profit margin increased by 186 bps to 98.7% in Q1. However, on sequential basis gross profit de-grew by 3.1% mainly due to Vi impact. If adjusted for the above impact the gross profit would have grown by 30% YoY.

Q3 Enterprise Communications segment delivered YoY growth. Can you pls breakdown the growth for the quarter?

Enterprise communications revenues grew by 11.2% YoY to INR 9,154 Mn driven by growth of our OTT channels and ValueFirst acquisition. WhatsApp grew 3x YoY. We are also scaling our RCS business and crossed 1.5 billion message milestone in Q1. Gross profit grew by 17.7% YoY to INR 1,838 Mn in Q1 and 2.0% sequentially. The gross profit expansion was led by WhatsApp and lower telco costs for domestic business.

We added 121 new customers, out of which 19% were added on WhatsApp, overall contributing to INR 54 Mn in Q1.

Q4 Can you please throw some colour on customer segment?

Our count of customers contributing to greater INR 10Mn annualized revenue grew by 49% YoY. Our annualized revenue from customers contributing to greater INR 10Mn grew by 3% YoY to INR 9,326 Mn. Our customers contributing to greater than INR 500 Mn annualized revenue grew by 9% QoQ to INR 4,048 Mn, however growth on YoY basis is not comparable to Q1 FY24, as ValueFirst was one of our top customers prior to acquisition. Customer concentration from top twenty customers reduced from 62% in Q1 FY24 to 43% in Q1 FY25, ValueFirst was one of our top customers. Post acquisition it ceases to be our top customer and its impact can be seen in customer concentration mix. .

Please click the below button to view customer segment.

[Deep dive chart](#)

Q5 Can you share the breakdown on indirect cost expense?

Indirect expenses grew by 37.0% YoY to INR 809 Mn in Q1. Sequentially indirect expenses remain flat excluding one-time expense of MWC 2024 (INR 273 Mn) incurred in Q4 FY24.

Indirect expense was at 8.1% of revenues in Q1 FY25, as against 6.5% in Q1 FY24 (prior to ValueFirst acquisition). On a sequential basis indirect cost excluding one-time expense of MWC 2024 remains constant at 8% of revenue in Q1.

Employee cost grew by 40.9% YoY to INR 473 Mn in Q1. The increase in employee cost is due to ValueFirst acquisition, net additions, salary increments and partly offset by lower RSU cost.

EBITDA grew by 3.5% YoY to INR 1,886 Mn in Q1. The YoY growth in EBITDA is post consolidation of ValueFirst India business. Adjusted EBITDA margin increased by 14 basis points sequentially to 18.8% in Q1.

Please click the below button to view indirect cost movement.

[Deep dive chart](#)

Q6 Can you share breakdown of depreciation and amortization expense for Q1?

Depreciation and amortization expense grew by 38.0% YoY to INR 227 Mn in Q1 FY25. The increase in depreciation and amortization is due to acquisition of ValueFirst India, capitalization of Wisely ATP and other infrastructure upgrades.

Please click the below button to view depreciation and amortization details.

[Deep-Dive Chart](#)

Q7 Can you share the breakdown of other income?

In Q1, other income grew by 82.9% YoY to INR 96 Mn. Interest income grew by 39.9% YoY to INR 66 Mn and generated an interest yield of 5.9% in Q1. We also received interest on income tax refund amounting to INR 27 Mn in Q1. We are making investments in form of liquid funds- fixed deposits/term deposits with banks, housing finance companies and saving scheme/ securities/bonds issued by the central government with a minimum rating of "AAA."

Please click the below button to view interest income details.

[Deep-Dive Chart](#)

Q8 Can you give a view on ETR?

The effective tax rate for Q1 FY25 is at 18.8%. The ETR decreased from previous year due to change in mix of business. Tax contribution to exchequer in Q1 was at INR 2,443 Mn. These contributions include corporate income taxes and contributions by way of withholding taxes and indirect taxes such as GST in India and Singapore, VAT in UAE etc.

Please click the below button to view ETR details.

[Deep-Dive Chart](#)

Q9 We understand that we have created a new ESOP trust. Can you please share more details about that and P&L impact for the same?

We have consistently adopted a compensation policy designed to attract, retain and reward employees, aligning their long-term interests with those of the company. We have created a new ESOP trust pool to grant RSU to the employees without diluting the share capital. Consequently, the previous scheme will be discontinued.

Q10 Can you breakdown the cash flow for Q1?

In Q1, we generated INR 895 Mn as cash from operations and INR 744 Mn in free cash flow. Our cash collections were spilled over in July 2024 impacting DSO days and free cash flow.

Please click the below button to view cash flow movement on sequential basis.

[Deep-Dive Chart](#)

Q11 Cash balance position at the end of Q1?

The cash balance increased by INR 763 Mn on sequential basis to INR 7,572. On a quarterly basis independent bank balance confirmation is obtained by our statutory auditors for 100% of our cash balance.

Please click the below button to view cash and cash equivalents breakdown.

[Deep-Dive Chart](#)

Q12 Can you share an update on acquisition of ValueFirst International business?

We have made progress and are on track to complete the acquisition in Q2.

Share performance and Ownership

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, FTSE Russell and MSCI.

Share capital

The Company has only one class of shares – equity shares of par value of INR1/- each. The authorized share capital of the Company is 20,00,00,000 equity shares. As on June 30, 2024, paid-up share capital was INR 134.5 Mn

Shareholder Ownership

As of June 30, 2024, Company has about 2,43,001 shareholders as compared to 2,40,882 shareholders as on March 31, 2024. Promoters and employees hold 47.5% of the total equity.

Movement in shareholder pattern for last five quarters:

Shareholder category	30-Jun-23	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24
Promoters	44.2%	44.2%	44.2%	44.2%	44.2%
Employees	4.8%	4.5%	3.4%	3.4%	3.4%
Retail	36.0%	35.4%	36.2%	36.6%	37.2%
FII	14.6%	15.2%	15.5%	15.1%	14.5%
Mutual Funds	0.4%	0.7%	0.8%	0.7%	0.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Annexure- 1 Quarterly Disclosures

(In INR Mn, unless otherwise stated)	Three months Ended Jun 30 (Unaudited)		Twelve months Ended Mar 31 (Audited)
	Q1 FY25	Q1 FY24	FY24
Revenue from operations	10,022	9,111	39,278
Gross profit	2,694	2,413	10,559
Gross margin	26.9%	26.5%	26.9%
EBITDA	1,886	1,822	7,322
Adjusted EBITDA	1,886	1,822	7,595
EBITDA margin	18.8%	20.0%	18.6%
Adjusted EBITDA margin	18.8%	20.0%	19.3%
EBITDA/Gross profit	70.0%	75.5%	69.3%
Adjusted EBITDA/Gross profit	70.0%	75.5%	71.9%
EBIT	1,658	1,658	6,470
Adjusted EBIT	1,658	1,658	6,743
EBIT margin	16.5%	18.2%	16.5%
Adjusted EBIT margin	16.5%	18.2%	17.0%
Interest Income	67	48	177
Interest yield	5.9%	5.0%	5.1%
Profit after tax	1,412	1,354	5,483
Adjusted Profit after tax	1,412	1,354	5,542
Profit after tax margin	14.1%	14.9%	14.0%
Adjusted Profit after tax margin	14.1%	14.9%	14.1%
Free cash flow	44	869	4,311
Earnings per share (In INR)	10.50	10.07	40.79
EBITDA per share (In INR)	14.02	13.56	56.49
Cash and Cash equivalents	7,231	8,039	6,810
ROCE - (Including CCE)	31.0%	38.4%	33.0%
ROCE - (Excluding CCE)	46.8%	71.8%	53.0%
DSO days	83	67	73
Average number of employees	1,028	625	921

CONDENSED CONSOLIDATED INCOME STATEMENT

(In INR Mn, unless otherwise stated)	Three months Ended Jun 30 (Unaudited)		Twelve months Ended
	Q1 FY25	Q1 FY24	Mar 31 (Audited)
			FY24
Revenue from operations	10,022	9,111	39,278
Cost of services	(7,328)	(6,698)	(28,719)
Gross profit	2,694	2,413	10,559
Operating expenses			
Sales and Marketing	(209)	(104)	(825)
General and administrative	(509)	(487)	(2,412)
Total operating expenses	(808)	(591)	(3,237)
EBITDA	1,886	1,822	7,322
Depreciation	(228)	(164)	(854)
EBIT	1,658	1,658	6,470
Finance cost	(16)	(10)	(62)
Other income	96	52	426
Profit before tax	1,739	1,700	6,834
Tax expenses	(327)	(346)	(1,351)
Profit after tax	1,412	1,354	5,483
Earnings per share (In INR)	10.50	10.07	40.79

CONDENSED CONSOLIDATED BALANCE SHEET

(In INR Mn, unless otherwise stated)	June 30, 2024	Mar 31, 2024
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,093	2,058
Platforms	917	758
Customer Relationships	289	308
Trade Name	30	34
Non-Compete	18	19
Technology & Software	329	307
Intangible assets under development	942	777
Goodwill	2,646	2,646
Right-of-use-lease assets	623	656
Capital work in progress	158	234
Investment Property	17	17

Financial assets	526	333
Deferred tax assets (net)	405	393
Other non-current assets	1,627	938
Total non-current assets	10,620	9,708
Trade receivables	9,782	8,424
Cash and bank balances	7,234	6,671
Other Financial assets	5,260	5,030
Other current assets	509	257
Total current assets	22,785	20,382
TOTAL ASSETS	33,405	30,090

EQUITY AND LIABILITIES

(In INR Mn, unless otherwise stated)	Jun 30, 2024 (Unaudited)	Mar 31, 2024 (Audited)
EQUITY AND LIABILITIES		
Equity share capital	134	134
Other equity	20,688	19,284
Total equity	20,822	19,418
Non current liabilities	-	-
Lease liabilities	555	590
Other financial liabilities	-	-
Provisions	17	16
Other non-current liabilities	8	8
Total Non Current Liabilities	580	614
Current liabilities	-	-
Trade payables	7,397	6,932
Lease liabilities	168	160
Other financial liabilities	2,549	2,638
Other current liabilities	254	169
Short term provisions	80	81
Liabilities for current tax (net)	1,555	87
Total Current liabilities	12,003	10,058
TOTAL EQUITY AND LIABILITIES	33,405	30,090

CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(In INR Mn, unless otherwise stated)	Share capital	Reserves	Retained earnings	Other contributions	Total
Opening balance 01 April 2023	134	2,502	12,165	374	15,175
Profit for the period	-	-	5,483	-	5,483
Other comprehensive income	-	-	-	22	22
Issue of equity shares	-	66	-	-	66
Shares bought back	-	-	-	-	-
Dividend declared	-	-	(1,344)	-	(1,344)
Others	-	17	-	-	17
Closing balance 31 March 2024	134	2,584	16,303	396	19,418
Opening balance 01 April 2023	134	2,584	16,303	396	19,418
Profit for the period	-	-	1,412	-	1,412
Other comprehensive income	-	-	-	1	1
Issue of equity shares	-	-	-	-	-
Shares bought back	-	-	-	-	-
Dividend declared	-	-	-	-	-
Others	-	(9)	-	-	(9)
Closing balance 30 June 2024	134	2,576	17,715	397	20,822

CONDENSED STATEMENT OF CASH FLOWS (Unaudited)

(In INR Mn, unless otherwise stated)	Q1 FY25	Q1 FY24	Q4 FY24
Cash flow before changes in working capital	1,901	1,879	1,684
Changes in working capital	(1,302)	(285)	500
Cash generated from operations	599	1,594	2,184
Taxes	299	(300)	(262)
Cash flow from operating activities	898	1,294	1,921
Net investments in tangible and intangible assets	(154)	(425)	(429)
Purchase/(Sale) of Investments in Subsidiary/associate	-	-	(0)
Proceeds from Sale of Property Plant and Equipment	-	-	31
Interest and other income received	66	52	9
Movement in other cash balances	(199)	-	-
Cash flow from investing activities	(287)	(373)	(389)
Dividend paid during the year	-	-	(807)
Payment and Interest paid on lease liabilities	(42)	2	(40)
Borrowings	-	-	(1)
Cash flow from financing activities	(42)	2	(848)
Cash flow for the period	-	923	685
Cash, cash equivalents at the beginning of period	6,671	7,116	6,162
Forex Fluctuations	(5)	-	(37)
Cash and cash equivalent	-	-	6,810
Fixed deposits having maturity greater than 12 months	338	-	-
Cash, cash equivalents closing balance	7,572	8,039	6,810

Annexure- 2 Quarterly Trends

Key financial ratios	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
Revenue growth	27.7%	1.1%	(1.7%)	(2.3%)	13.9%	18.5%	15.3%	20.6%	10.0%
Gross margin %	23.1%	24.2%	24.9%	27.5%	26.5%	27.4%	26.9%	26.7%	26.9%
EBITDA margin %	16.3%	16.4%	17.4%	20.0%	20.0%	19.5%	19.2%	16.0%	18.8%
Adjusted EBITDA %	16.3%	16.4%	17.4%	20.0%	20.0%	19.5%	19.2%	18.7%	18.8%
EBIT margin %	15.2%	15.2%	16.0%	18.2%	18.2%	17.3%	16.9%	13.7%	16.5%
Adjusted EBIT margin %	15.2%	15.2%	16.0%	18.2%	18.2%	17.3%	16.9%	16.4%	16.5%
Profit after tax margin %	12.5%	13.0%	13.4%	14.4%	14.9%	14.1%	14.0%	13.0%	14.1%
Adjusted Profit after tax margin %	12.5%	13.0%	13.4%	14.4%	14.9%	14.1%	14.0%	13.5%	14.1%
Free cash flow	718	(416)	(867)	1,472	869	1,310	640	1,492	744
Day sales outstanding	74	61	67	62	67	75	77	76	83
ROCE (Including CCE)	31.7%	32.7%	31.2%	34.0%	38.4%	38.5%	34.7%	32.5%	31.0%
ROCE (excluding CCE)	89.3%	73.9%	57.8%	61.4%	71.8%	55.0%	50.8%	49.6%	46.8%

Revenue (In INR Mn)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
Platform	680	751	782	815	879	953	958	900	868
Enterprise	7,321	7,759	7,914	7,520	8,232	9,133	9,068	9,155	9,154
Total	8,001	8,510	8,696	8,335	9,111	10,086	10,026	10,055	10,022

Gross profit (In INR Mn)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
Platform	653	724	751	781	851	931	934	884	856
Enterprise	1,197	1,332	1,418	1,508	1,562	1,831	1,765	1,802	1,838
Total	1,850	2,056	2,168	2,289	2,413	2,762	2,699	2,686	2,694

Gross margin	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
Platform	95.9%	96.4%	96.0%	95.9%	96.8%	97.7%	97.5%	98.2%	98.7%
Enterprise	16.4%	17.2%	17.9%	20.1%	19.0%	20.0%	19.5%	19.7%	20.1%
Total	23.1%	24.2%	24.9%	27.5%	26.5%	27.4%	26.9%	26.7%	26.9%

EBITDA (In INR Mn)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
EBITDA	1,307	1,395	1,513	1,661	1,822	1,968	1,928	1,604	1,886
EBITDA margin	16.3%	16.4%	17.4%	20.0%	20.0%	19.5%	19.2%	16.0%	18.8%
EBITDA/Gross profit	70.6%	67.8%	69.8%	72.6%	75.5%	71.3%	71.4%	59.7%	70.0%
EBITDA/per share	9.63	10.28	11.15	12.36	13.56	20.54	14.33	13.96	14.02
Adjusted EBITDA	1,307	1,395	1,513	1,661	1,822	1,968	1,928	1,877	1,886
Adjusted EBITDAMargin	16.3%	16.4%	17.4%	20.0%	20.0%	19.5%	19.2%	16.0%	18.8%

Profit/(loss) after tax (In INR Mn)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
Profit/(loss) after tax	1,004	1,104	1,165	1,203	1,354	1,425	1,401	1,302	1,412
Profit after tax margin	12.5%	13.0%	13.4%	14.4%	14.9%	14.1%	14.0%	13.0%	14.1%

Earnings per share (In INR)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
Basic earnings per share	7.40	8.14	8.58	8.88	10.07	10.60	10.42	9.69	10.50

Free cash flow (In INR Mn)	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
Free cash flow	718	(416)	(867)	1,472	869	1,310	640	1,492	744

RSU's vested yet to be exercised for FY25	No of RSU's
Opening Balance April 1, 2024	2,47,497
RSU's granted	3,213
RSU's vested	49,995
RSU's exercised	0
RSU's lapsed	(37,500)
Balance as on June 30, 2024	2,13,210

RSU's vested yet to be exercised for FY25	No of RSU's
RSU's vested yet to be exercised as on June 30, 2024	49,995
FY25	72,500
FY26	78,215
FY27	12,500
Balance as on June 30, 2024	2,13,210

Reconciliation to Reported (In INR Mn, unless otherwise stated)	Q1 FY25	Q1 FY24	Q4 FY24
Reported EBITDA	1,886	1,822	1,604
One-time Expense	-	-	273
Adjusted EBITDA	1,886	1,822	1,877
Adjusted EBIT	1,658	1,658	1,649
Adjusted PAT	1,412	1,354	1,361

(In INR Mn, unless otherwise stated)	Opening Assets	Additions	Capitalization	Closing Assets
Intangible assets under development	806	157	(21)	942

Goodwill (In INR Mn, unless otherwise stated)	Karix	Gamooga	ValueFirst	Total	Useful life	Impairment/Amortization	Net Carrying value
Goodwill	1,586	250	1,293	3,129	-	490	2,639

Property, Plant and Equipment (In INR million, unless otherwise stated)	June 30, 2024	March 31, 2024
Property, Plant and Equipment, Net		
Land	213	213
Buildings	104	106
Leasehold improvements	544	563
Furniture	309	321
Computers	861	790
Platforms & deployments	-	-
Office equipment	52	54
Vehicles	10	11
Total	2,093	2,058

Intangible assets (In INR million, unless otherwise stated)	June 30, 2024	March 31, 2024
Intangible assets		
Platforms	917	958
Customer Relationships	289	308
Trade Name	30	34
Technology	99	107
Non-compete	18	19
Software	229	200
Total Intangible assets	1,583	1,627
Intangible assets under development	942	806
Goodwill	2,646	2,646

Q1

Deep-Dive Chart - Key Metrics

(In INR Mn, unless otherwise stated)	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
Revenues					
Digital Platforms	879	953	958	900	868
Enterprise Communications	8,232	9,133	9,068	9,155	9,154
Total revenues	9,111	10,086	10,026	10,055	10,022
YoY % change	13.9%	18.5%	15.3%	20.6%	10.0%
Gross Profit					
Digital Platforms	851	931	934	884	855
Enterprise Communications	1,562	1,831	1,765	1,802	1,839
Total Gross profit	2,413	2,762	2,699	2,686	2,694
YoY % change	30.4%	34.3%	24.5%	17.2%	11.7%
Adjusted EBIT					
Digital Platforms	609	691	701	633	580
Enterprise Communications	1,049	1,051	993	1,016	1,078
Total EBIT	1,658	1,742	1,694	1,649	1,658

Q4

Deep-Dive Chart - Customer Segment

Customer segment	Q1 FY24		Q4 FY24		Q1 FY25	
	Count	Revenue	Count	Revenue	Count	Revenue
>INR 500 Mn	19	5,498	17	3,705	19	4,048
>INR 100 Mn - < INR 500 Mn	41	2,216	64	3,639	60	3,115
>INR 10 Mn- < INR 100 Mn	161	1,320	252	2,127	250	2,163
Total	221	9,034	333	9,471	329	9,326

Q5

Deep-Dive Chart - Indirect Cost Movement

(In INR Mn, unless otherwise stated)



Q6

Deep-Dive Chart - Depreciation and Amortization

(In INR Mn, unless otherwise stated)

	Q1 FY25	Q1 FY24	FY24
Amortisation on Platforms	63	50	215
Amortisation on Customer Relationship	18	31	167
Amortisation on Trade Name	4	1	14
Amortisation on Technology	8	-	25
Amortisation on Non-compete	1	1	5
Amortisation on Software	12	2	11
Depreciation on tangible assets & right of use assets	121	80	416
Total Depreciation & amortisation	227	165	853

Q7

Deep-Dive Chart - Other Income

Other Income (In INR million, unless otherwise stated)

	Q1 FY25	Q1 FY24	FY24
Interest income	66	48	177
Interest on income tax refund	27	-	8
Miscellaneous income	2	-	241
Others	-	5	0
Other income	96	53	426
Interest yield	5.9%	5.0%	5.1%

Q8

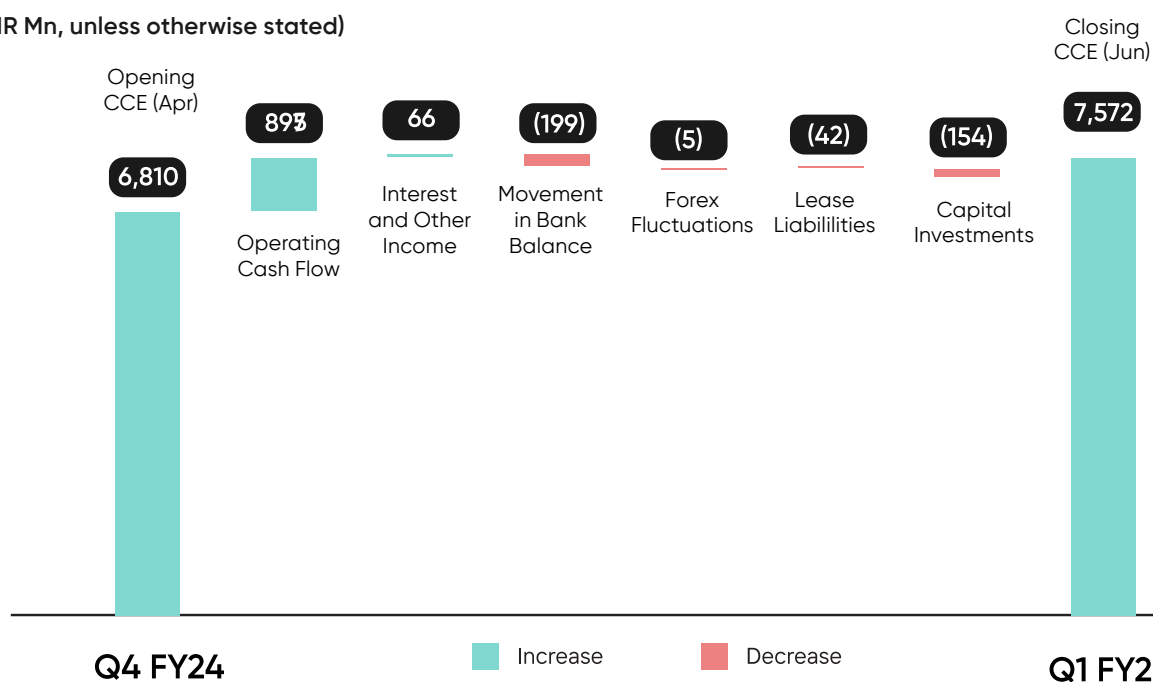
Deep-Dive Chart - ETR Statement

(In INR million, unless otherwise stated)	Q1 FY25	Q1 FY24	FY24
Profit before tax	1,739	1,700	6,834
Tax expense	(327)	(346)	(1,351)
Profit after tax	1,412	1,354	5,483
Effective tax rate	18.8%	20.0%	19.8%

Q10

Deep-Dive Chart - Cashflow Movement

(In INR Mn, unless otherwise stated)



Cash and cash equivalents includes fixed deposits with maturity greater than twelve months

Q11

Deep-Dive Chart - Cash and Cash Equivalents breakup

In Mn, unless otherwise stated	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25
Cash					
Restricted cash	263	593	593	538	568
Current accounts- INR	1,089	247	141	122	248
Current accounts- USD	1,704	1,750	638	948	1,154
Investments					
Fixed deposits	4,982	2,860	4,790	5,202	5,602
Cash and cash equivalents (CCE)	8,039	5,450	6,162	6,810	7,572

Restricted cash is held as margin money deposits given for bank guarantees and cash credit limits.

(In INR Mn, unless otherwise stated)	Current accounts- INR	Current accounts- USD	Fixed deposits	Restricted cash	Total
Cash, cash equivalents composition					
HDFC Bank	156	66	4,467	531	5,220
HDFC Limited (Deposits)	-	-	-	-	-
LIC Housing LTD (Deposits)	-	-	-	-	-
State Bank of India	20	-	473		493
Axis Bank	5	-	201	1	207
ICICI Bank	51	-	367	-	418
Kotak Mahindra Bank	3	-	63	-	66
Citibank (Dubai)	-	387	-	5	391
DBS Bank (Singapore)	-	701	-	31	732
Others (IDBI)	13	-	31	-	44
Total	248	1,154	5,602	568	7,572

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

Revenues are derived from our Enterprise and Platform business. Revenues from Enterprises are computed based on total transactions processed through our platforms at an agreed price per transaction. Platform revenues are computed by way of revenue share measured as a rate applicable to transaction processed on mobile carrier's network. 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 amortised over their estimated useful lives using the straight-line method. Right-of-use asset represents leased assets (leased office space) and is depreciated over their useful life.

Capitalization of Platform cost: 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. Development cost incurred are capitalized on product go-live.

Provision for bad and doubtful debts

The provision for bad and doubtful debt policy is a norm-based policy approved by the Audit Committee Debtors are assessed at end of each reporting period and provided for based on the policy, 50%- debtor aged between 180-270 days and 100% for greater than 270 days for Enterprise customers and 100% for greater than 365 days for PSU and government. Provisions created shall be higher of Expected Credit Loss (ECL) or provision determined by the policy.

Investment policy

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 which is approved by the Audit Committee. 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.

Dividend policy

The dividend policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining funds for longer term sustainable growth of the Company. The Company would maintain a total dividend pay-out of 30% of the annual Consolidated Profits after Tax (PAT) of the Company. PAT means Profit after tax as per the audited consolidated P&L financials and available as distributable surplus to the shareholders.

Governance policies

Code of Conduct:	Tanla is committed to follow the best business, commercial and legal practices. The Code of Conduct is intended to guide the Board in implementation of the code. The code is applicable to all employees of Tanla including the Directors of Tanla and its subsidiaries.
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:	<p>The Code prescribes the Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of the Company.</p> <p>The trading window shall be closed from 1st of month of every quarter till 48 hours after the declaration of the financial results. The Trading window will be closed from 1st March, 1st June, 1st December, 1st December until 48 hours after the declaration of financial results of the Company for the respective quarter.</p>
Risk Management policy:	The Company is affected by general economic, financial, and regulatory developments at the domestic and international level. We have in place a structure, procedures, and control systems to detect & identify risks and implement appropriate measures to mitigate and prevent them.
Related Party Transaction Policy:	Related party transactions are subject to the Audit Committee's approval. As required by the applicable Regulations, all related party transactions are reported on a half-yearly basis to the Stock Exchanges. Our related party transactions are limited to inter-company transactions.
Environmental policy	We endeavour to reduce the impact of our operations and business activities on the environment while influencing the people in our value chain as well as our social interactions to follow the path of environmentally sustainable living.

Definitions

Platform business	Platform business refers to revenue generated from “Platform as a service offering”, where only cloud and hosting are a charge on revenue.
Enterprise business	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 forming part of S&M), 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.
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.
EBIT	Revenues – Cost of sales (where applicable) – indirect cost (includes platform operational cost, people cost and overheads, SG&A) – depreciation – allocated corporate 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.
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 60	Rule of 60 metric is used to measure performance of SaaS companies. This metric which is a summation of Revenue growth and EBIT margin is expected to be at or above 60%. We are tracking this metric only for Digital Platforms.
New customer	New customers include every unique new contracting entity added in the year.

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, 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 organisation 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.

Board of Directors

Mr. Uday Reddy
Founder Chairman & CEO

Ms. Amrita Gangotra
Independent Director

Mr. Rahul Khanna
Independent Director

Mr. Rohit Bhasin
Independent Director

Mr. Sanjay Kapoor
Non-Independent Non-Executive Director

Mr. Deepak Goyal
Executive Director

Dr. RS Sharma
Independent Director

Auditors

Statutory Auditor
M/s. MSKA & Associates
Ananthakrishnan Govindan - Partner

Internal Auditor
Deloitte Touche Tohmatsu India
LLP Vishal Shah - Partner

GST Consultants
M/s. BDO India LLP INDIA
Rajitha Boorugu - Partner

Consultants

Tax consultants
PWC in India
Amit Jain - Partner

ESG consultants
Ernst & Young
Sayooj Thekkevariath -Partner

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 statements 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

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