



Tanla Solutions Limited
Tanla Technology Center
Hi-tech city Road, Madhapur,
Hyderabad, India - 500081
CIN: L72200TG1995PLC021262

T: +91-40-40099999
info@tanla.com
tanla.com

February 13, 2020

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
---	---

Dear Madam/Sir,

Sub: Outcome of Board Meeting - Unaudited Financial Results for the quarter and nine months ended December 31, 2019.

With reference to the notice issued on February 5, 2020, we would like to inform you that the Audit Committee of the Company at their meeting held on February 12, 2020 have *inter alia* recommended the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2019 to the Board of Directors for its approval. The Board of Directors of the Company at their meeting held on February 13, 2020 have *inter alia* approved the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2019.

In terms of the above, we are enclosing herewith the following:

1. Unaudited financial results of the Company and Unaudited consolidated financial results of the Company, its subsidiaries and associate for the quarter and nine months ended December 31, 2019, under Ind AS, which have been approved and taken on record at a meeting of the Board of Directors of the Company held today.
2. Limited Review Report pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015, for Unaudited Financial Results (Consolidated & Standalone) for the quarter and nine months ended December 31, 2019 from MSKA & Associates, our Statutory Auditors.

The Board Meeting commenced at 9.30 A.M and concluded at 04.15 PM.

Request you to take the same on record and oblige.

Yours faithfully,

For **Tanla Solutions Limited**




Seshanuradha Chava
VP - Legal & Secretarial
ACS-15519

Encl.: as above



MSKA
& Associates

Chartered Accountants

1101/B, Manjeera Trinity Corporate,
JNTU-Hitech City Road, Kukatpally,
Hyderabad-500072, Telangana, INDIA
Tel: +91 40 6814 2999

Independent Auditor's Review Report on Consolidated Unaudited Quarterly and year to date financial results of Tanla Solutions Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**The Board of Directors
Tanla Solutions Limited**

1. We have reviewed the accompanying statement of consolidated unaudited financial results of **Tanla Solutions Limited** ('the Holding Company'), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') and its share of the net loss after tax and total comprehensive loss of its associate and joint ventures for the quarter ended December 31, 2019 and the year to-date results for the period from April 01, 2019 to December 31, 2019 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



The Statement includes the results of the following entities:

Sr. No	Name of the Company	Relationship with the Holding Company
1	Tanla Corporation Private Limited, India	Wholly Owned Subsidiary
2	Tanla Mobile Asia Pacific Pte Limited, Singapore	Wholly Owned Subsidiary
3	Capitalsiri Investments Private Limited, India	Wholly Owned Subsidiary
4	Karix Mobile Private Limited, India	Wholly Owned Subsidiary
5	Gamooga Softtech Private Limited	Wholly Owned Subsidiary
6	Tanla Digital Labs Private Limited	Wholly Owned Subsidiary
7	Unicel Technologies Private Limited, India	Step Down Subsidiary
8	TZ Mobile Private Limited, India	Joint Venture
9	Jengatron Gaming Private Limited, India	Associate Company

4. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 5, 6 and 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the financial information of Dubai branch included in the standalone unaudited financial results of the holding company, whose information reflect total revenues of Rs. 208.57 Lakhs and Rs. 1596.13 Lakhs, total net loss after tax of Rs. 5,032.12 Lakhs and Rs. 20,841.56 Lakhs and total comprehensive income of Rs. 29.77 Lakhs and Rs. 104.53 Lakhs for the quarter ended December 31, 2019 and for the period from April 01, 2019 to December 31, 2019 respectively, as considered in the respective standalone unaudited financial information of the entities included in the Group. The financial information of this branch were reviewed by the other auditor whose report has been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.



6. We did not review the financial information of three subsidiaries included in the consolidated unaudited financial results, whose financial information reflect total revenues of Rs. 16,157.69 Lakhs and Rs. 31,551.77 Lakhs, total net profit after tax of Rs. 419.07 Lakhs and Rs. 864.15 Lakhs and total comprehensive income of Rs. 0.37 Lakhs and Rs. 6.13 Lakhs, for the quarter ended December 31, 2019 and for the period from April 01, 2019 to December 31, 2019, respectively, as considered in the consolidated unaudited financial results. These financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

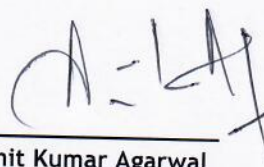
7. The consolidated unaudited financial results also includes the Group's share of net loss after tax of Rs. NIL and Rs. 169.04 for the quarter ended December 31, 2019 and for the period from April 01, 2019 to December 31, 2019, respectively, as considered in the consolidated unaudited financial results, in respect of associate and joint venture, based on their financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

8. The unaudited/ audited consolidated statement of the Group for the comparative period from April 01, 2018 to December 31, 2018 and year ended March 31, 2019 were reviewed/ audited by another auditor vide their unmodified limited review report dated January 23, 2019 and unmodified audit opinion dated May 02, 2019 respectively.

Our conclusion on the statement is not modified in respect of the above matter.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.105047W



Amit Kumar Agarwal
Partner
Membership No: 214198



Place: Mumbai
Date: February 13, 2020
UDIN: 20214198AAAABD2369



MSKA
& Associates

Chartered Accountants

1101/B, Manjeera Trinity Corporate,
JNTU-Hitech City Road, Kukatpally,
Hyderabad-500072, Telangana, INDIA
Tel: +91 40 6814 2999

Independent Auditor's Review Report on unaudited quarterly and year to date financial results of Tanla Solutions Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**The Board of Directors
Tanla Solutions Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Tanla Solutions Limited** ('the Company') for the quarter ended December 31, 2019 and the year to date results for the period from April 01, 2019 to December 31, 2019 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. We did not review the financial information of Dubai branch included in the standalone unaudited financial results of the Company, whose information reflect total revenues of Rs. 208.57 Lakhs and Rs. 1,596.13 Lakhs, total net loss after tax of Rs. 5,032.12 Lakhs and Rs. 20,841.65 Lakhs and total comprehensive income of Rs. 29.77 Lakhs and Rs. 104.53 Lakhs for the quarter ended December 31, 2019 and for the period from April 01, 2019 to December 31, 2019 respectively. The financial information of the branch were reviewed by the other auditor whose report has been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

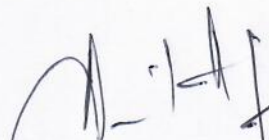
6. The unaudited standalone results of the Company for the comparative period from April 01, 2018 to December 31, 2018 and year ended March 31, 2019 were reviewed/ audited by another auditor vide their unmodified limited review report dated January 23, 2019 and unmodified audit opinion dated May 02, 2019 respectively.

Our conclusion on the Statement is not modified in respect of the above matter.

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W



Amit Kumar Agarwal

Partner

Membership No: 214198



Place: Mumbai

Date: February 13, 2020

UDIN: 20214198AAAABC1108

TANLA SOLUTIONS LIMITED

CIN: L72200TG1995PLC021262

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



₹ in Lakhs

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



Notes:

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

1. Karix Mobile Pvt Ltd., India	2. Unicel Technologies Pvt Ltd., India	3. Tanla Mobile Asia Pacific Pte Ltd., Singapore
4. Tanla Corporation Pvt Ltd, India	5. Capitalsiri Investments Pvt Ltd. India	6. Gamooga Softtech Pvt Ltd., India
7. Tanla Digital Labs Pvt Ltd., India	Joint venture: 8. TZ Mobile Private Limited	Associate: 9. Jengatron Gaming India Pvt Ltd
- (i) The following companies were acquired w.e.f., April 10, 2019 : 1. Karix Mobile Pvt Ltd., India, 2. Unicel Technologies Pvt Ltd., India and the Consolidated financial results for the quarter and nine months ended December 31, 2019 include the results of the operations of the above entities from April 10, 2019. The corresponding figures for the prior periods are not comparable.
 (ii) The Company has acquired Gamooga Softtech Private Limited w.e.f., October 24, 2019. The Consolidated financial results for the quarter ended December 31, 2019 include the results of the operations of the above entity from October 24, 2019. The corresponding figures for the prior periods are not comparable. The accounting for the above business combinations have been made on a provisional basis as information regarding the identifiable assets and liabilities as at the acquisition date may arise during the measurement period within the financial year.
- As per the Telecom Commercial Communications Customer Preference Regulations (TCCPR), 2018, Voice and Text communications should be provided using block chain technology. New Technology and cloudification of services has resulted in a need for re-assessment of useful life of technology assets leading to additional provision of accelerated depreciation amounting to ₹ 3,767.00 lakhs for Q3FY20 and ₹ 21,955.18 lakhs for nine months ended December 31, 2019 (December 31, 2018 - Nil)
- Merger of Karix Mobile Private Limited and Unicel Technologies with Tanla Corporation Private Limited is in progress. As per the NCLT order dated December 19, 2019, a meeting of the unsecured creditors of Unicel Technologies Private Limited was conducted on Feb 01, 2020 and the requisite reports have been submitted on Feb 03, 2020. Final petition has been filed with the NCLT.
- Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", which sets out the principles for recognition, measurement, presentation and disclosure of leases and require lessees to account for all the leases under a single on-balance sheet date model. The adoption of the standard did not have any material impact on the financial results of the company for the quarter and nine months ended December 31, 2019.
- Tanla Digital Labs Private Limited, ("Tanla Digital Labs") wholly owned subsidiary of Tanla Solutions Limited was incorporated on December 18th, 2019, to focus on innovation and development of new products and solutions using state of art technology, pursuant to approval by the Board of Tanla Solutions Limited for investment u/s 186 of the Companies Act, 2013. Tanla Digital Labs has been granted approval for setting up a SEZ unit in Raheja Mindspace, Hi-Tech City, Hyderabad- 500081.
- The Government of India, on September 20, 2019, vide the Taxation laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income tax Act, 1961, which provides an option to the Company for paying income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company is in the process of evaluating its position with respect to the aforesaid option.
- The Company operates predominantly in "A2P messaging services", accordingly reporting is done on single segment basis.
- The Un-audited financial results for the quarter and nine months ended Dec 31, 2019 are available on the Company's website (www.tanla.com) and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com)

Key standalone information is given below :

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

₹ in Lakhs

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

Mumbai
February 13, 2020

For and on behalf of the Board of Directors

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

