

Investment Banking

Peninsula Business Park, 4th Floor, Tower B, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

Tel.: 022 - 3395 8150 **Fax** : 022 - 3078 8584 **Email**: investmentbanking@hdfcbank.com

Website: www.hdfcbank.com

Date: May 27, 2020

To,

BSE Limited

Department of Corporate Services Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 Scrip: 532790

Dear Sirs.

Sub: Buyback of not exceeding 1,90,12,345 fully paid-up equity shares of face value of INR 1/- each (the "Equity Shares") of Tanla Solutions Limited (the "Company") at a price of INR 81/- per Equity Share through the tender offer process, pursuant to the provisions of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended and the Companies Act, 2013, as amended ("Buyback").

The Company is undertaking the Buyback through the tender offer process, in accordance with the Companies Act, 2013, as amended ("Companies Act") and Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended ("SEBI Buyback Regulations") and other applicable laws, if any.

The Company has appointed HDFC Bank Limited as the merchant banker to the Buyback ("Manager to the Buyback") to manage the Buyback.

In this connection, pursuant to Regulation 7 of the SEBI Buyback Regulations, the Company has published a public announcement dated May 26, 2020 for the Buyback on May 27, 2020, in the newspapers mentioned below:

Name of the Newspaper	Language	Editions
Business Standard	English	All editions
Business Standard	Hindi	All editions
Jansatta	Hindi	All editions
Daily Hindi Milap	Hindi	Hyderabad
Namasthe Telangana	Telugu	Hyderabad
Financial Express	English	All editions

In this regard, we as Manager to the Buyback, submit a copy of the Public Announcement that has been published in the aforesaid newspapers.

You are requested to kindly take the same on record.

For HDFC Bank Limited

Authorised Signatory Name: Ajay Pancholi

Designation: Head – Equity Capital Markets

Enclosures: As above

Regd. Office: HDFC Bank Limited, HDFC Bank House, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 CIN: L65920MH1994PLC080618



TANLA SOLUTIONS LIMITED

Registered Office: Tanla Technology Centre, Hitech City Road, Madhapur, Hyderabad - 500 081. Tel: +91 40 4009 9 E-mail: investorhelp@tanla.com | Contact Person: Ms. Seshanuradha Chava, Vice President - Legal & Secretarial

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF TANLA SOLUTIONS LIMITED FOR THE BUYBACK OF EQUITY SHARES THROUGH THE TENDER OFFER ROUTE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED

This Public Announcement (the "Public Announcement") is made in relation to the Buyback (as defined below) of Equity Shares (as defined below) of Tanla Solutions Limited (the "Company") through the tender offer process, pursuant to Regulation 7(i) and other applicable provisions of the Securities and Exchange Board of India (Buv-Back of Securities) Regulations, 2018, as amended (including any statutory modification(s), amendment(s) or reenactments from time to time) (the "SEBI Buyback Regulations") along with the requisite disclosures as specified in Schedule II of the SEBI Buyback Regulations read with Schedule I of the SEBI Buyback Regulations

OFFER FOR BUYBACK OF NOT EXCEEDING 1,90,12,345 (ONE CRORE NINETY LAKHS TWELVE THOUSAND THREE HUNDRED AND FORTY FIVE ONLY) FULLY PAID-UP EQUITY SHARES HAVING A FACE VALUE OF INR 1/ (INDIAN RUPEE ONE ONLY) EACH OF THE COMPANY ("EQUITY SHARES") AT A PRICE OF INR 81/- (INDIAN RUPEES EIGHTY ONE ONLY) PER EQUITY SHARE, PAYABLE IN CASH, ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS

1. DETAILS OF THE BUYBACK AND BUYBACK PRICE

- The board of directors of the Company ("Board") at its meeting held on April 22, 2020 ("Board Meeting") and the special resolution passed by the shareholders of the Company through postal ballot (by way of remote e-voting only) pursuant to a postal ballot notice dated April 22, 2020 ("Postal Ballot Notice"), the results of which were declared on May 23, 2020, subject to approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, have approved the buyback of the Company of its equity shares having a face value of INR 1/- (Indian Rupee One Only) each not exceeding 1,90,12,345 Equity Shares, at a price of INR 81/- (Indian Rupees Eighty One Only) per Equity Share ("Buyback Offer Price"), payable in cash, for an aggregate maximum amount not exceeding INR 154,00,00,000/- (Indian Rupees One Hundred and Fifty Four Crores Only), excluding any expenses incurred or to be incurred for the buyback viz. brokerage, costs, fees, turnover charges, taxes such as buyback tax, securities transaction tax and goods and services tax (if any), stamp duty, advisors fees, filing fees, printing and dispatch expenses and other incidental and related expenses and charges ("Transaction Costs") (such maximum amount hereinafter referred to as the "Buyback Offer Size"), from all the shareholders/ beneficial owners of the Equity Shares of the Company, as on June 10, 2020 ("Record Date") (for further details on in relation to the Record Date, refer to paragraph 11 of this Public Announcement), on a proportionate basis through the "tender offer" route as specified under the SEBI Buyback Regulations.
- 1.2. The Buyback is pursuant to Article 3 of the Articles of Association of the Company, Sections 68, 69, 70, 108, 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended ("Companies Act") and the relevant rules made thereunder including the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Management and Administration) Rules, 2014, each as amended from time to time and to the extent applicable. the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), the SEBI Buyback Regulations read with the SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and such other circulars or notifications, as may be applicable (hereinafter referred to as the "Buyback").
- .3. The maximum amount required for the Buyback will not exceed INR 154,00,00,000/- (Indian Rupees One Hundred and Fifty Four Crores Only) excluding the Transaction Costs, being 22.32% and 24.65% of the total paid-up capital and $free\ reserves\ based\ on\ the\ standalone\ and\ consolidated\ financial\ statements\ of\ the\ Company\ as\ on\ March\ 31,\ 2019,$ respectively, which is not exceeding 25% of the aggregate of the total paid-up capital and free reserves of the Company as per latest available standalone and consolidated audited financials of the Company as on March 31
- .4. Further, under the Companies Act and SEBI Buyback Regulations, the number of Equity Shares that can be bought back in any financial year shall not exceed 25% of the total paid-up equity capital of the Company in that financial year. The Company proposes to Buyback not exceeding 1,90,12,345 Equity Shares of the Company, representing 12.49% of the total number of Equity Shares in the total existing paid-up equity capital of the Company, and 16.44% and 13.02% of the total number of Equity Shares in the total paid-up equity capital as of March 31, 2019, and March 31, 2020, respectively. Therefore, the number of Equity Shares proposed to be purchased under the Buyback does not exceed 25% of the total number of Equity shares in the existing total paid-up equity capital of the Company and of the total paid-up equity capital of the Company as of March 31, 2019 and March 31, 2020
- .5. The Buyback shall be undertaken on a proportionate basis from the shareholders of the Equity Shares of the Company as on the Record Date ("Eligible Shareholders") through the tender offer process prescribed under Regulation 4(iv)(a) of the SEBI Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified by the Securities and Exchange Board of India ("SEBI") in its circular bearing reference number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular bearing reference number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and such other circulars as may be applicable, including any further amendments thereof (such circulars hereinafter referred to as the "SEBI Circulars"). Please refer to paragraph 11 below for further details regarding the Record Date and shareholders' entitlement to tender the Equity
- 1.6. The Buyback of Equity Shares may be subject to taxation in India and/or in the country of residence of the Eligible Shareholders. The transaction of Buyback would also be chargeable to securities transaction tax in India. In due course. Eliqible Shareholders will receive a letter of offer, which will contain a more detailed note on taxation. However in view of the particularized nature of tax consequences, Eligible Shareholders are advised to consult their own legal financial and tax advisors for the applicable tax implications prior to participating in the Buyback
- .7. A copy of this Public Announcement is available on the Company's website i.e., www.tanla.com, and is expected to be made available on the website of the SEBI i.e., www.sebi.gov.in and on the website of BSE Limited and National Stock Exchange of India Limited i.e., www.bseindia.com and www.nseindia.com respectively, during the period of the

NECESSITY FOR THE BUYBACK AND DETAILS THEREOF

The Buyback is being undertaken by the Company after taking into account the strategic and operational cash requirements of the Company in the medium term and for returning surplus funds to the members in an effective and efficient manner. The Board at its meeting held on April 22, 2020 considered the accumulated free reserves as well as the cash liquidity reflected in the latest available standalone and consolidated audited financial statements as on March 31, 2019 and also as on the date of the Board Meeting and considering these, the Board decided to allocate not exceeding INR 154.00.00.000/- (Indian Rupees One Hundred and Fifty Four Crores Only) excluding the Transaction Costs for distributing to the shareholders holding Equity Shares of the Company through the Buyback.

After considering several factors and benefits to the shareholders holding Equity Shares of the Company, the Board decided to recommend Buyback of not exceeding 1,90,12,345 Equity Shares at a price of INR 81/- (Indian Rupees Eighty One Only) per Equity Share for an aggregate amount not exceeding INR 154,00,00,000/- (Indian Rupees One Hundred and Fifty Four Crores Only). Buyback is being undertaken, inter-alia, for the following reasons

- The Buyback will help the Company to return surplus cash to its shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to shareholders;
- The Buyback, which is being implemented through the tender offer route as prescribed under the SEBI Buyback Regulations, would involve allocation of number of Equity Shares as per their entitlement or 15% of the number of Equity Shares to be bought back whichever is higher, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder" as per Regulation 2(i)(n) of the SEBI Buyback Regulations;
- The Buyback may help in improving its earning per Equity Share and return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value; and
- (iv) The Buyback gives an option to the shareholders holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without

3. BASIS OF ARRIVING AT THE BUYBACK OFFER PRICE OF THE BUYBACK

2020, being the day preceding the Intimation Date.

- The Equity Shares of the Company are proposed to be bought back at a price of INR 81/- (Indian Rupees Eighty One Only) per Equity Share. The Buyback Offer Price has been arrived at, after considering various factors including, but not limited to, the trends in the volume weighted average prices of the Equity Shares on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE" and together with BSE, the "Stock Exchanges") where the Equity Shares are listed, the net worth of the Company, price earnings ratio, impact on $other financial\ parameters\ and\ the\ possible\ impact\ of\ Buyback\ on\ the\ earnings\ per\ Equity\ Share.$
- The Buyback Offer Price represents:
 - (a) Premium of 17.70% and 15.76% over the volume weighted average market price of the Equity Shares on NSE and BSE, respectively, during the three months preceding April 17, 2020, being the date of intimation to
 - $the \, Stock \, Exchanges \, for \, the \, Board \, Meeting \, to \, consider \, the \, proposal \, of \, the \, Buyback \, (\text{``Intimation Date''}).$ (b) Premium of 55.80% and 55.35% over the volume weighted average market price of the Equity Shares on
 - $\label{eq:NSE} \textbf{NSE} \ \text{and} \ \textbf{BSE}, \textbf{respectively}, \textbf{for two weeks preceding the Intimation Date}.$ Premium of 48.08% over the closing price of the Equity Shares on the Stock Exchanges as on the Intimation
 - Date Premium of 55.47% over the closing price of the Equity Shares on the Stock Exchanges as on April 16,
- DETAILS OF PROMOTERS. MEMBERS OF THE PROMOTER GROUP, PERSONS IN CONTROL AND DIRECTORS OF PROMOTERS AND MEMBERS OF THE PROMOTER GROUP SHAREHOLDING AND OTHER
- DETAILS The aggregate shareholding of the promoters, members of the promoter group, directors of the promoter and
 - members of the promoter group, where such promoter or promoter group entity is a Company and of persons $who \ are \ in \ control \ of \ the \ Company, \ as \ on \ the \ date \ of \ the \ Postal \ Ballot \ Notice \ (i.e., April \ 22, 2020) \ and \ the \ date \ of \ and \$ this Public Announcement i.e. May 26, 2020, is as follows:

Sr. No.	Name of the Shareholder	Number of	% of paid up
		Equity Shares	equity share capital
1.	Uday Kumar Reddy Dasari*	2,81,03,431	18.46
2.	D Tanuja Reddy**	2,10,88,127	13.85
3.	TNA Corporation LLP	34,79,000	2.28
4.	Mobile Techsol Private Limited****	3,15,000	0.21
5.	Veda Matha Technologies Private Limited	3,05,000	0.20
6.	Blue Green Technologies Private Limited*****	3,20,000	0.21
7.	B Venu Gopal Reddy***	2,070	Negligible
	Total	5,36,12,628	35.21

*Uday Kumar Reddy Dasari is one of the promoters of the Company and holds directorship in certain promoter group entities of our Company, namely, Mobile Techsol Private Limited (formerly known as Arka Dresswear Private Limited) and Veda Matha Technologies Private Limited. Uday Kumar Reddy Dasari is a partner of promoter group entity of the Company, namely, TNA Corporation LLP.

**D Tanuia Reddy is one of the promoters of the Company and holds directorship in certain promoter group entities of our Company, namely, Mobile Techsol Private Limited (formerly known as Arka Dresswear Private Limited) and Veda Matha Technologies Private Limited. D Tanuja Reddy is a partner of promoter group entity of the Company, namely,

***B Venu Gopal Reddy holds directorship in Blue Green Technologies Private Limited (formerly known as Blue Green Biotech and Pharma Private Limited), which is part of the promoter group of the Company.

****formerly known as Arka Dresswear Private Limited

*****formerly known as Blue Green Biotech and Pharma Private Limited

None of the directors of the Company ("Directors") or key managerial personnel of the Company ("KMPs") hold any Equity Shares in the Company, as on the date of the Postal Ballot Notice (i.e., April 22, 2020) and the date of this Public Announcement i.e. May 26, 2020, except for the following:

Sr. No		Designation	Number of Equity Shares	% of paid up equity share capital	
	Uday Kumar Reddy Dasari	Chairman and Managing Director	2,81,03,431	18.46	
2.	AG Ravindranath Reddy	Non-Executive Director	3,000	Negligible	
3.	Sanjay Kapoor	Non-Executive Director	96,866	0.06	
4.	Sanjay Baweja	Independent Director	2,32,850	0.15	
5.	K Srinivas Gunupudi	Chief Financial Officer	1,41,110	0.09	
6.	Seshanuradha Chava	Vice President -Legal and Secretarial	1,73,582	0.11	

(iii) Except as disclosed below, no Equity Shares or other specified securities in the Company were either purchased or sold (either through the stock exchanges or off market transaction) by any of the promoters, members of the $promoter\ group,\ directors\ of\ the\ promoter\ and\ promoter\ group,\ where\ such\ promoter\ or\ promoter\ group\ entity\ is\ a$ Company and of persons who are in control of the Company during a period of six months preceding the date of the Board Resolution, i.e., April 22, 2020 and from the date of the Board Resolution till the date of this Public

	Name of shareholder	Aggregate number of Equity Shares purchased/sold	Nature of transaction	Minimum Price (INR)	Date of Minimum Price	Maximum Price (INR)	Date of Maximum Price
1.	Uday Kumar Reddy Dasari*	31,42,929	Acquisition by conversion of warrants	40	April 3, 2020	40	April 3, 2020
2.	D Tanuja Reddy**	31,42,929	Acquisition by conversion of warrants	40	April 3, 2020	40	April 3, 2020

group entities of our Company, namely, Mobile Techsol Private Limited (formerly known as Arka Dresswear Private Limited) and Veda Matha Technologies Private Limited. Uday Kumar Reddy Dasari is a partner of promoter group entity of the Company, namely, TNA Corporation LLP.

**D Tanuja Reddy is one of the promoters of the Company and holds directorship in certain promoter group entities of our Company, namely, Mobile Techsol Private Limited (formerly known as Arka Dresswear Private Limited) and Veda Matha Technologies Private Limited. D Tanuja Reddy is a partner of promoter group entity of the Company, namely, TNA Corporation LLP.

INTENTION OF THE PROMOTERS, MEMBERS OF THE PROMOTER GROUP AND PERSONS IN CONTROL OF

THE COMPANY TO TENDER THEIR EQUITY SHARES IN THE BUYBACK In terms of the SEBI Buyback Regulations, under the tender offer route, the promoters, members of the promoter group

and persons in control of the Company have the option to participate in the Buyback. In this regard, the promoters members of the promoter group and persons in control of the Company have expressed their intention of not participating in the Buyback. Accordingly, the disclosures as required as per paragraph (viii) to the Schedule I of the SEBI Buyback Regulations are not applicable NO DEFAULTS

The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or

CONFIRMATION BY THE BOARD OF DIRECTORS OF THE COMPANY

As required by clause (x) of Schedule I read with Regulation 5(iv)(b) of the SEBI Buyback Regulations, the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion

- immediately following the date of the Board resolution and the date on which the results of postal ballot approving the proposed Buyback be declared ("Postal Ballot Resolution"), there will be no grounds on which the Company can be found unable to pay its debts; as regards the Company's prospects for the year immediately following the date of the Board resolution and for
- the year immediately following the Postal Ballot Resolution, and having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board resolution as well as from the date of the Postal Ballot Resolution:
- in forming the aforesaid opinion, the Board has taken into account the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code, 2016 (to the extent notified) REPORT BY THE COMPANY'S STATUTORY AUDITOR

The text of the report dated April 22, 2020 received from the statutory auditor of the Company ("Auditor's Report") addressed to the Board of the Company is reproduced below

Report of factual findings in connection with Agreed-upon Procedures related to confirming the affairs and prospects of the Company for the proposed buyback of equity shares in accordance with the requirements of the Companies Act, 2013 and Schedule I to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended

The Board of Directors

Tanla Solutions Limited

Tanla Technology Centre, Hitech City Road, Madhapur Hyderabad, Telangana 500081 We, MSKA & Associates, Chartered Accountants, the Statutory Auditors of the Company, have performed the

following procedures agreed with you vide mandate letter dated March 30, 2020, in connection with the proposal of Tanla Solutions Limited ('Company') to buy-back its equity shares in pursuance of the provisions of Section 68 of the Companies Act, 2013 (the "Act") as amended and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended, ("Buyback Regulations"), approved by the Board of Directors of the Company at the Board Meeting held on April 22, 2020.

Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information," issued by the Institute of Chartered Accountants of

We have been provided with the following documents

statements for the year ended March 31, 2019

- Audited standalone and consolidated financial statements for the year ended March 31, 2019 Solvency declaration by the Board of Directors
- Board resolutions dated April 22, 2020 for approval of proposed buyback
- Assessment note and projected cash flow provided to the board for solvency declaration Annexure A-Statement of permissible capital payment ("Statement") and the same has been initialed for the
- identification purpose only
 Articles of association to verify authorization for buy back of securities.
- The procedures summarized below are performed solely to assist you in confirming the affairs and prospects of the

Company for the proposed buyback of shares: Inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial

- Examined authorization for buyback from the Articles of Association of the Company, approved by Board of Directors in its meeting held on April 22, 2020, which is sub Agreed the amounts of paid up equity share capital, securities premium account, general reserve and retained
- earnings as at March 31, 2019 as disclosed in the accompanying Statement, with the audited standalone and $\frac{1}{2}$ consolidated financial statements of the Company for the year ended March 31, 2019; Examined that the amount of capital payment for the buyback as detailed in the Statement is within the permissible limit computed in accordance with section 68(2)(c)of the Act and Regulation 4(i) of the Buyback
- Regulations Examined that the ratio of the aggregate of secured and unsecured debts owed by the Company after the
- Buyback shall not be more than twice its paid-up capital and free reserves based on both, audited standalone and consolidated financial statements of the Company as on March 31, 2019; Examined that all the shares for buy-back are fully paid-up;
- Inquired if the Board of Directors of the Company, in its meeting held on April 22, 2020 has formed the opinion as
- specified in Clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the Board meeting and the date on which the results of the shareholders' resolution with regard to the proposed buyback will be declared;
- Examined resolutions passed in the meetings of the Board of Directors i.e., on April 22, 2020;
- $\label{thm:company:equation:expect} Examined \ Director's \ declarations \ in \ respect \ of \ the \ buyback \ and \ solvency \ of \ the \ Company; \ and$ 10. Obtained necessary management representations from the company. Based on the procedures performed as stated above, and according to the information, explanations provided by the
- Company, we report that: A. We have inquired into the state of affairs of the Company in relation to its latest audited standalone and consolidated financial statements for the year ended March 31, 2019;
- The permissible capital payment towards buyback of equity shares, as stated in the Statement, is in our view properly determined in accordance with Section 68(2)(c) of the Act and Regulation 4(i) of the Buyback Regulations based on the audited standalone and consolidated financial statements for the year ended March 31, 2019: and
- The Board of Directors at their meeting held on April 22, 2020 have formed its opinion, as per the provisions of C. clause (x) of Schedule I to the Buyback Regulation on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of board meeting and one year from the date on which the results of the shareholders with regards to the proposed buy back will be

The above procedures do not constitute either an audit or a review made in accordance with the Generally Accepted Auditing Standards in India. Had we performed additional procedures or an audit or review of the financial statements / information provided to us in

accordance with the generally accepted auditing standards in India, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events and circumstances occurring after the date of this report. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with the aforesaid requirements and to include this report, pursuant to the requirements of the Buyback Regulations, (i) in the explanatory statement to be included in the postal ballot notice to be circulated to the shareholders of the Company, (ii) public announcement to be made to the shareholders of the Company, (iii) in the draft letter of offer and the letter of offer to be filed with the Registrar of Companies, Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited, as required by the Buyback Regulations, (iv) the Central Depository Services (India) Limited, National Securities Depository Limited, as applicable, and (v) for providing to the merchant banker to the buyback. Accordingly, this report may not be suitable for any other purpose, and therefore, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. This report can be relied upon by the Manager to the Buyback. MSKA & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for

any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For MSKA & Associates, Chartered Accountants FRN: 105047W

Amit Kumar Agarwal M. No: 214198 Date: April 22, 2020

Place: Hyderabad UDIN: 20214198AAAACM4186

ANNEXURE A - STATEMENT OF PERMISSIBLE CAPITAL PAYMENT

standalone and consolidated financial statements for the year ended March 31, 2019:

Computation of amount of permissible capital payment towards buyback of equity shares of Tanla Solutions Limited in accordance with the requirements of Section 68(2)© of the Companies Act, 2013, as amended and Regulation 4(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended based on audited

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Particulars	As at Mar	As at March 31, 2019		
	Standalone	Consolidated		
A. Issued subscribed and fully paid up capital as at March 31, 2019	11,56,26,827	11,56,26,827		
(115,626,827 Equity Shares of INR 1/-each fully paid-up)				
B. Free Reserves as at March 31, 2019*#	•			
General Reserve	25,48,17,667	25,48,17,667		
Securities premium account	475,09,21,963	476,13,10,163		
Surplus in statement of Profit and Loss	177,86,25,080	111,46,25,970		
Total Free Reserves	678,43,64,710	613,07,53,800		
C. Total of Paid up Equity Share Capital and Free Reserves (A+B)	689,99,91,537	624,63,80,627		
D. Maximum amount permissible for buyback under Section 68(2)(c) of tl	he 172,49,97,884	156,15,95,156		
Act and Regulation 4(i) of the SEBI Buyback Regulations (25% of the				
total paid-up equity capital and free reserves)				

*Free reserves as defined in Section 2(43) of the Companies Act, 2013 read along with Explanation II provided in Section 68 of the Companies Act, 2013, as amended.

The above calculation of the total paid-up equity share capital and free reserves as at March 31. 2019 for buvback of equity shares is based on the amounts appearing in the audited standalone and consolidated financial statements of the Company for the year ended March 31, 2019. These financial statements are prepared and presented in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rules made thereunder, each as amended from time to time.

AG Ravindranath Reddy

For and on behalf of the Board of Directors Tanla Solutions Limited

Uday Kumar Reddy Dasari Chairman & Managing Director DIN: 00003382

Date: April 22, 2020

DIN: 01729114 Date: April 22, 2020 PROCESS AND METHODOLOGY TO BE ADOPTED FOR BUYBACK The Buyback is open to all eligible shareholders/beneficial owners of the Company, i.e., the shareholders who on the

Record Date were holding Equity Shares either in physical form ("Physical Shares") and the beneficial owners who on the Record Date were holding Equity Shares in the dematerialized form ("Demat Shares") (such shareholders are referred as the "Eligible Shareholders"). The Buyback will be implemented using the "Mechanism for acquisition of shares through Stock Exchange" issued by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no.

CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, and in accordance with the procedure prescribed in the Companies Act and the SEBI Buyback Regulations, and as may be determined by the Board of Directors, or the Buyback Committee (a committee constituted by the Board to exercise its powers in relation to the Buyback, the (Buyback Committee"), on such terms and conditions as may be permitted by law from time to time. For implementation of the Buyback, the Company has appointed HDFC Securities Limited as the registered broker to

the Company (the "Company's Broker") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

■- HDFC securities

HDFC Securities Limited

iThink Techno Campus Building-B

Alpha', 8th Floor, Opp. Crompton Greaves Near Kanjurmarg Station Kanjurmarg (East), Mumbai 400 042 Tel. No.: +91 22 3075 3400 Fax No.: +91 022 3075 3435 E-mail: sharmila.kambli@hdfcsec.com

Website: www.hdfcsec.com Contact Person: Sharmila Kambli

SEBI Registration No.: INZ000186937 Validity Period: Permanent (unless suspended or cancelled by SEBI)

CIN: U67120MH2000PLC152193

- The Company shall request BSE, being the designated stock exchange ("Designated Stock Exchange"), to provide a separate window (the "Acquisition Window") to facilitate placing of sell orders by the Eligible Shareholders who wish to tender their Equity Shares in the Buyback. The details of the Acquisition Window will be as specified by BSE from time to time. In the event the Shareholder Broker(s) of any Eligible Shareholder is not registered with BSE as a trading member/stock broker, then that Eligible Shareholders can approach any BSE registered stock broker and can register themselves by using quick unique client code ("UCC") facility through the BSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable law). In case the Eligible Shareholders are unable to register using UCC facility through any other BSE registered broker, Eligible Shareholders may approach Company's Broker i.e., HDFC Securities Limited to place their bids
- 1.5. At the beginning of the tendering period, the order for buying Equity Shares will be placed by the Company through Company's Broker. During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by the Eligible Shareholders through their respective stock brokers ("Shareholder Broker") during normal trading hours of the secondary market. The Shareholder Broker can enter orders for Demat Shares as well as Physical Shares. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders after Eligible Shareholders have completed their KYC requirement as required by the Company's
- 9.6. The reporting requirements for non-resident shareholders under the Foreign Exchange Management Act, 1999, as amended, and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholder and/or the Shareholder Broker through which the Eligible Shareholder places the bid.
- Modification/ cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the tendering period of the Buyback. Multiple bids made by a single Eligible Shareholder for selling Equity Shares shall be clubbed and considered as "one bid" for the purposes of acceptance.
- 9.8. The cumulative quantity tendered shall be made available on the website of BSE (www.bseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.
- 9.9. Procedure to be followed by shareholders holding Demat Shares:
 - Eligible Shareholders holding Demat Shares who desire to tender their Demat Shares under the Buyback would have to do so through their respective Shareholder Broker by indicating to the concerned Shareholder Broker, the details of Equity Shares they intend to tender under the Buyback.
 - The Shareholder Broker would be required to place an order/bid on behalf of the Eligible Shareholder who wish to tender Demat Shares in the Buyback using the Acquisition Window of the BSE. Before placing the bid, the Eligible Shareholder would be required to transfer the tendered Demat Shares to Indian Clearing Corporation Limited ("Clearing Corporation"), by using the early pay in mechanism prior to placing the bid by the Shareholder Broker. The details of the special account shall be informed in the issue opening circular that will be issued by the BSE or the Clearing Corporation.
- For custodian participant orders for dematerialized Equity Shares, early pay-in is mandatory prior to confirmation of order/ bid by custodian participant. The custodian participant shall either confirm or reject the orders no later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation
- Upon placing the bid, the Shareholder Broker shall provide a Transaction Registration Slip ("TRS") generated by the stock exchange bidding system to the Eligible Shareholder on whose behalf the order/bid has been placed. TRS will contain details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
- In case of non-receipt of the completed tender form and other documents, but receipt of Equity Shares in the accounts of the Clearing Corporation and a valid bid in the exchange bidding system, the bid by such Equity Shareholder shall be deemed to have been accepted.

9.10. Procedure to be followed by the shareholders holding Physical Shares:

- In accordance with the Frequently Asked Questions issued by SEBI, "FAQs Tendering of physical shares in buyback offer/ open offer/ exit offer/delisting" dated February 20, 2020, shareholders holding securities in physical form are allowed to tender shares in buyback through tender offer route. However, such tendering shall be as per the provisions of the SEBI Buyback Regulations.
- Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Shareholder Broker along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the (i) the Tender Form duly signed by all Eligible Shareholders (in case shares are in joint names, in the same order in which they hold the shares), (ii) original share certificate(s), (iii) valid share transfer form(s)/Form SH-4 duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimer signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of PAN Card(s) of all Eligible Shareholders, (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder is deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the register of members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid
- Aadhar card, voter identity card or passport. Based on these documents, the concerned Shareholder Broker shall place an order/bid on behalf of the Eligible Shareholders holding Equity Shares in physical form who wish to tender Equity Shares in the Buyback, using the acquisition window of BSE. Upon placing the bid, the Shareholder Broker shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like folio no.
- $certificate \ no., distinctive \ no., no. \ of \ Equity \ Shares \ tendered \ etc.$ Any Shareholder Broker/Eligible Shareholder who places a bid for physical Equity Shares, is required to deliver the original share certificate(s) and documents (as mentioned above) along with TRS generated by exchange bidding system upon placing of bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback i.e. KFin Technologies Private Limited (at the address mentioned at paragraph 13 below) not later than 2 (two) days from the offer closing date. The envelope should be super scribed as "Tanla Solutions Limited – Buyback 2020". One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Shareholder Broker.
- The Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the SEBI Buyback Regulations and any further directions issued in this regard. The Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such verification. BSE shall display such bids as 'unconfirmed physical bids' Once Registrar to the Buyback confirms the bids, they will be treated as 'confirmed bids'
- In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Buyback before the closure of the tendering period of the Buyback.

10. METHOD OF SETTLEMENT Upon finalization of the basis of acceptance as per SEBI Buyback Regulations:

to non-acceptance in the Buyback.

- The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary The Company will pay funds pertaining to the Buyback to the Company Broker who will transfer the funds to the
- Clearing Corporation's bank account as per the prescribed schedule. The settlements of fund obligation for Demat Shares shall be affected as per the SEBI circulars and as prescribed by BSE and Clearing Corporation from time to time. For Demat Shares accepted under the Buyback, such beneficial owners will receive funds payout in their bank account as provided by the depository system directly to the Clearing Corporation and ir case of Physical Shares, the Clearing Corporation will release the funds to the Shareholder Broker(s) as per secondary market payout mechanism. If such shareholder's bank account details are not available or if the funds transfer instruction is rejected by the Reserve Bank of India ("RBI")/ bank(s), due to any reasons, then the amount payable to the concerned shareholders will be transferred to the Shareholder Broker for onward transfer
- The Demat Shares bought back would be transferred directly to the demat account of the Company opened for the Buyback (the "Company Demat Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of BSE.
- The Eligible Shareholders of the Demat Shares will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Demat Shares, due to rejection or due

certificate and issue new consolidated share certificate for the unaccepted Physical Shares, in case the Physical Shares accepted by the Company are less than the Physical Shares tendered in the Buyback. The Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback. a) In case of certain shareholders viz., NRIs, non-residents etc. (where there are specific regulatory requirements pertaining to funds payout including those prescribed by the RBI) who do not opt to settle through custodians, the

Excess Demat Shares or unaccepted Demat Shares, if any, tendered by the Eligible Shareholder would be

returned to them by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. Any

excess Physical Shares pursuant to proportionate acceptance/ rejection will be returned back to the concerned

Eligible Shareholders directly by the Registrar to the Buyback. The Company is authorized to split the share

- funds payout would be given to their respective Shareholder Broker's settlement accounts for releasing the same to such shareholder's account Eligible Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholders.
- i) The Equity Shares bought will be extinguished in the manner and following the procedure prescribed in the SEBI **Buyback Regulations** 11. RECORD DATE AND SHAREHOLDER ENTITLEMENT a) As required under the SEBI Buyback Regulations, the Company has fixed June 10, 2020 as the Record Date for
- the purpose of determining the entitlement and the names of the shareholders of the Equity Shares who are eligible to participate in the Buyback
- b) As per the SEBI Buyback Regulations and such other circulars or notifications, as may be applicable, in due course, each shareholder as on the Record Date will receive a Letter of Offer along with a Tender Form (including Form SH-4 as applicable), indicating the entitlement of the shareholder for participating in the Buyback.
- c) The Equity Shares to be bought back as a part of the Buyback is divided in two categories: (i) Reserved category for small shareholders (as defined in Regulation 2(i)(n) of the SEBI Buyback Regulations, a "small shareholder" is a shareholder who holds Equity Shares having market value, on the
- basis of closing price on stock exchanges in which the highest trading volume in respect of such Equity Shares as on Record Date, is not more than INR 2,00,000/- (Indian Rupees Two Lakh Only); and

benefit a large number of public shareholders, who would get classified as "small shareholder".

the ratio of Buyback applicable in the category to which such shareholder belongs.

Based on the shareholding on the Record Date, the Company will determine the entitlement of each shareholder

including small shareholders to tender their shares in the Buyback. This entitlement for each shareholder will be

calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and

In order to ensure that the same Eligible Shareholder with multiple demat accounts/ folios does not receive a

higher entitlement under the Small Shareholder category, the Equity Shares held by such Eligible Shareholder

- (ii) General category for all other shareholders.
- d) In accordance with the proviso to Regulation 6 of the SEBI Buyback Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders as part of this Buyback. The Company believes that this reservation for small shareholders would
- Vice President Legal & Secretarial
- E-mail: investorhelp@tanla.com

companies, foreign institutional investors/ foreign portfolio investors etc. with common PAN are not proposed to

PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately.

Shareholders' participation in Buyback will be voluntary. Shareholders holding Equity Shares of the Company

with a common PAN shall be clubbed together for determining the category (Small Shareholder or General

Category) and their entitlement under the Buyback. In case of joint shareholding, the Equity Shares held in cases

where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible

Shareholders holding physical shares, where the sequence of PANs is identical and where the PANs of all joint

shareholders are not available, the Registrar to the Buyback will check the sequence of the names of the joint

holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/ sub-accounts and have a different demat account nomenclature based on information prepared by the Registrar to the Buyback as per the shareholder records received from the Depositories, Further, the Equity Shares held under the category of "clearing members" or "corporate body margin account" or "corporate body - broker" as per the beneficial position data as on Record Date with common

may also accept a part of their entitlement. Shareholders holding Equity Shares of the Company also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any, If the Buyback entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback. The maximum tender under the Buyback by any shareholder cannot exceed the number of Equity Shares held by

where these Equity Shares are assumed to be held on behalf of clients.

- the shareholder as on the Record Date The Buyback from shareholders who are persons resident outside India, including the foreign portfolio investors. erstwhile overseas corporate bodies and non-resident Indian, etc., shall be subject to such approvals, if any and
- to the extent required from the concerned authorities including approvals from the Reserve Bank of India under Foreign Exchange Management Act, 1999, as amended, and the rules and regulations framed there under, and such approvals shall be required to be taken by such non-resident shareholders.
- Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the shareholders holding Equity Shares of the Company as on the Record Date.

12. COMPLIANCE OFFICER

The Company has appointed Ms. Seshanuradha Chava as the compliance officer for the purpose of the Buyback ("Compliance Officer"). Investors may contact the Compliance Officer for any clarification or to address their grievances, if any, on all working days except Saturday, Sunday and public holidays during office hours i.e. 10:00 a.m. to 5:00 p.m.

Ms. Seshanuradha Chava

Tanla Technology Centre, Hitech City Road, Madhapur, Hyderabad – 500 081

Tel: +91 40 4009 9999; Fax: +91 40 2312 2999

13. INVESTOR SERVICE CENTRE AND REGISTRAR TO THE BUYBACK

In case of any query, the shareholders may also contact KFin Technologies Private Limited, the Registrar and Share Transfer Agent of the Company, appointed as the Investor Service Centre for the purposes of the Buyback, on any day KFINTECH

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)

except Saturday and Sunday and public holiday between 9:30 a.m. to 5:30 p.m. at the following address:

Selenium, Tower B, Plot No. - 31 & 32, Financial District Nanakramguda, Serilingampally Hyderabad Rangareddi TG 500032 India

Tel: +91 40 6716 2222: Fax: +91 40 2343 1551

Contact Person: M Murali Krishna

Email: tanla.buvback@kfintech.com: Website: www.kfintech.com

Investor Grievance E-mail: einward.ris@kfintech.com

SEBI Registration No.: INR000000221

Validity Period: Permanent (unless suspended or cancelled by SEBI)

CIN: U72400TG2017PTC117649

*The name has been changed from 'Karvv Fintech Private Limited' to 'KFin Technologies Private Limited' with effect from December 5, 2019

14. MANAGER TO THE BUYBACK

HDFC BANK

We understand your world

HDFC Bank Limited

Investment Banking Group

Unit No. 401 & 402, 4th Floor, Tower B. Peninsula Business Park, Lower Parel Mumbai 400 013

Tel: +91 22 3395 8233. Fax: +91 22 3078 8584 E-mail: tsl.buyback@hdfcbank.com;

Website: www.hdfcbank.com

Investor Grievance E-mail: investor.redressal@hdfcbank.com

SEBI Registration No.: INM000011252 Validity Period: Permanent (unless suspended or cancelled by SEBI)

Contact Person: Harsh Thakkar / Ravi Sharma

CIN: L65920MH1994PLC080618

15. DIRECTOR'S RESPONSIBILITY

As per Regulation 24(i)(a) of the Buyback Regulations, the Board accepts responsibility for all the information

contained in this Public Announcement and for the information contained in all other advertisements, circulars,

brochures, publicity materials etc., which may be issued in relation to the Buyback, and confirms that the information in such documents contain and will contain true, factual and material information and does not and will not contain any

misleading information.

Uday Kumar Reddy Dasari

Chairman and Managing Director

For and on behalf of the Board of Directors of

Tanla Solutions Limited

AG Ravindranath Reddy Director

DIN: 00003382

DIN: 01729114

Date: May 26, 2020

Place: Hyderabad

Seshanuradha Chava

32.9x14cm

Vice President - Legal & Secretarial Membership No. - A15519

CONCEPT