



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

August 12, 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
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Dear Madam/Sir,

Sub: Outcome of the Board Meeting

With reference to the subject cited above, we would like to inform you that the Board of Directors of the Company at their meeting held on August 12, 2020 commenced at 2:00 PM and concluded at 5:30 PM have *inter alia*:

1. Approved the unaudited standalone and consolidated financial results of the Company for the quarter ended June 30, 2020. (**Attached**)
2. Took note of the Limited Review Report issued by the Statutory Auditors of the Company in respect of unaudited standalone and consolidated financial results for the quarter ended June 30, 2019. (**Attached**)

Request you to take the same on record and oblige.

Yours faithfully,

For **Tanla Solutions Limited**



Seshanuradha Chava
General Counsel and Regulatory
ACS-15519

Encl.: as above

TANLA SOLUTIONS LIMITED

CIN: L72200TG1995PLC021262

TANLA TECHNOLOGY CENTRE, HITECH CITY ROAD, MADHAPUR, HYDERABAD - 500081
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2020



₹ in Lakhs

Particulars (Refer notes below)	Consolidated Results for the				Standalone Results for the			
	Quarter ended June 30, 2020	Quarter ended March 31, 2020	Quarter ended June 30, 2019	Year ended March 31, 2020	Quarter ended June 30, 2020	Quarter ended March 31, 2020	Quarter ended June 30, 2019	Year ended March 31, 2020
	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited	Un-audited	Audited
1 Revenue from Operations (net)	45,554.77	52,207.62	39,456.01	194,283.97	19,660.42	23,974.99	27,191.87	106,037.06
2 Other Income	1,322.77	370.18	471.76	1,236.46	1,004.13	211.04	397.59	913.58
3 Total income (1+2)	46,877.54	52,577.80	39,927.77	195,520.43	20,664.55	24,186.03	27,589.46	106,950.64
4 Expenses								
(a) Cost of services	35,024.58	41,012.54	31,790.86	155,171.84	17,142.93	19,545.73	23,206.79	88,291.28
(b) Employee benefits expense	1,990.17	1,802.24	2,666.64	10,893.08	434.57	439.39	479.25	1,875.76
(c) Depreciation and amortisation expense	1,148.78	8,407.43	15,364.49	37,779.58	248.96	4,663.70	15,162.19	32,070.52
(d) Connectivity & related expenses	196.97	240.00	165.67	816.29	57.20	190.11	59.24	373.34
(e) Finance costs	69.96	191.61	149.55	641.63	5.68	123.84	212.99	572.79
(f) Other expenses	843.03	3,294.34	1,703.17	8,900.39	351.22	172.36	1,040.68	2,874.81
Total expenses	39,273.49	54,948.16	51,840.38	214,202.81	18,240.56	25,135.13	40,161.14	126,058.50
5 Profit before non-controlling interest/share in net profit/(loss) of associate (3-4)	7,604.05	(2,370.36)	(11,912.61)	(18,682.38)	2,435.99	(949.10)	(12,571.68)	(19,107.86)
6 Exceptional item : Impairment of Goodwill/ Provision for impairment of investment in subsidiaries	-	4,873.14	-	4,873.14	-	4,873.14	-	4,873.14
7 Profit before non-controlling interest/share in net profit/(loss) of associate (5-6)	7,604.05	(7,243.50)	(11,912.61)	(23,555.52)	2,423.99	(5,822.24)	(12,571.68)	(23,981.00)
8 Share in net profit/(loss) of associate	-	-	(19.21)	(169.04)	-	-	-	-
9 Profit before tax (7-8)	7,604.05	(7,243.50)	(11,931.82)	(23,724.56)	2,423.99	(5,822.24)	(12,571.68)	(23,981.00)
10 Tax Expense								
- Current tax	553.80	1,125.47	197.92	1,125.47	160.40	-	-	-
- Prior period taxes/MAT credit	(1,074.77)	-	(31.17)	-	-	-	-	-
- Deferred Tax	264.46	543.91	(4,528.12)	(3,733.47)	819.70	(38.90)	(4,124.24)	(4,088.79)
11 Profit / (Loss) for the period (9-10)	7,860.56	(8,912.88)	(7,570.45)	(21,116.56)	1443.89	(5,783.34)	(8,447.44)	(19,892.21)
Attributable to: Shareholders of the Company	7,860.56	(8,912.88)	(7,570.45)	(21,116.56)	1443.89	(5,783.34)	(8,447.44)	(19,892.21)
Non controlling Interest	-	-	-	-	-	-	-	-
12 Other Comprehensive Income	(1.74)	310.53	292.44	992.67	(36.79)	58.73	2.12	163.26
13 Total Comprehensive Income (11+12)	7,858.82	(8,602.35)	(7,278.01)	(20,123.89)	1,407.10	(5,724.61)	(8,445.32)	(19,728.95)
Attributable to: Shareholders of the Company	7,858.82	(8,602.35)	(7,278.01)	(20,123.89)	1,407.10	(5,724.61)	(8,445.32)	(19,728.95)
Non controlling Interest	-	-	-	-	-	-	-	-
14 Paid-up Equity Share Capital (Face Value of ₹ 1 each)	1,522.58	1,459.72	1,403.87	1,459.72	1,522.58	1,459.72	1,403.87	1,459.72
15 Total reserves	-	-	-	68,713.73	-	-	-	65,446.33
16 Earnings per share (of ₹ 1 each) (not annualised)								
(a) Basic	5.16	(6.11)	(5.39)	(14.77)	0.95	(3.96)	(6.02)	(13.92)
(b) Diluted	5.16	(6.11)	(5.39)	(14.77)	0.95	(3.96)	(6.02)	(13.92)



Notes:

- The above un-audited financial results for the quarter ended June 30, 2020 have been subject to a limited review by the Statutory Auditors, reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 12, 2020.
- The financial results have been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The above un-audited financial results include financials of subsidiaries, Associate and Joint venture:
 - Tanla Corporation Private Limited, India
 - Tanla Mobile Asia Pacific Pte Limited., Singapore
 - Tanla Digital Labs Private Limited, India
 - Capitalsiri Investments Pvt Ltd. India
 - Gamooga Softtech Private Limited, India
 - Associate-TZ Mobile Private Limited, India
 - Joint Venture-Jengatron Gaming Private Limited, India

The corresponding June 2019 quarter does not include Gamooga Softtech Private Limited as it was acquired on October 24, 2019 and partially Karix Mobile Private Limited and Unicel Technologies Private Limited (Merged with Tanla Corporation Private Limited) as they were acquired from April 10, 2019. Hence, the figures are not comparable.

- The Hon'ble National Company Law Tribunal, Hyderabad bench, vide its order dated June 30, 2020 approved the scheme of amalgamation for the merger of subsidiaries Karix Mobile Private Limited and Unicel Technologies Private Limited with Tanla Corporation Private Limited with appointed date April 10, 2019. Pursuant to merger, the tax provision created for the year ended March 31, 2020 in Karix Mobile Private Limited of ₹ 1,074.77 lakhs has been reversed during the quarter.
- On April 03, 2020, 62,85,858 equity shares allotted on conversion of warrants to promoters at a premium of ₹ 39/-.
- The Company concluded the buyback of 1,66,92,752 (representing 10.97 % of the total number of Equity Shares in the existing total paid-up equity capital of the Company) equity shares on July 22, 2020 at a price of ₹ 81 per equity share ("Buyback") as approved earlier by the Board of Directors at their meeting held on April 22, 2020. This has resulted in a total cash outflow of ₹ 16,469.69 Lakhs (including Tax of ₹ 2,948.56). The Paid-up Equity Share Capital post buy back is ₹ 13,55,64,805.
- The Company continues to consider the impact of COVID-19 pandemic in assessing the recoverability of receivables, goodwill, intangible assets, and certain investments. For this purpose, the Company considered internal and external sources of information up to the date of approval of these financial results. The Company based on its judgements, estimates and assumptions including sensitivity analysis expects to fully recover the carrying amount of receivables, goodwill, intangible assets, investments and other assets. The Company will continue to closely monitor any material changes to future economic conditions.
- The EPS for quarters has not been annualised.
- The Company operates in a single segment "A2P messaging services", as such reporting is done on single segment basis.
- The Un-audited financial results for the quarter ended June 30, 2020 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		
	30-Jun-20 Un-audited	31-Mar-20 Audited	30-Jun-19 Un-audited
Revenue from operations & other income	20,664.55	24,186.03	27,589.46
Profit / (Loss) before tax	2,423.95	(5,822.24)	(12,571.68)
Profit / (Loss) after tax	1,443.85	(5,783.34)	(8,447.44)

₹ in Lakhs

- The previous quarter's/year's figures have been regrouped/rearranged wherever necessary to make it comparable with the current quarter/period.



Hyderabad
August 12, 2020

For and on behalf of the Board of Directors


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



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

To,

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 June 30, 2020 ('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. 1,257.32 Lakhs, total net loss after tax of Rs. 22.19 Lakhs and total comprehensive loss of Rs. 37.35 Lakhs for the quarter ended June 30, 2020. 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, 2019 to June 30, 2019 were reviewed by another auditor vide their unmodified limited review report dated July 31, 2019.

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
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Amit Kumar Agarwal

Partner

Membership No: 214198

Place: Hyderabad

Date: August 12, 2020

UDIN: 20214198AAAAEB9835

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

To,

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 venture for the quarter June 30, 2020 ('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	Gamooga Softtech Private Limited	Wholly Owned Subsidiary
5	Tanla Digital Labs Private Limited	Wholly Owned Subsidiary
6	TZ Mobile Private Limited, India	Joint Venture
7	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 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 a subsidiary and Dubai branch included in the Consolidated unaudited financial results of the Company, whose information reflect total revenues of Rs.18,760.21 Lakhs, total net profit after tax of Rs. 3,412.00 Lakhs and total comprehensive loss of Rs. 41.40 Lakhs for the quarter ended June 30, 2020. 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 subsidiary and branch, is based solely on the report of the 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 consolidated unaudited financial results includes the interim financial information of subsidiary, Associate and Joint venture (mentioned in paragraph 3 above) which have not been reviewed by their auditors, whose interim financial information reflect total revenue of Nil, total net loss after tax of Rs. 0.12 lakhs and Group's share of net loss after tax of Rs. Nil for the quarter ended June 30, 2020, respectively as considered in the statement. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group.

MSKA

& Associates

Chartered Accountants

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

7. The unaudited consolidated statement of the Group for the comparative period from April 01, 2019 to June 30, 2019 were reviewed by another auditor vide their unmodified limited review report dated July 31, 2019.

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

For MSKA & Associates

Chartered Accountants

ICAI Firm Registration No.105047W

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AGARWAL

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Amit Kumar Agarwal

Partner

Membership No: 214198

Place: Hyderabad

Date: August 12, 2020

UDIN: 20214198AAAAEC3437