



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

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June 10, 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 held on June 10, 2020.

With reference to the subject cited, kindly be informed that the Board of Directors at their meeting held on June 10, 2020 commenced at 02:30 PM and concluded at 05:30 PM inter alia discussed and approved the following.

1. Approved the audited standalone and consolidated financial statements for the quarter and financial year ended March 31, 2020. **(Appendix -1)**
2. Took note of the Statutory Auditors Report forming part of the audited standalone and consolidated financial statements for the quarter and financial year ended March 31, 2020. **(Appendix-2)**
3. Approved appointment of Deloitte Touche Tohmastu India LLP as Internal Auditors of the Company for FY 2020-21.
4. Declaration by Mr. D Uday Kumar Reddy, Chairman and Managing Director pertaining to unmodified opinion on the statutory auditors’ report issued by the statutory auditors. **(Appendix-3)**

Request you to take the same on record and oblige.

Yours faithfully,

For **Tanla Solutions Limited**




Seshanuradha Chava
VP - Legal & Secretarial
ACS-15519

TANLA SOLUTIONS LIMITED

CIN: L72200TG1995PLC021262
TANLA TECHNOLOGY CENTRE, HITECH CITY ROAD, MADHAPUR, HYDERABAD - 500081
STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020



PART - I

₹ in Lakhs

Particulars (Refer notes below)	Consolidated Results for the					Standalone Results for the				
	Quarter ended March 31, 2020	Quarter ended Dec 31, 2019	Quarter ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Quarter ended March 31, 2020	Quarter ended Dec 31, 2019	Quarter ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
	Audited	Un-audited	Audited	Audited	Audited	Audited	Un-audited	Audited	Audited	Audited
1 Revenue from Operations (net)	52,207.62	53,903.90	31,794.51	194,283.97	100,396.47	23,974.99	27,176.51	26,569.91	106,037.06	80,940.88
2 Other Income	370.18	222.69	384.12	1,236.46	1,061.10	211.04	116.76	305.03	913.58	956.04
3 Total income (1+2)	52,577.80	54,126.59	32,178.63	195,520.43	101,457.57	24,186.03	27,293.27	26,874.94	106,950.64	81,896.92
4 Expenses										
(a) Cost of services	41,012.54	43,510.57	27,217.32	155,171.84	86,066.24	19,545.73	22,126.94	22,489.23	88,291.28	68,695.20
(b) Employee benefits expense	1,802.24	1,826.41	928.07	10,893.08	2,294.76	439.39	506.06	891.76	1,875.76	2,182.53
(c) Depreciation and amortisation expense	8,407.43	7,083.85	2,033.51	37,779.58	7,322.76	4,663.70	5,562.21	1,922.95	32,070.52	6,808.30
(d) Connectivity & related expenses	240.00	203.83	68.04	816.29	269.65	190.11	63.95	86.51	373.34	289.52
(e) Travel expenses	158.41	148.96	150.47	635.24	259.96	26.63	71.50	108.46	212.65	217.57
(f) Finance costs	191.61	183.94	-	641.63	32.34	123.84	121.61	41.46	572.79	295.45
(g) Other expenses	3,135.93	1,845.19	602.18	8,265.15	1,833.49	145.73	472.12	505.33	2,662.16	1,444.56
Total expenses	54,948.16	54,802.75	30,999.59	214,202.81	98,079.20	25,135.13	28,924.39	26,045.70	126,058.50	79,933.13
5 Profit/(loss) before exceptional items, share in net profit/(loss) of associate and tax (3-4)	(2,370.36)	(676.16)	1,179.04	(18,682.38)	3,378.37	(949.10)	(1,631.12)	829.24	(19,107.86)	1,963.78
6 Exceptional item : Impairment of Goodwill/ Provision for impairment of investment in subsidiaries (refer note 9)	4,873.14	-	-	4,873.14	-	4,873.14	-	-	4,873.14	-
7 Profit/(loss) before share in net profit/(loss) of associate and tax (5-6)	(7,243.50)	(676.16)	1,179.04	(23,555.52)	3,378.37	(5,822.24)	(1,631.12)	829.24	(23,981.00)	1,963.78
8 Share in net profit/(loss) of associate	-	-	(30.96)	(169.04)	(30.96)	-	-	-	-	-
9 Profit/(loss) before tax (7-8)	(7,243.50)	(676.16)	1,148.08	(23,724.56)	3,347.41	(5,822.24)	(1,631.12)	829.24	(23,981.00)	1,963.78
10 Tax Expense										
- Current tax	1,125.47	(464.71)	199.42	1,125.47	490.00	-	-	166.62	-	411.10
- MAT credit entitlement	-	30.62	(113.19)	-	(403.78)	-	-	(166.62)	-	(411.10)
- Deferred Tax	543.91	(310.24)	88.50	(3,733.47)	279.08	(38.90)	(408.47)	106.01	(4,088.79)	256.20
11 Profit / (Loss) for the period (9-10)	(8,912.88)	68.17	973.35	(21,116.56)	2,982.11	(5,783.34)	(1,222.65)	723.22	(19,892.21)	1,707.58
Attributable to										
Shareholders of the Company	(8,912.88)	68.17	973.35	(21,116.56)	2,982.11	(5,783.34)	(1,222.65)	723.22	(19,892.21)	1,707.58
Non controlling Interest	-	-	-	-	-	-	-	-	-	-
12 Other Comprehensive Income	310.53	51.10	40.15	992.67	119.57	58.73	29.77	436.07	163.26	433.87
13 Total Comprehensive Income (11+12)	(8,602.35)	119.27	1,013.50	(20,123.90)	3,101.68	(5,724.61)	(1,192.88)	1,159.29	(19,728.95)	2,141.45
Attributable to										
Shareholders of the Company	(8,602.35)	119.27	1,013.50	(20,123.90)	3,101.68	(5,724.61)	(1,192.88)	1,159.29	(19,728.95)	2,141.45
Non controlling Interest	-	-	-	-	-	-	-	-	-	-
14 Paid-up Equity Share Capital (Face Value of ₹ 1 each)	1,459.72	1,458.85	1,156.27	1,459.72	1,156.27	1,459.72	1,458.85	1,156.27	1,459.72	1,156.27
15 Total reserves	-	-	-	68,713.73	71,398.01	-	-	-	65,446.33	68,815.27
Earnings per share (of ₹ 1 each) (not annualised)										
(a) Basic	(6.11)	0.05	0.84	(14.77)	2.58	(3.96)	(0.84)	0.63	(13.92)	1.48
(b) Diluted	(6.11)	0.05	0.84	(14.77)	2.58	(3.96)	(0.84)	0.63	(13.92)	1.48



Notes:

- The above Audited financial results for the quarter and year ended March 31, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on June 10, 2020. The statutory auditors have expressed an unmodified opinion on these results.
- The above 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 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 Softech Pvt Ltd., India
7. Tanla Digital Labs Pvt Ltd., India	Joint venture: 8. TZ Mobile Private Ltd., India	Associate: 9. Jengatron Gaming India Pvt Ltd., India
- (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 year ended March 31, 2020 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 Softech Private Limited w.e.f, October 24, 2019. The Consolidated financial results for the quarter and year ended March 31, 2020 include the results of the operations of the above entity from October 24, 2019. The corresponding figures for the prior periods are not comparable.
- Merger petition requesting approval for merger of Karix Mobile Private Limited ("Karix") and Unicel Technologies Private Limited ("Unicel") with Tanla Corporation Private Limited ("TCPL") was filed in NCLT, Hyderabad on Sept 30, 2019. In view of the prevailing COVID situation, the case was listed for on-line hearing on May 27, 2020 where the reports of the Official Liquidator and the Regional Director were submitted. NCLT Registry has conveyed that the matter may be listed for hearing on June 11, 2020.
- Tanla Digital Labs Private Limited, ("Tanla Digital Labs") wholly owned subsidiary of Tanla Solutions Limited was incorporated on December 18, 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.
- During the FY2019-20, an application for liquidation has been filed by the Joint venture "TZ mobile Private Limited".
- Due to COVID-19 situation, there have been several restrictions imposed by the Governments across the globe on the travel, goods movement and transportation considering public health and safety measures during March, 2020. The Company is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its customers, employees, vendors and business partners. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, unbilled revenues and investment in subsidiaries. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports and related information, economic forecasts. The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and basis the same, the Company has reduced the carrying value of investments in subsidiaries by ₹ 4,873.14 lakhs in the standalone and ₹ 4,873.14 lakhs as impairment of goodwill in the consolidated results. Further, the actual impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.
- The Company has elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Liabilities (net) and the estimate of Tax Expense for the quarter and year ended March 31, 2020 have been re-measured. Consequent to such revision, there was a one-time charge of MAT credit of ₹ 560 Lakhs to the Company's Tax Expense.
- The Board of Directors at their meeting held on April 22, 2020, approved the Buyback of the fully paid up equity shares having face value of ₹ 1/- each not exceeding 19,012,345 equity shares at a price of ₹ 81/- per equity share payable in cash, for an aggregate maximum amount not exceeding ₹ 15,400.00 lakhs 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").
The approval of the members of the Company was sought by way of Postal Ballot and was approved by the members on May 23, 2020. Subsequently the Company had made Public Announcement for the Buyback which was published on May 27 2020, and the Company filed the Draft letter of Offer with the SEBI and respective stock exchanges on which the shares of the Company are listed i.e. BSE Limited (BSE) and National Stock Exchange Limited (NSE) on June 01, 2020.
- As per the Telecom Commercial Communications Customer Preference Regulations (TCCCP), 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 ₹ 2,132.17 lakhs for Q4FY20 and ₹ 23,940.17 lakhs for the year ended March 31, 2020 (March 31, 2019 - Nil)
- (i) The Company has allotted 2,760,000 equity shares of face value ₹ 1/- each during the quarter ended June 30, 2019 and 3,240,000 equity shares of face value ₹ 1/- each during the quarter ended Septemeber 30, 2019 under Employee stock Purchase scheme. Employee cost of ₹ 2,947.14 lakhs for the quarter ended Septemeber 30, 2019 and ₹ 4,102.20 lakhs for the six months ended Septemeber 30, 2019 (September 30, 2018 – ₹ Nil)
(ii) The Company has allotted 138,195 equity shares of face value ₹ 1/- each during the quarter ended Septemeber 30, 2019 and 87,165 equity shares of face value ₹ 1/- each during the quarter ended March 31, 2020 pursuant to exercise of options under Employee Stock Option Scheme.
- Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", on all lease contracts existing on April 01, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019, have not been retrospectively adjusted. On transition, the adoption of the standard resulted in recognition of Right-of-use assets (ROU) of ₹ 281.11 lakhs and a lease liability of ₹ 322.11 lakhs. The cumulative effect of applying the standard resulted in ₹ 41.00 lakhs being debited to retained earnings, net of taxes. The effect of this adoption did not have a material impact on the results for the quarter and year ended March 31, 2020.
- The figures for the quarter ended March 31, 2020 and the quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2020 and March 31, 2019 respectively and the published year to date figures up to the third quarter ended December 31, 2019 and December 31, 2018 respectively.
- The EPS for quarters and year ended has not been annualised.
- The Company operates in a single segment "A2P messaging services", as such reporting is done on single segment basis.
- The Audited financial results for the quarter and year ended March 31, 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 :

₹ in Lakhs

Particulars	Quarter Ended		
	31-Mar-20 Audited	31-Dec-19 Un-audited	31-Mar-19 Audited
Revenue from operations & other income	24,186.03	27,293.27	26,874.94
Profit / (Loss) before tax	(5,822.24)	(1,631.12)	829.24
Profit / (Loss) after tax	(5,783.34)	(1,222.65)	723.22



PART - II

Statement of Assets and Liabilities (Audited):

₹ in Lakhs

Particulars	Consolidated		Standalone	
	As at March 31,2020	As at March 31,2019	As at March 31,2020	As at March 31,2019
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	3,591.39	34,971.26	2,137.71	33,748.32
(b) Intangible assets	8,183.05	-	1,105.59	-
(c) Intangible assets under development	1,330.75	576.13	-	576.13
(d) Goodwill on Consolidation	13,455.69	-	-	-
(e) Right-of-use Lease assets	504.35	-	-	-
(f) Financial assets				
(i) Investments	-	169.04	28,984.56	5,585.26
(ii) Loans and advances	388.56	-	25.00	-
(iii) Other financial assets	56.86	-	-	-
(g) Deferred tax assets (net)	5,674.24	1,683.28	5,709.86	1,621.07
(h) Other non-current assets	9,042.24	2,036.06	1,007.94	1,954.81
Total non current assets	42,227.13	39,435.77	38,970.66	43,485.59
(2) Current Assets				
(a) Financial Assets				
(i) Investments	-	7,376.17	-	7,376.17
(ii) Trade receivables	32,576.94	30,782.95	24,784.64	23,628.52
(iii) Cash and cash equivalents	20,057.47	15,502.49	11,902.59	13,519.67
(iv) Loans and advances	294.57	111.50	-	-
(v) Other financial assets	20,472.22	13,579.22	10,854.22	13,258.17
(b) Other current assets	4,340.91	3,899.54	2,215.96	3,978.26
Total current assets	77,742.11	71,251.87	49,757.41	61,760.79
TOTAL ASSETS	119,969.23	110,687.64	88,728.07	105,246.38
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	1,459.72	1,156.27	1,459.72	1,156.27
(b) Other equity	68,713.73	71,398.01	65,446.33	68,815.27
Total equity	70,173.45	72,554.28	66,906.05	69,971.54
(2) Non current liabilities				
(a) Financial liabilities				
(i) Borrowings	-	4,692.53	-	4,692.53
(ii) Lease liabilities	434.91	-	-	-
(iii) other financial liabilities	22.95	19.03	22.95	19.03
(b) Provisions	644.80	-	-	-
(c) Other non-current liabilities	428.70	8.85	55.85	8.85
Total Non Current Liabilities	1,531.36	4,720.41	78.80	4,720.41
(3) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	-	1,295.67	-	1,295.67
(ii) Trade payables	28,060.26	20,232.49	13,343.93	16,575.68
(iii) Lease liabilities	103.80	-	-	-
(iv) other financial liabilities	16,865.62	9,714.06	7,543.61	10,697.32
(b) Other current liabilities	2,014.98	1,680.73	855.69	1,574.66
(c) Provisions	94.29	-	-	-
(d) Liabilities for current tax (net)	1,125.47	490.00	-	411.10
Total Current liabilities	48,264.42	33,412.95	21,743.23	30,554.43
TOTAL EQUITY AND LIABILITIES	119,969.23	110,687.64	88,728.07	105,246.38



PART - III

Statement of Cash flows (Audited):

₹ in Lakhs

Particulars	Consolidated		Standalone	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
A				
Cash flows from Operating Activities				
Profit before tax	(18,682.39)	3,347.41	(19,107.84)	1,963.77
Adjusted for :				
Depreciation and amortisation	37,779.58	7,322.75	32,070.52	6,808.30
Interest & other income	(1,108.50)	(995.31)	(664.41)	(908.74)
ESOP & ESPS cost	2,964.86	512.37	32.66	512.37
Provision for diminution of investment in Associate	-	-	200.00	-
Unrealised loss/gain on forex fluctuation	345.75	-	(31.97)	-
Allowance for advances	268.82	-	52.83	-
Provision for doubtful debts	1,963.66	26.23	104.89	20.23
Operating profits before working capital charges	23,531.78	10,213.45	12,656.68	8,395.93
Changes in current assets and liabilities				
(Increase)/Decrease in trade receivables	(1,793.98)	(12,995.88)	(1,156.12)	(8,844.69)
(Increase)/Decrease in financial and non-financial assets	(15,473.39)	(7,770.75)	5,648.26	(6,844.41)
Increase/(Decrease) in financial and non-financial liabilities	9,822.85	1,314.81	(4,232.87)	2,315.18
Increase/(Decrease) in trade payables & other liabilities	7,827.77	6,196.86	(3,231.75)	2,874.46
Cash generated from operations	23,915.03	(3,041.50)	9,684.20	(2,103.53)
Income taxes paid	-	-	-	-
Net cash generated from operating activities (A)	23,915.03	(3,041.51)	9,684.20	(2,103.53)
B				
CASH FLOWS FROM INVESTING ACTIVITIES:				
(Purchase)/sale of fixed assets/intangible assets	(21,115.83)	1,209.84	1,390.00	1,318.07
(Purchase)/sale of Investments in Subsidiary/associate	-	(200.00)	(14,277.99)	(200.00)
(Purchase)/sale of investments - (Short term liquid funds)	7,376.17	(7,376.17)	7,376.17	(7,376.17)
Interest & other Income received	1,108.50	995.31	664.41	908.74
Net cash used in investing activities (B)	(12,631.16)	(5,371.02)	(4,847.41)	(5,349.36)
C				
CASH FLOWS FROM FINANCING ACTIVITIES:				
Proceeds from issue of shares	140.94	1788.35	140.94	1788.35
Borrowings	(5,988.20)	5,988.20	(5,988.20)	5,988.20
Payment of lease liabilities	(228.71)	-	-	-
Interest paid on lease liabilities	(46.31)	-	-	-
Dividends and dividend tax paid during the year	(606.61)	(405.93)	(606.61)	(405.93)
Net Cash generated from financing activities (C)	(6,728.89)	7,370.62	(6,453.87)	7,370.62
D				
Net increase / (decrease) in cash and cash equivalents (A+B+C)	4,554.98	(1,041.90)	(1,617.08)	(82.27)
E				
Cash and cash equivalents at the beginning of the year	15,502.49	16,544.38	13,519.64	13,601.91
F				
Cash and cash equivalents at the end of the year	20,057.47	15,502.49	11,902.59	13,519.67

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



Hyderabad
June 10, 2020

For and on behalf of the Board of Directors

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



Independent Auditor's Report on Quarterly Standalone Financial Results and Year to Date Standalone Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

To the Board of Directors of Tanla Solutions Limited

Report on the Audit of Standalone Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Tanla Solutions Limited (hereinafter referred to as 'the Company') for the quarter and year ended March 31, 2020 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Board of Directors' Responsibilities for the Standalone Financial Results

This Statement have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Company, as aforesaid.

In preparing the Statement, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Company of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

1. The standalone financial statements of the Company for the year ended March 31, 2019, were audited by another auditor whose report dated May 02nd 2019 expressed an unmodified opinion on those statements.
2. The Statement include the audited Financial Results of Dubai branch, whose Financial Statements reflect company share of total assets of Rs. 1,185.87 Lakhs as at March 31, 2020, company share of total revenue of Rs. 538.11 Lakhs and Rs.2,134.24 Lakhs and company share of total net loss after

tax of Rs. 3,724.44 lakhs and Rs. 30,717.39 for the quarter ended March 31, 2020 and for the period from April 01, 2019 to March 31, 2020 respectively, as considered in the Statement, which have been audited by their independent auditor. These financial statements have been audited by other auditor whose report have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this branch is based solely on the reports of the other auditors. Further, this branch is located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their country and which have been audited by other auditor under generally accepted auditing standards applicable in their county. The company's management has converted the financial statements of the branch located outside India from accounting principles generally accepted in their country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management.

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

3. The Statement include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our Opinion 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
UDIN: 20214198AAAACT4449

Place: Hyderabad
Date: June 10, 2020

Independent Auditor’s Report on Quarterly Consolidated Financial Results and Year to Date Consolidated Financial Results pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

To the Board of Directors of Tanla Solutions Limited [Holding Company]

Report on the Audit of Consolidated Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Tanla Solutions Limited (hereinafter referred to as the ‘Holding Company’) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), its associate and jointly controlled entity for the quarter and year ended March 31, 2020, (‘the Statement’) attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries and management account of associate and jointly controlled entity, the aforesaid Statement:

(i) include the annual financial results of the following entities

Sr. No	Name of the Entity	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	Karix Mobile Private Limited, India	Step Down Subsidiary
7	Unicel Technologies Private Limited, India	Step Down Subsidiary

Sr. No	Name of the Entity	Relationship with the Holding Company
8	TZ Mobile Private Limited, India	Joint Venture
9	Jengatron Gaming Private Limited, India	Associate Company

(ii) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(iii) give a true and fair view in conformity with the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Group for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, its associate and jointly controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in “Other Matter” paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Board of Directors’ Responsibilities for the Consolidated Financial Results

These Statement have been prepared on the basis of the consolidated annual financial statements. The Holding Company’s Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group including its associate and jointly controlled entity in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding

of the assets of the Group and its associate and jointly controlled entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entity are responsible for assessing the ability of the Group and its associate and jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its associate and jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate and jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate and jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associate and jointly controlled entity to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

1. The Statement include the audited Financial Results of three subsidiaries and Dubai branch whose Financial Statements reflect Group's share of total assets (before consolidation adjustments) of Rs. 45,444.31 Lakhs as at March 31, 2020, Group's share of total revenue (before consolidation adjustments) of Rs. 16,491.42 Lakhs and Rs. 49,639.32 lakhs and Group's share of total net loss after tax (before consolidation adjustments) of Rs.9,752.58 Lakhs and Rs.35,881.39 Lakhs for the quarter ended March 31, 2020 and for the period from April 01st 2019 to March 31, 2020 respectively, as considered in the Statement, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above. Further, for the branch and subsidiaries which are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management.

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

2. The Statement include the unaudited Financial Results of one associate and one jointly controlled entity, whose Financial Statements reflect Group's share of total net loss of Rs. Nil and Rs. 169.04 lakhs for the quarter ended March 31, 2020 and for the period from April 01st 2019 to March 31, 2020 respectively, as considered in the Statement. These unaudited interim Financial Statements have been furnished to us by the Board of Directors and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these associate and jointly controlled entity is based solely on such unaudited Financial Statements. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements are not material to the Group.
3. The consolidated financial statements of the Group for the year ended March 31, 2019, were audited by another auditor whose report dated May 02nd 2019 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of the above matter.

4. The Statement include the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" which were subject to limited review by us.

Our opinion is not modified in respect of this matter

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



Amit Kumar Agarwal
Partner
Membership No.: 214198
UDIN: 20214198AAAACU5386

Place: Hyderabad
Date: June 10, 2020



Tanla Solutions Limited

T: +91-40-40099999

Tanla Technology Center
Hi-tech city Road, Madhapur,
Hyderabad, India - 500081

info@tanla.com
tanla.com

CIN: L72200TG1995PLC021262

June 10, 2020

To,

Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.	National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, Block-G, Bandra Kurla Complex, Bandra (East) Mumbai – 400051.
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Dear Madam/Sir,

Sub: Declaration pursuant to Regulation 33(3)(d) of the SEBI (LODR) Regulations, 2015

DECLARATION

I, D. Uday Kumar Reddy, Chairman & Managing Director of Tanla Solutions Limited (CIN: L72200TG1995PLC021262) having its registered office at Tanla Technology Centre, Hitech City Road, Madhapur, Hyderabad – 500 081, India, hereby declare that MSKA & Associates, Chartered Accountants (FRN: 105047W), Statutory Auditors of the Company have issued an Audit Report with unmodified opinion on the audited financial results of the Company (Standalone & Consolidated) for the quarter & year ended on March 31, 2020.

This declaration is given in compliance to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by the SEBI (Listing Obligations and Disclosure Requirements), 2016, vide notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016.

Kindly take this declaration on your records.

Yours Sincerely,

For Tanla Solutions Limited



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