



 **Tanla Platforms Limited**
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Date: October 17, 2024

To,

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

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

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

Request you to take the same on record and oblige.

Thanking you

Yours faithfully,
For **Tanla Platforms Limited**

SESHANURA Digitally signed by
SESHANURADHA CHAVA
DHA CHAVA Date: 2024.10.17 19:47:25
+05'30'

Seshanuradha Chava
General Counsel and Company Secretary
ACS-15519



tanla
BUSINESS
REVIEW

Shareholders' Letter
and Results

Q2 FY25

**Shaping the
world of digital
interactions**

Thousand Pillars of Warangal (Telangana), a UNESCO World Heritage site, symbolizing India's timeless resilience and artistic grandeur

TABLE OF CONTENTS

Financial Performance 03

OTT contribution to overall revenue was at **20%** in Q2FY25

Message from Chairman 04

"Amidst the dynamic landscape, we have navigated shifts effectively while building a foundation for sustained growth. With strategic investments in OTT, platform innovation, and investment for future growth, Tanla is positioned to drive impactful industry shifts. We closed another deal with one of the largest banks in India this quarter for Wisely ATP, reinforcing our commitment to secure, innovative digital solutions."



Product Focus 07

Wisely ATP, Tanla's AI-powered anti-phishing platform, has emerged as a leading force in protecting over 1 billion users globally from phishing and smishing attacks.

Management Discussion Q&A 10

Q1. Please provide an overview of Q2 performance?

OTT revenue exceeded ₹2 Bn for the quarter.

Quarterly Disclosures 13

Deep-Dive Charts 24

Policies 20

About Tanla

Founded in 1999, Tanla Platforms Limited has revolutionized digital interactions by empowering users and enabling enterprises through its innovation-led SaaS business. With a unique enterprise and user-centric approach, Tanla has emerged as a leader in the CPaaS industry dominating data security, privacy, spam, and scam protection. Headquartered in Hyderabad (India), Tanla is the preferred partner for over 2,000 enterprises across various industries, including global tech giants like Google, Meta, and Truecaller. Tanla is recognized as a 'Visionary' in the 2024 Gartner® Magic Quadrant™ for CPaaS and is ranked among the "1000 High-Growth Companies in Asia Pacific" by the Financial Times. Tanla is publicly traded on the NSE and BSE (NSE: TANLA; BSE: 532790) and is included in prestigious indices such as the Nifty 500, BSE 500, Nifty Digital Index, FTSE Russell, and MSCI.



Financial Performance Q2 FY25

Revenue

₹ 10,007 Mn

de-grew 0.8% YoY

PAT

₹ 1,302 Mn

PAT margin 13.0%

Gross Profit

₹ 2,618 Mn

Gross margin 26.2%

EPS

₹ 9.70 Per Share

EBITDA

₹ 1,754 Mn

EBITDA margin 17.5%

Cash and Cash equivalents

₹ 7,053 Mn

Digital Platforms

Revenue

₹ 880 Mn

de-grew 7.7% YoY

Gross Profit

₹ 868 Mn

Gross margin 98.7%

EBIT

₹ 601 Mn

EBIT margin 68.3%

Enterprise Communications

Revenue

₹ 9,127 Mn

de-grew 0.1% YoY

Gross Profit

₹ 1,750 Mn

Gross margin 19.2%

EBIT

₹ 919 Mn

EBIT margin 10.1%

Significant Events

- First to launch and implement Call To Action (CTA) whitelisting on our Trubloq platform
- Second year in a row, Karix has been awarded "Meta Growth Partner of the Year"
- Deployed Wisely ATP with another leading bank in India
- Appointed François Ortalo-Magné (Executive Dean – London Business School) as independent director to the Board
- Final dividend was approved by the shareholders in the Annual General Meeting, and the dividend was disbursed in August 2024. Total cash outflow of ₹ 807 Mn

Amidst the dynamic landscape, we have navigated shifts effectively, securing market share and building a foundation for sustained growth. With strategic investments in OTT, platform innovation, and global expansion, Tanla is positioned to drive impactful industry shifts. We closed another deal with one of the large banks in India this quarter for Wisely ATP, reinforcing our commitment to secure, innovative digital solutions.

- Uday Reddy, Founder Chairman & CEO

Invitation to conference

Tanla will host a conference call and live webcast to discuss the financial results on Oct 18, 2024 at 4.30 PM IST. Watch the presentation at <https://bit.ly/3NexYyO>

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United States : 18667462133

Message from Chairman

"I hope you are all enjoying the festive season. I would like to begin by sharing my perspective on some of the key emerging industry trends and provide you an overview of how we are progressing.

Industry Trends

Several structural tailwinds and headwinds are shaping the CPaaS market. Digital interactions are surging in India, fueled by public digital infrastructure, with UPI transactions alone hitting 15 billion in September—a 40% increase over last year. Driven by this macro trend, the domestic SMS market is continuing to see 8-10% volume growth.

While domestic SMS remains a key channel in this price-sensitive market, it's the OTT channels that are shaping the future of communication. WhatsApp has changed its utility messaging price from 30 paise to 12 paise, which now almost mirrors the cost of domestic SMS. This price parity makes OTT channels an increasingly attractive and a more cost-effective for enterprises, offering richer and more interactive customer engagement. Given these key shifts in the evolving market dynamics, OTT channels may emerge as a preferred choice for customer engagement.

On regulatory front, TRAI has mandated Call to Action (CTA) whitelisting for SMS messages to prevent misuse of URLs, APKs and OTT Links and we continue to see more push from the regulators to curb spams and scams.

Deconstructing the Market Dynamics and Tanla Performance

We have navigated the market shifts reasonably well and have gained market share even though the market has been muted in

pockets.

In -line with our stated strategic thrusts, we have

- Increased relevance in OTT led by WhatsApp and RCS
- Scaled Platform business
- Driven customer Adoption and Volume Growth in Enterprise Communications

Increased relevance in OTT led by WhatsApp and RCS

We are steadily growing market share in OTT by making well-timed investments. Revenue contribution in OTT channels has increased from ~10% last year to ~ 20% in Q2 FY25. OTT revenue exceeded ₹2 Bn for the quarter.

In RCS, we continue to be Google's largest global partner, gaining market share in India. We have also been awarded Meta Growth Partner of the Year consecutively for two years in a row and now are the second largest player, with steady increase in market share. WhatsApp revenue grew by 100% YoY in Q2.

Scaled Platform business

We have a vision to identify trends ahead of the time, and an innovation- DNA to come out with greenfield solutions and an execution rigor to commercialize. In response to TRAI mandate, we were the first to launch and implement CTA whitelisting on our

Trubloq platform. To date, we have successfully whitelisted 1.7L URLs on Trubloq, representing 98% of all whitelisted URLs across all telco DLT platform.

Similarly, Wisely ATP is gaining prominence due to regulatory emphasis from TRAI and DoT on user protection from spam and scams. A large telco announced an anti-spam solution increasing awareness to curb spam and scams in the market. We continue to have significant traction on our solution and have closed another deal with one of the largest banks in India this quarter.



Digital Platforms business would have grown by 16% YoY, if normalized for the loss of revenues from Vi ILD Network (₹200 Mn per-quarter). Gross margin contribution for platform business is 33% in Q2FY25.

Driven customer Adoption and Volume Growth in Enterprise Communications

The domestic SMS market continues to grow at a rate of 8-10%. While we have outperformed in volume growth, the market remains highly price sensitive. ILD volumes have contracted across the overall market but have remained stable over the past 1-2 months. Customers contributing to revenue > ₹ 500 Mn grew by 3% QoQ to ₹ 4,150 Mn. We have added 89 new logos in Q2, 35% of additions are on new channels like WhatsApp. The revenue contribution from newly acquired customers amounts to ₹ 68 Mn.

Financial Performance

Q2 revenue growth was soft, both on YoY and QoQ basis. Our profitability was affected by softness in the International SMS business, ongoing investments in platform modernization, talent acquisition, and investments for future growth.

Governance

Our goal extends beyond building a successful business; we aim to establish a lasting institution grounded in high governance standards. We are thrilled to welcome François Ortalo-Magné, Executive Dean at London Business School (LBS), to our Board. His extensive network and experience will unlock opportunities with the exceptional LBS alumni community, aiding talent acquisition, fostering innovation, and accelerating our vision for global growth. We distributed a final dividend of ₹6 per share, in line with our capital allocation policy of sharing 30% of consolidated profit after tax.

As we move ahead, the upcoming

two quarters are pivotal as we continue to build momentum with OTT and digital platform innovations that are poised to drive significant shifts. The foundational work in Q2 FY25 has positioned us well for profitable growth."



Uday Reddy
Founder Chairman & CEO



Tanla Talks

Phishing is no longer a niche cybercrime—it's an epidemic sweeping across India, targeting anyone with a mobile phone. In the next few minutes that you will take to read this article, scammers in India will have stolen about ₹ 15 Mn from 20-50 unsuspecting people. It's that rampant. The Reserve Bank of India (RBI) reported a staggering ~36,000 fraud complaints involving amounts exceeding ₹ 1 lakh, with the scale of fraud doubling year on year. The problem is big, real, and growing by the day.

But what exactly is Wisely ATP, and how does it help in the fight against phishing?

What is Wisely ATP?

At its essence, Wisely ATP is driven by a mission to protect a billion individuals from scams. The Wisely ATP (Anti-Phishing Technology Platform) is specifically designed to combat phishing and other types of fraud occurring via SMS, with plans to gradually expand into additional channels. It is the only proactive solution available globally that aims to safeguard citizens. Scammers have adapted to the times, now impersonating banks, service providers, and even government agencies, sending texts that seem legitimate.

Wisely ATP operates in the background, employing advanced patented AI and machine learning algorithms to analyze SMS communications in under 50 milliseconds for

any signs of suspicious activity. When a fraudulent SMS is detected, the platform promptly blocks it from being delivered, ensuring user safety.

How is Wisely ATP Different?

While many anti-phishing solutions exist, Wisely ATP stands out because it doesn't rely on traditional methods like blocking known numbers or relying on reactive measures. Most solutions chase the scam after it has already hit users. Wisely ATP flips the script—it takes a proactive stance. By leveraging cutting-edge AI/ML algorithms, it analyzes patterns and behaviors of messages in real-time, stopping threats before they reach your phone.

The rise of smishing—SMS-based phishing—has become one of the fastest-growing scams in India. With the widespread use of mobile phones, scammers now impersonate legitimate businesses, coaxing people into giving up personal information. Wisely ATP is designed to tackle exactly this, making it a trusted gatekeeper between your phone and potential fraud.

What keeps me motivated in this constant battle against scammers?

For one, I believe we humans are naturally wired to respond to stories. Each scam is a story waiting to be told, and each person scammed is someone who didn't deserve it. The Wisely ATP challenge is enormous, and the chance to make a real difference in the

lives of millions is what gets me out of bed every morning. It's not just about the technology. It's about the partnerships. We collaborate actively with telecom operators, regulators, and other ecosystem players, constantly innovating to stay ahead. Every partner is committed, pushing boundaries, and thinking about new ways to tackle fraud.



Leon Serrao

Sr. Director - Products

There's the thrill of the chase—trying to outsmart the scammers. It's a bit like playing a game of chess where you must stay three moves ahead. The satisfaction of beating these bad actors at their own game is unlike anything else.

Product Focus



Phishing: The Global Challenge

No one can deny that phishing has become a significant global challenge, with more than 350-400 million scams reported in 2023 – causing a staggering loss of USD 60 billion. Even in India financial frauds are rising, with 1 in 12 people experiencing SMS phishing attacks monthly.

This can be attributed to various circumstances:

- **Low Reporting and Convictions:** The absence of pre-emptive identification systems, low traceability of scammers, along with challenging and confusing reporting procedures, have dissuaded many victims from speaking up – with less than 7% of occurrences being reported, often out of embarrassment. This has cut the conviction rate of phishing crimes to less than 1%.
- **Evolving Attacks:** Hackers are finding new methods and clever pretexts to steal sensitive information, getting users to disclose sensitive information, making phishing faster and more sophisticated.
- **Co-opting Legitimate Brand Names:** Phishing incidents often occur under the guise of legitimate brands and businesses, dampening customer trust in enterprises.
- **Proliferation of Mobile Devices:** In the Indian context, the rise of mobile device usage and the relatively cheap cost of SMS channels makes it an ideal environment for phishing attacks. Close to 30-40% of phishing cases take place through this channel.
- **Outdated Solutions:** Existing solutions, which are often rule-based and slow to adapt, cannot keep up with the elusive threat of phishing attacks.

The individual damage caused by phishing attacks can erode customer confidence in both brands and digital platforms. Brand reputations have taken a hit as customers expect brands to adopt the responsibility of fighting phishing, which in turn is hindering overall digital adoption in the country. Comprehensive solutions – which employ the latest technologies to identify and arrest smishing attacks in real-time – are the need of the hour.

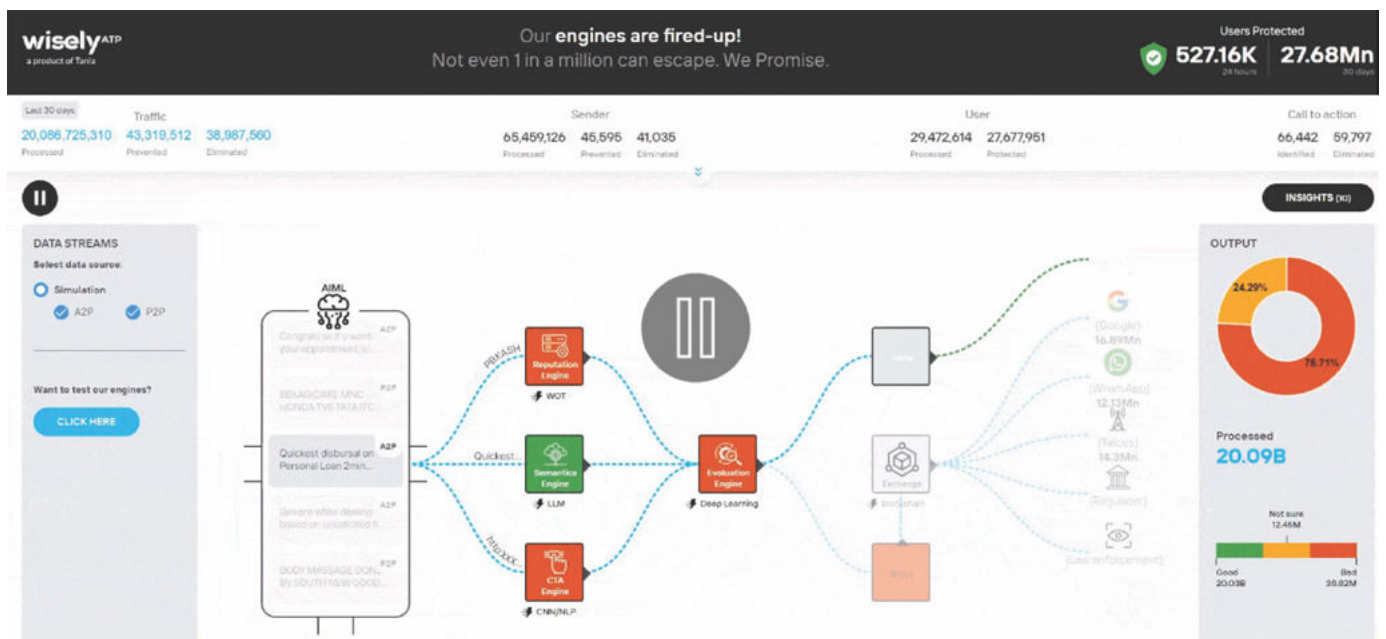


A New Paradigm in Scam Prevention

Wisely ATP, Tanla's AI-powered anti-phishing platform, has emerged as a leading force in protecting over 1 billion users globally from phishing and smishing attacks. Its advanced AI/ML engine detects and prevents phishing messages within 50 milliseconds, providing real-time protection for enterprises and their customers. Leveraging deep learning algorithms, Wisely ATP analyzes metadata, traffic patterns, and URLs to accurately identify and block malicious activities.

With a 99%+ efficacy rate and a false-positive rate of less than 0.5%, Wisely ATP has significantly reduced phishing-related complaints by over 75% across enterprises. It has also partnered with tech giants to eliminate over 90% of malicious URLs within minutes. The platform's scalability, capable of processing over a trillion messages, ensures broad protection across industries.

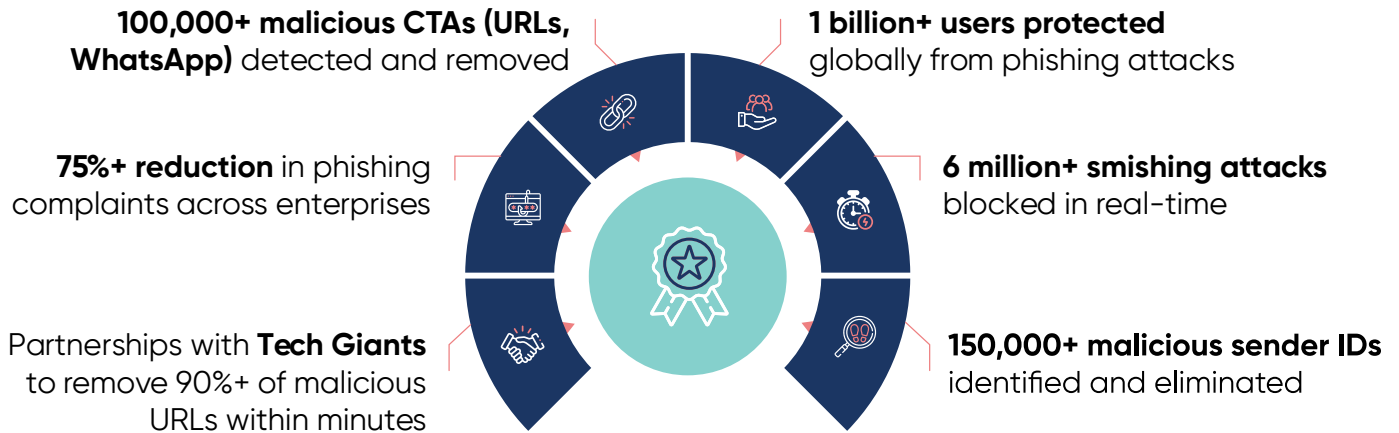
Wisely ATP's blockchain-based architecture ensures transparency with immutable audit trails, while its real-time analytics and detailed reports offer granular insights to enterprises. Since its deployment, Wisely ATP has blocked more than 6 million smishing attacks and identified over 150,000 malicious sender IDs, reinforcing its commitment to creating a #ScamProofIndia.



These engines process live traffic autonomously in real-time, eliminating the need for human intervention while ensuring end-to-end data privacy. By deploying ATP, we have identified 10+ predominant use cases, with banking, credit cards, and job scams being the most prevalent (illustrative messages below). Through self-learning and adaptability, these engines understand new use cases, patterns, behaviours, and tactics exhibited by phishing attacks.

Additionally, we have pioneered a differentiated ecosystem by partnering with leading tech giants, OTT players, and take-down services such as Google and WhatsApp, while also providing evidence to law enforcement authorities—a united front against the multifaceted threat of phishing.

Key Achievements:



Unique Features:

- **AI/ML engine** for advanced message analysis using metadata, traffic patterns, and URL examination
- **Blockchain-based architecture** providing immutable audit trails for transparency and accountability
- Scalable infrastructure capable of processing **1 trillion+ messages**, ensuring protection across large-scale enterprises and telcos

Impact for Enterprises:



With Wisely ATP, Tanla continues its mission to protect digital ecosystems from evolving phishing threats, ensuring safety, trust, and transparency for enterprises and their customers.

Management Discussion

Q1 Please provide an overview of Q2 performance?

In Q2, the revenue growth remained muted both on a YoY and QoQ basis. Revenues for the quarter was at ₹ 10,007 Mn. From a channel perspective, OTT continued to deliver strong growth, contributing 20.3% to overall revenue in Q2 FY25, compared to 9.7% in Q2FY24. OTT revenue exceeded ₹ 2 Bn for the quarter.

Gross profit de-grew by 5.2% YoY and 2.8% QoQ to ₹ 2,618 Mn in Q2 FY25. The gross profit was impacted due to softness in the International SMS business.

On the profitability front, EBITDA de-grew by 10.9% YoY and 7.0% QoQ to ₹ 1,754 Mn in Q2 FY25. This decrease can be primarily attributable to lower gross profit coupled with increased spending on platform modernization, talent acquisition and investments for future growth. Profit after tax decreased by 8.7% YoY and 7.7% QoQ to ₹ 1,302 Mn, with earnings per share at ₹ 9.70.

Deep-Dive Chart

Q2 We have seen healthy additions of new customers. Can elaborate their performance

We have implemented a highly aggressive campaign to acquire new customers across multiple segments. These new customers are scaling up well. The customers on-boarded during the trailing twelve months (TTM) have added ₹ 417 Mn in Q2. We have added 89 new logos in Q2, 35% of additions are on new channels like WhatsApp. The revenue contribution from newly acquired customers amounts to ₹ 68 Mn.

Q3 How have your existing customers grown?

Our count of customers contributing to greater ₹ 10Mn annualized revenue grew by 5% YoY. Our annualized revenue from customers contributing to greater ₹ 10Mn

remains flat on a YoY basis at ₹ 9,524 Mn. Our customers contributing to greater than INR 500 Mn annualized revenue grew by 3% QoQ to ₹ 4,150 Mn. Customer concentration from our top twenty customers was reduced from 47% in Q2 FY24 to 44% in Q2 FY25.

Deep-Dive Chart

Q4 Can you summarize Digital Platform performance?

In Q2, Digital Platforms revenue de-grew by 7.7% YoY to ₹ 880 Mn, if normalized for loss of revenues from Vi network, YoY growth would be at 16.0%.

On a sequential basis, revenue grew by 1.5%, driven by incremental revenues from Wisely ATP and MaaP platform. Gross profit de-grew by 6.6% YoY to ₹ 868 Mn in Q2 Y25.

Q5 Enterprise Communications delivered muted growth. Can elaborate on the performance?

Enterprise Communications delivered muted growth on a YoY and QoQ basis. Revenues for the quarter was at ₹ 9,127 Mn. Newer channels continue like WhatsApp continues to deliver strong growth with WhatsApp growing by 93.9% YoY. Gross profit de-grew by 4.4% on a YoY and 4.8% QoQ to ₹ 1,750 Mn in Q2 FY24. The gross profit was impacted due to softness in the International SMS business.

Q6 Moving on, Indirect expenses have significantly gone up? Can provide a breakdown on the same?

Indirect expenses increased by 8.8% YoY to ₹ 864 Mn in Q2. Sequentially indirect expenses increased by 6.8% expenses. Indirect expenses was at 8.6% of revenues in Q2 FY25 as against 7.9% in Q2 FY24. Employee costs grew by 15.0% on a QoQ basis to ₹ 544 Mn due to net additions, salary increments and RSU cost. We have been making strategic investments in our Innovation and Go-to-Market

(GTM) teams.

Deep-Dive Chart

Q7 Can you please share details about the ESOP Trust?

We have consistently adopted a compensation policy aimed at attracting, retaining and rewarding our employees while aligning their long-term interests with those of the company. To further enhance this, we have created a new ESOP trust, which will acquire shares from the secondary market and transfer to the employees when the granted options are exercised.

Q8 Can you throw some color on Depreciation and Amortization?

Depreciation and Amortization expense increased by 3.8% YoY to ₹ 234 Mn in Q2 FY25. The increase in depreciation and amortization is due to platform infrastructure upgrades.

Deep-Dive Chart

Q9 Can you give a view of ETR?

The effective tax rate for Q2 FY25 is at 19.0%. The ETR decreased from the previous year due to change in mix of business. Tax contribution to the exchequer in Q2 was ₹ 2,861 Mn. These contributions include corporate income taxes and contributions by way of withholding taxes and indirect taxes such as GST in India and Singapore, VAT in UAE etc.

Deep-Dive Chart

Q10 Can you breakdown on the cash flow for Q2?

In Q2, we generated ₹ 1,787 Mn as cash flow from operations and ₹ 520 Mn in free cash flow. Our cash collections were spilled over in Oct 2024

impacting DSO days and free cash flow. A final dividend of ₹ 6 per share for FY24 in line with our dividend policy was paid to shareholders resulting in a cash outflow of ₹ 807 Mn.

Deep-Dive Chart

Q11 How is the cash balance looking at the end of Q2?

The cash balance at the end of Q2 stood at ₹ 7,053 Mn (including investments in liquid funds and fixed deposits with maturity greater than twelve months). The sequential decline in cash balance is primarily due to the distribution of final dividends to shareholders. On a quarterly basis independent bank confirmation is obtained by our statutory auditors for 100% of our cash balance. Restricted cash is held as margin money deposits given for bank guarantees and cash credit limits.

Deep-Dive Chart

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

The overseas entities acquisition is yet to be completed as we are awaiting regulatory approvals. As informed earlier, the management team of ValueFirst will be incentivized for performance with a RSU grant of ₹ 500 Mn in ValueFirst. Refer press release regarding ValueFirst acquisition. [🔗](#)

Share performance and Ownership

Tanla is listed on two national exchanges, the NSE and BSE and included in prestigious indices such as the Nifty 500, BSE 500, Nifty Digital Index, FTSE Russell and MSCI.

Share capital

The Company has only one class of shares – equity shares of par value of ₹ 1/- each. The authorized share capital of the Company is 20,00,00,000 equity shares. As on Sep 30, 2024, paid-up share capital was ₹ 134.6 Mn

Shareholder Ownership

As of Sep 30, 2024, Company has about 2,59,734 shareholders as compared to 2,40,882 shareholders as on March 31, 2024. Promoters and employees hold 47.12% of the total equity.

Movement in shareholder pattern for last five quarters:

Shareholder category	30-Sep-23	31-Dec-23	31-Mar-24	30-Jun-24	30-Sep-24
Promoters	44.2%	44.2%	44.2%	44.2%	44.1%
Employees	4.5%	3.4%	3.4%	3.4%	3.0%
Retail	35.4%	36.2%	36.6%	37.2%	37.6%
FII	15.2%	15.5%	15.1%	14.5%	14.6%
Mutual Funds	0.7%	0.8%	0.7%	0.7%	0.5%
Total	100%	100%	100%	100%	100%

Annexure- 1 Quartely Disclosures

(In ₹ Mn, unless otherwise stated)	Three Months Ended Sep-30 (Un Audited)		Six Months Ended Sep-30 (Un Audited)	
	Q2 FY25	Q2 FY24	H1 FY25	H1 FY24
Revenue from operations	10,007	10,086	20,029	19,197
Gross profit	2,618	2,762	5,313	5,175
Gross margin	26.2%	27.4%	26.5%	27.0%
EBITDA	1,754	1,968	3,640	3,790
EBITDA margin	17.5%	19.5%	18.2%	19.7%
EBITDA/ Gross profit	67.0%	71.2%	68.5%	73.3%
EBIT	1,520	1,742	3,178	3,400
EBIT margin	15.2%	17.3%	15.9%	17.7%
Interest Income	87	35	154	83
Interest yield	6.5%	5.2%	6.6%	5.1%
Profit after tax	1,302	1,425	2,714	2,780
Profit after tax margin	13.0%	14.1%	13.6%	14.5%
Free cash flow	520	1,130	1,261	196
Earnings per share (In ₹)	9.7	10.6	20.2	33.1
EBITDA per share (In ₹)	17.7	20.5	36.1	38.5
Cash and Cash equivalents	7,053	5,450	7,053	5,450
ROCE - (Including CCE)	28.0%	38.5%	29.3%	37.5%
ROCE - (Excluding CCE)	41.5%	55.0%	43.4%	53.6%
DSO days	90	75	87	79
Average number of employees	1,055	1,002	1,042	826

CONDENSED CONSOLIDATED INCOME STATEMENT

(In ₹ Mn, unless otherwise stated)	Three Months Ended Sep 30 (Un Audited)		Six Months Ended Sep 30 (Un Audited)	
	Q2 FY25	Q2 FY24	H1 FY25	H1 FY24
Revenue from operations	10,007	10,086	20,029	19,197
Cost of services	(7,389)	(7,324)	(14,717)	(14,022)
Gross profit	2,618	2,762	5,313	5,175
Operating expenses				
Sales and Marketing	(265)	(156)	(474)	(260)
General and administrative	(599)	(638)	(1,199)	(1,124)
Total operating expenses	(864)	(794)	(1,673)	(1,384)
EBITDA	1,754	1,968	3,640	3,790
Depreciation	(234)	(226)	(462)	(390)
EBIT	1,520	1,742	3,178	3,400
Finance cost	(15)	(18)	(31)	(29)
Other income	103	63	199	116
Profit before tax	1,607	1,787	3,346	3,487
Tax expense	(305)	(362)	(632)	(708)
Profit after tax	1,302	1,425	2,714	2,779
Earnings per share (In ₹)	9.70	10.60	20.20	20.67

CONDENSED CONSOLIDATED BALANCE SHEET

(In ₹ Mn, unless otherwise stated)	Sep 30, 2024 (Un Audited)	June 30, 2024 (Un Audited)
ASSETS		
Property, plant and equipment	2,281	2,093
Platforms	852	917
Customer Relationships	271	289
Brands	26	30
Non-Compete	17	18
Technology & Software	309	329
Intangible assets under development	1,145	942
Goodwill	2,646	2,646
Right-of-use-lease assets	590	158
Capital work in progress	16	100
Investment Property	17	17

Financial assets	416	526
Deferred tax assets (net)	405	405
Other non-current assets	435	1,627
Total non-current assets	9,426	10,620
Trade receivables	10,045	9,782
Investments	1,553	-
Cash and bank balances	5,267	7,234
Other Financial assets	5,126	5,260
Other current assets	508	509
Total current assets	22,499	22,785
TOTAL ASSETS	31,925	33,405

EQUITY AND LIABILITIES

(In ₹ Mn, unless otherwise stated)	Sep 30, 2024 (Un Audited)	June 30, 2024 (Un Audited)
EQUITY AND LIABILITIES		
Equity share capital	135	134
Other equity	20,941	20,688
Total equity	21,076	20,822
Non current liabilities	-	-
Financial Liabilities	-	-
Borrowings	-	-
Lease liabilities	597	555
Other financial liabilities	-	-
Provisions	15	17
Other non-current liabilities	8	8
Total Non Current Liabilities	620	580
Current liabilities	-	-
Trade payables	6,238	7,397
Lease liabilities	99	168
Other financial liabilities	3,146	2,549
Other current liabilities	341	254
Short term provisions	83	80
Liabilities for current tax (net)	321	1,555
Total Current liabilities	10,228	12,003
TOTAL EQUITY AND LIABILITIES	31,925	28,835

CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

(In ₹ Mn, unless otherwise stated)	Share capital	Reserves	Retained earnings	Other contributions	Total
Opening balance 01 April 2023	134	2,502	12,165	374	15,175
Profit for the period			5,483		5,483
Other comprehensive income				22	22
Issue of equity shares		66			66
Shares bought back					
Dividend declared			(1,344)		(1,344)
Others		17			17
Closing balance 31 March 2024	134	2,584	16,303	396	19,418
Opening balance 01 April 2024	134	2,584	16,303	396	19,417
Profit for the period			2,714		2,714
Other comprehensive income				10	10
Issue of equity shares	1	(260)			(259)
Shares bought back					-
Dividend declared			(807)		(807)
Others					-
Closing balance 30 Sep 2024	135	2,324	18,211	406	21,076

CONDENSED STATEMENT OF CASH FLOWS (Un-Audited)

(In ₹ Mn, unless otherwise stated)	Q2 FY25	Q2 FY24	H1 FY25	H1 FY24
Cash flow before changes in working capital	1,761	2,055	3,662	3,934
Changes in working capital	(455)	(163)	(1,758)	(448)
Cash generated from operations	1,306	1,892	1,905	3,486
Taxes	(417)	(291)	(118)	(591)
Cash flow from operating activities	889	1,601	1,787	2,895
Net investments in tangible and intangible assets	(369)	(292)	(523)	(716)
Proceeds from Sale of Property Plant and Equipment	-	-	-	-
Payment towards acquisition of business, net of cash acquired	-	-	-	-
Purchase/(Sale) of short term liquid funds	(1,553)	(3,737)	(1,553)	(3,737)
Interest and other income received	76	48	143	100
Movement in other cash balances	105	-	(94)	-
Cash flow from investing activities	(1,741)	(3,981)	(2,027)	(4,353)
Proceeds from issue of shares	0	-	0	-
Purchase of shares as part of ESOP trust pool	(285)	-	(285)	-
Repayment of Borrowings	-	-	-	-
Buyback of shares	-	-	-	-
Dividend paid during the year	(807)	(538)	(807)	(538)
Payment of lease liabilities	(11)	(89)	(54)	(88)
Interest paid on lease liabilities	(31)	(33)	(31)	(33)
Cash flow from financing activities	(1,134)	(660)	(1,176)	(659)
Cash flow for the period	(1,985)	(3,040)	(1,417)	(2,117)
Cash, cash equivalents at the beginning of period	7,572	8,039	6,671	7,116
Forex Fluctuations	17	(55)	12	(55)
Cash Acquired on ValueFirst Acquisition	-	506	-	506
Cash and cash equivalent	-	-	-	-
Fixed deposits having maturity greater than 12 months	(105)	-	233	-
Investments in liquid assets	1,553	-	1,553	-
Cash, cash equivalents closing balance	7,053	5,450	7,053	5,450

Annexure- 2 Quarterly trends

Key financial ratios	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
Revenue growth	1.1%	(1.7%)	(2.3%)	13.9%	18.5%	15.3%	20.6%	10.0%	(0.8%)
Gross margin %	24.2%	24.9%	27.5%	26.5%	27.4%	26.9%	26.7%	26.9%	26.2%
EBITDA margin %	16.4%	17.4%	20.0%	20.0%	19.5%	19.2%	16.0%	18.8%	17.5%
Adjusted EBITDA %	16.4%	17.4%	20.0%	20.0%	19.5%	19.2%	18.7%	18.8%	17.5%
EBIT margin %	15.2%	16.0%	18.2%	18.2%	17.3%	16.9%	13.7%	16.5%	15.2%
Adjusted EBIT margin %	15.2%	16.0%	18.2%	18.2%	17.3%	16.9%	16.4%	16.5%	15.2%
Profit after tax margin %	13.0%	13.4%	14.4%	14.9%	14.1%	14.0%	13.0%	14.1%	13.0%
Adjusted Profit after tax margin %	13.0%	13.4%	14.4%	14.9%	14.1%	14.0%	13.5%	14.1%	13.0%
Free cash flow	(416)	(867)	1,472	869	1310	640	1492	744	520
Day sales outstanding	61	67	62	67	75	77	76	83	90
ROCE (Including CCE)	32.7%	31.2%	34.0%	38.4%	38.5%	34.7%	32.5%	31.0%	28.0%
ROCE (excluding CCE)	73.9%	57.8%	61.4%	71.8%	55.0%	50.8%	49.6%	46.8%	41.5%

Revenue (In ₹ Mn)	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
Platform	751	782	815	879	953	958	900	868	880
Enterprise	7,759	7,914	7,520	8,232	9,133	9,068	9,155	9,154	9,127
Total	8,510	8,696	8,335	9,111	10,086	10,026	10,055	10,022	10,007

Gross profit (In ₹ Mn)	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
Platform	724	751	781	851	931	934	884	856	868
Enterprise	1,332	1,418	1,508	1,562	1,831	1,765	1,802	1,838	1,750
Total	2,056	2,169	2,289	2,413	2,762	2,699	2,686	2,694	2,618

Gross margin	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
Platform	96.4%	96.0%	95.9%	96.8%	97.7%	97.5%	98.2%	98.7%	98.7%
Enterprise	17.2%	17.9%	20.1%	19.0%	20.0%	19.5%	19.7%	20.1%	19.2%
Total	24.2%	24.9%	27.5%	26.5%	27.4%	26.9%	26.7%	26.9%	26.2%

EBITDA (In ₹ Mn)	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
EBITDA	1,395	1,513	1,661	1,822	1,968	1,928	1,604	1,886	1,754
EBITDA margin	16.4%	17.4%	20.0%	20.0%	19.5%	19.2%	16.0%	18.8%	17.5%

EBITDA/Gross profit	67.8%	69.8%	72.60%	75.5%	71.3%	71.4%	59.7%	70.0%	67.0%
EBITDA/per share	10.28	11.15	12.36	13.56	20.54	14.33	13.96	14.02	13.05
Adjusted EBITDA	1,395	1,513	1,661	1,822	1,968	1,928	1,877	1,886	1,754
Adjusted EBITDAMargin	16.4%	17.4%	20.0%	20.0%	19.5%	19.2%	18.7%	18.8%	17.5%

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

Earnings per share (In ₹)	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
Basic earnings per share	8.14	8.58	8.88	10.07	10.60	10.42	9.69	10.50	9.70

Free cash flow (In ₹ Mn)	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24	Q1 FY25	Q2 FY25
Free cash flow	(416)	(867)	1,472	869	1,310	640	1,492	744	520

RSUs	No of RSUs
Opening Balance July 1, 2024	2,50,710
RSU's granted	-
RSU's vested	-
RSU's exercised	(1,07,499)
RSU's lapsed	(40,000)
Balance as on Sep 30, 2024	1,03,211

RSUs vested yet to be exercised	No of RSUs
RSU vested in FY25	50,000
RSU vested in H2 FY25	-
FY26	40,711
FY27	12,500
Balance as on Sep 30, 2024	1,03,211

Key Policies

Basis for preparation of financial statements

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards ("Ind AS") as notified under Section 133 of the Companies Act, 2013 (the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015 as amended, issued by Ministry of Corporate Affairs ("MCA"). Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Revenue recognition

Revenues are derived from our Enterprise and Platform business. Revenues from Enterprises are computed based on total transactions processed through our platforms at an agreed price per transaction. Platform revenues are computed by way of revenue share measured as a rate applicable to transaction processed on mobile carrier's network. Revenue is recognized upon provision of service to customers that reflects the consideration we expect to receive in exchange for those service.

Depreciation and Amortization

Fixed assets including IT assets are depreciated over their estimated useful lives using the straight-line method. Intangible assets created at time of acquisition based on purchase price allocation methodology. Intangible assets are amortised over their estimated useful lives using the straight-line method. Right-of-use asset represents leased assets (leased office space) and is depreciated over their useful life.

Capitalization of Platform cost: Research and development cost are aimed at developing new and innovative products, expanding features for our existing platforms and products. Development cost comprises of third-party product development and other direct related cost associated with it. Development cost incurred are capitalized on product go-live.

Provision for bad and doubtful debts

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

Investment policy

Investments can be in form of liquid funds- fixed deposits/term deposits with banks, housing finance companies and saving scheme/securities/ bonds issued by the central government which is approved by the Audit Committee. Investments are mainly in Fixed deposits with banks and housing finance companies having a credit rating of "AAA". Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

Dividend policy

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

Governance policies

Code of Conduct:	Tanla is committed to follow the best business, commercial and legal practices. The Code of Conduct is intended to guide the Board in implementation of the code. The code is applicable to all employees of Tanla including the Directors of Tanla and its subsidiaries.
Supplier code of conduct:	We believe in conducting business with ethics and integrity, treating all people with dignity and respect, supporting our communities, and honoring the laws & regulations of the countries in which we operate. We will endeavor to choose reputable business partners who conduct their business in a manner that shows high ethical standards, safe and healthy work environments, protection of human rights and dignity, protection of environment and compliance with the law. The SCoC outlines our expectations regarding the workplace standards and the business practices of our suppliers and those in their supply chain.
Whistle Blower Policy:	This policy is formulated with a view to provide a mechanism for employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the company's code of conduct.
Code for Insider Trading:	<p>The Code prescribes the Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders of the Company.</p> <p>The trading window shall be closed from 1st of month of every quarter till 48 hours after the declaration of the financial results. The Trading window will be closed from 1st March, 1st June, 1st December, 1st December until 48 hours after the declaration of financial results of the Company for the respective quarter.</p>
Risk Management policy:	The Company is affected by general economic, financial, and regulatory developments at the domestic and international level. We have in place a structure, procedures, and control systems to detect & identify risks and implement appropriate measures to mitigate and prevent them.
Related Party Transaction Policy:	Related party transactions are subject to the Audit Committee's approval. As required by the applicable Regulations, all related party transactions are reported on a half-yearly basis to the Stock Exchanges. Our related party transactions are limited to inter-company transactions.
Environmental policy	We endeavour to reduce the impact of our operations and business activities on the environment while influencing the people in our value chain as well as our social interactions to follow the path of environmentally sustainable living.

Definitions

Platform business	Platform business refers to revenue generated from “Platform as a service offering”, where only cloud and hosting are a charge on revenue.
Enterprise business	Enterprise business refers to revenue generated based on total transactions processed at an agreed price per transaction, through multiple channels like SMS, emails, WhatsApp and others. Cost of services for enterprise business mainly consist of transaction fee paid to mobile carriers and other suppliers.
Gross profit	Revenue less cost of services. Cost of services comprises of service transaction fee paid to mobile carriers and other suppliers.
Gross margin	The gross margin reflects percentage of revenue less cost of services.
Sales and marketing expense	Sales and marketing expenses comprise of employee cost and expenses directly associated with sales, marketing, and promotional activities.
General and administrative expense	General and administration expenses comprise of employee cost (excluding the salary forming part of S&M), cloud and data center hosting charges, and expenses incurred for day-to-day operations such as rent of facilities, office maintenance, professional fee, and other general expenses.
EBITDA	Earnings before interest, taxes, depreciation, and amortization reflects profit derived based on revenue less of operating expenses. It is reflection of profitability of operating business.
Adjusted EBITDA	Adjusted EBITDA excludes one-time expenses such as one time acquisition, buy back, ESPS and other event related costs.
EBIT	Revenues – Cost of sales (where applicable) – indirect cost (includes platform operational cost, people cost and overheads, SG&A) – depreciation – allocated corporate costs.
Operating cash flow	Operating cash flow is a measure of amount of cash generated from business operations.
Free cash flow	Free cash flow is derived by reducing capital expenditure from operating cash flow. It measures how much cash is at disposal after covering cost associated with business operations.
Return on capital employed (ROCE)	ROCE including CCE: EBIT divided by capital employed. Capital employed is derived by reducing current liabilities from total assets. ROCE excluding CCE: EBIT divided by capital employed. Cash and cash equivalents (CCE) are not considered while computing capital employed.
Rule of 60	Rule of 60 metric is used to measure performance of SaaS companies. This metric which is a summation of Revenue growth and EBIT margin is expected to be at or above 60%. We are tracking this metric only for Digital Platforms.
New customer	New customers include every unique new contracting entity added in the year.

About Tanla:

Tanla Platforms Limited transforms the way the world collaborates and communicates through innovative CPaaS solutions. Founded in 1999, it was the first company to develop and deploy A2P SMSC in India. Today, as one of the world's largest CPaaS players, it processes more than 800 billion interactions annually and about 63% of India's A2P SMS traffic is processed through Trubloq, making it the world's largest Blockchain use case. Wisely, our patented enterprise grade platform offers private, secure, and trusted experiences for enterprises and mobile carriers. Tanla Platforms Limited is headquartered in Hyderabad. Tanla is listed on two national exchanges, the NSE and BSE, and included in prestigious indices such as the Nifty 500, BSE 500, Nifty Digital Index, FTSE Russell and MSCI.

Guidance

Tanla does not provide any guidance.

ESG

The purpose of our ESG is to build solutions & services which offer security & transparency, earning the trust of customers, investors and governments while acting responsibly towards employees and communities. We envision in building a resilient organisation that engages with the customers, suppliers, and employees to provide an unparalleled global communications platform while being steadfast to ethics and integrity that result in a better future and a committed triple

Board of Directors

Mr. Uday Reddy
Founder Chairman & CEO

Mr. Rahul Khanna
Independent Director
Chief Investment officer
Habrok Capital Management LLP

Mr. Sanjay Kapoor
Non-Executive Director
Ex CEO - Airtel

Dr. RS Sharma
Independent Director
Ex TRAI Chairman

Mr. François Ortalo-Magné
Independent Director
Executive Dean - London Business
School

Mr. Deepak Goyal
Executive Director

Auditors

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

Internal Auditor
Deloitte Touche Tohmatsu
India LLP Vishal Shah - Partner

bottom line of People Planet and Profit. To build strong ESG principles and process a wide range of initiatives are being implemented under ESG- achieving net zero neutrality by 2025.

Forward-looking statements

This document might contain statements that are forward looking in nature. All statements other than statements of historical fact could be deemed as forward-looking in nature. Such statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. By receiving this document, you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of our business.

Certification

The CEO and CFO certify that financial results do not contain any false or misleading statements or figures and do not omit any material fact which may make the statements or figures contained therein misleading.

Headquarters

Tanla Technology Centre,
Hi-Tech City Road, Madhapur,
Hyderabad – 500 081,
Telangana, India.
CIN: L72200TG1995PLC021262
www.tanla.com

Q1

Deep-Dive Chart – Key Metrics

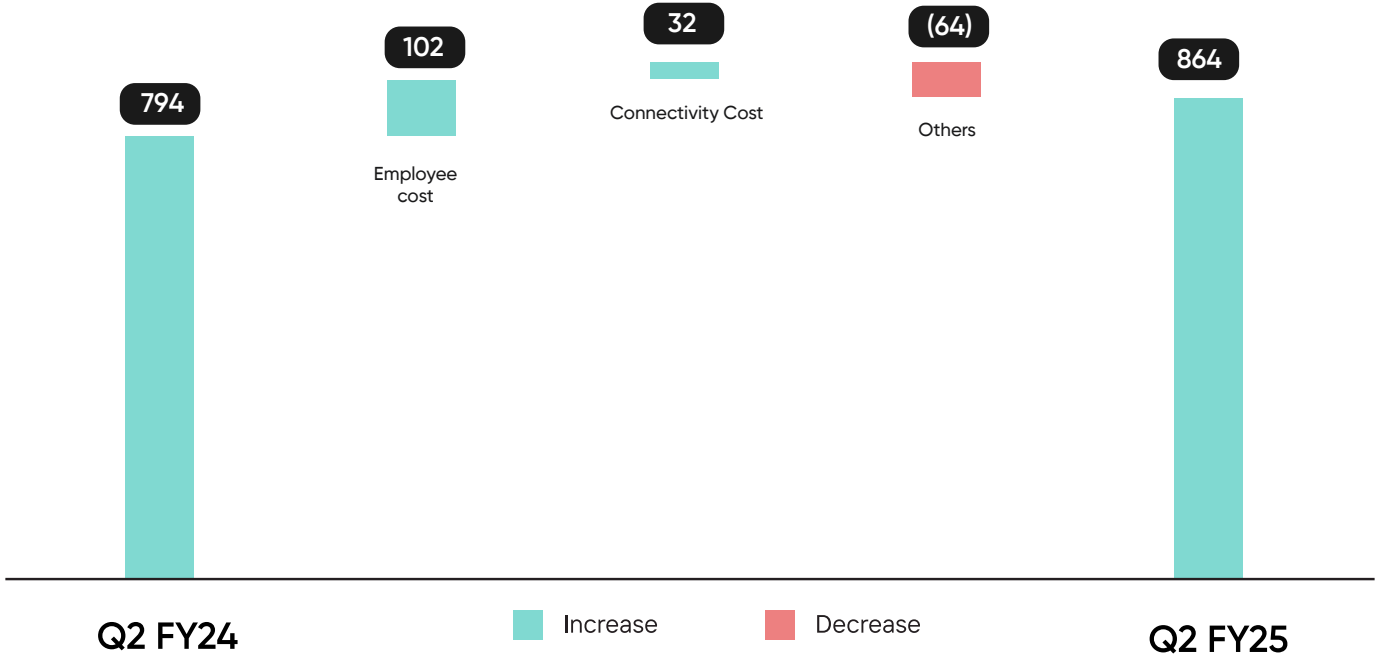
(In ₹ Mn, unless otherwise stated)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Revenues					
Digital Platforms	953	958	900	868	880
Enterprise Communications	9,133	9,068	9,155	9,154	9,127
Total revenues	10,086	10,026	10,055	10,022	10,007
YoY % change	18.5%	15.3%	20.6%	10.0%	(0.8%)
Gross Profit					
Digital Platforms	931	934	884	855	868
Enterprise Communications	1,831	1,765	1,802	1,839	1,750
Total Gross profit	2,762	2,699	2,686	2,694	2,618
YoY % change	34.3%	24.5%	17.2%	11.7%	(5.2%)
Adjusted EBIT					
Digital Platforms	691	701	633	580	601
Enterprise Communications	1,051	993	1,016	1,078	919
Total EBIT	1,742	1,694	1,649	1,658	1,520

Q3

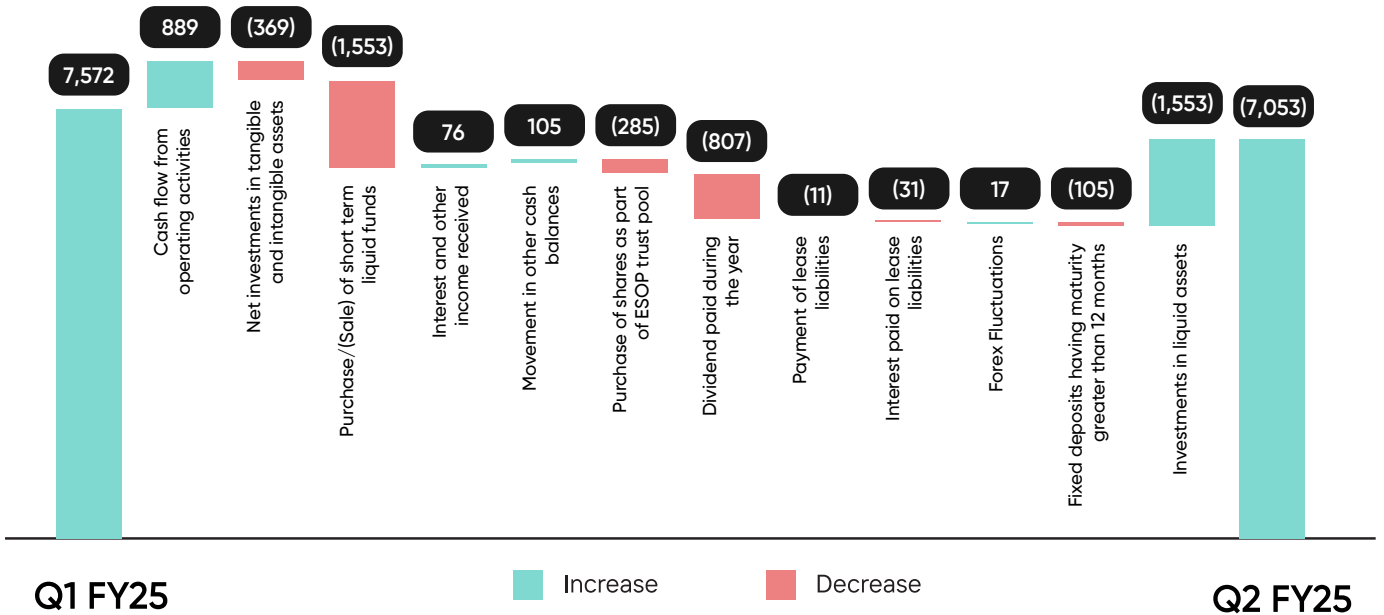
Deep-Dive Chart – Customer Segmentation

Customer segment (In ₹ Mn)	Q2FY25		Q1FY25		Q2FY24		Change in Count	Change in revenue
	Count	Revenue	Count	Revenue	Count	Revenue		
>500Mn	18	4,150	19	4,048	17	4,475	5.9%	(7.3%)
>100Mn - < 500Mn	64	3,346	60	3,115	62	3,294	3.2%	1.6%
>10Mn- < 100Mn	251	2,028	250	2,163	236	1,868	6.4%	8.6%
Total	333	9,524	329	9,326	315	9,637	5.7%	(1.2%)

(In ₹ Mn, unless otherwise stated)



(In ₹ Mn, unless otherwise stated)



Q8

Deep-Dive Chart – Depreciation and Amortization

(In ₹ Mn, unless otherwise stated)	Q2 FY25	Q2 FY24	H1 FY25	H1 FY24
Amortisation on Platforms	64	51	128	101
Amortisation on Customer Relationship	18	22	36	54
Amortisation on Trade Name	4	-	8	-
Amortisation on Technology	8	-	17	-
Amortisation on Non-compete	1	-	3	-
Amortisation on Software	12	-	24	2
Depreciation on tangible assets & right of use assets	127	153	247	233
Total Depreciation & amortisation	234	226	461	390

Q9

Deep-Dive Chart – ETR Statement

(In ₹ Mn, unless otherwise stated)	Q2 FY25	Q2 FY24	H1 FY25	H1 FY24
Profit before tax	1,607	1,787	3,346	3,487
Tax expense	(305)	(362)	(632)	(707)
Profit after tax	1,302	1,425	2,714	2,780
Effective tax rate	19.0%	20.3%	18.9%	20.3%

(In ₹ Mn, unless otherwise stated)	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25
Cash					
Restricted cash	593	593	538	568	568
Current accounts- ₹	247	141	122	248	1,669
Current accounts- USD	1,750	638	948	1,154	515
Investments					
Fixed deposits	2,860	4,790	5,202	5,602	4,301
Cash and cash equivalents (CCE)	5,450	6,162	6,810	7,572	7,053

Restricted cash is held as margin money deposits given for bank guarantees and cash credit limits. Below table shows cash balance by investment category.

(In ₹ Mn, unless otherwise stated)	Current accounts- ₹	Current ac- counts-USD	Fixed deposits	Restricted cash	Total
HDFC Bank	73	115	3,464	531	4,183
HDFC Limited (Deposits)	1,553	-	-	-	1,553
LIC Housing LTD (Deposits)	7	-	123	-	130
State Bank of India	5	-	211	1	217
Axis Bank	2	-	212	-	214
ICICI Bank	12	-	68	-	80
Kotak Mahindra Bank	-	230	-	5	235
Citibank (Dubai)	-	170	190	32	391
DBS Bank (Singapore)	17	-	32	-	50
Others (IDBI)	-	-	-	-	-
Total	1,669	515	4,301	568	7,053



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