



Tanla Platforms Limited
(Formerly known as Tanla Solutions Limited)
Tanla Technology Center
Hi-tech city Road, Madhapur,
Hyderabad, India - 500081
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August 4, 2023

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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Sub: Tax Transparency Report for the Financial Year 2022-23

Dear Madam/Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), please find enclosed herewith the Tax Transparency Report of the Company for the Financial Year 2022-23. (**Annexure 1**)

Please also find enclosed Press Release in this regard. (**Annexure 2**)

The Tax policy of the Company is uploaded at:

https://www.tanla.com/media/images/Policies/Tanla_Group_Tax_Policy.pdf

Request you to take the same on record and oblige.

Yours faithfully,

For **Tanla Platforms Limited**

Seshanuradha Chava
General Counsel and Company Secretary
ACS-15519

Encl: as above.

Taxation and our
total economic
contribution
to public finances
FY'23



Best in Class Financial Performance

20%⁽¹⁾

Revenue Growth

47%⁽¹⁾

EBITDA Growth

941%⁽²⁾

Wealth creation for shareholders

1. Revenue and EBITDA growth for the last three financial years

2. Wealth creation from 01 Apr 2020 to 31 Mar 2023

3. Total Economic Contribution for FY'23

Total Economic Contribution

₹ 1,820 Mn⁽³⁾

Paid in taxes to public finances

₹ 7,029 Mn⁽³⁾

Collected in taxes to public finances

₹ 3,210 Mn

Cash returned to shareholders

₹ 1,900 Mn

Capital investments in innovation

Innovation & Recognition

wisely

Platform of Platforms addressing all buying centers in enterprises
4 patents awarded

TRUBLOQ

World's largest blockchain based platform to prevent spam

Gartner

Recognized in the 2021 Gartner CPaaS Competitive Landscape

dun & bradstreet

Featured in Next top 100 companies in India



Global HR Excellence Award 2022

Listed in: MSCI



Nifty Smallcap250



Nifty India Digital



Nifty500



Nifty MidSmallcap400



S&P BSE SENSEX



Tanla has delivered incredible financial performance and shareholder value over the years. What gives me immense satisfaction is the impact we create on the society. Our business model enables us to secure the digital citizens of India and beyond, while contributing around INR 9 billion in terms of taxation and economic contribution to public finances globally. We have been significantly increasing our disclosures to investors and our first Tax Transparency report is another step towards increased transparency and disclosures. Our promise is that we will continue to enhance our disclosures and there is more to come.

Uday Reddy
Founder Chairman & CEO
Tanla Group



Message from CFO



Aravind Viswanathan
Chief Financial Officer,
Tanla Group

I am very excited to present our first Tax Transparency Report.

Tanla is the undisputed CPaaS industry leader in India with over 35% market share. Our market leadership is driven by incredible innovation and customer obsession, backed by strong financial discipline. But what is most important to me is that our business and financial performance is backed by strong governance. I am a firm believer that Governance is the bedrock of sustainable value creation.

As CFOs, we are conditioned to look at rationalizing and optimizing any expense line-item in the P&L. However, at Tanla, we look at Tax as a responsibility rather than as an expense. It is a source of pride that we have increased our tax contribution across the globe by 17% YoY in FY'23.

We have a Board approved tax policy which includes our commitment to

- 100% compliance to applicable laws both in letter and spirit.

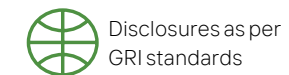
- Taxation in jurisdictions consistent with underlying economic value creation.
- Transparency and integrity in our disclosure to tax authorities.

As part of this report, we have provided break down of our tax contribution across the geographies we operate in. We have also disclosed our status of assessments with tax authorities and pending litigations. These disclosures will give an holistic view on all matters pertaining to tax from a financial standpoint.

However, the objective of this report is to go beyond the numbers – we have given a qualitative view on our philosophy towards taxation. We have shared our policies, governance and risk management framework as well as engagement and dispute resolution approach with tax authorities. These transparent disclosures demonstrate our commitment to running a sustainable business and contributing our fair share to societal needs.

We constantly strive to improve our disclosures. We recognize that we are on a journey of continuous improvement. We will be very happy to receive constructive feedback from all our stakeholders on areas where we can improve our disclosures. We would be happy to hear from you – do share your feedback with us by writing to investorhelp@tanla.com.

Regards,
Aravind



1. Approach to tax



At Tanla, we have a defining purpose - **'empower consumers and enable companies'**. We have always operated in a manner where our business model goes beyond delivering our financial objectives and have delivered social and ethical outcomes. Our approach to tax is guided by the same philosophy. We recognize that a responsible approach towards taxation is a fundamental aspect of our ESG journey.

Our corporate structuring is determined by multiple factors - access to customers, availability of talent, strong legal system for IP protection, data localization and data privacy regulations to name a few. Tax structuring is a consequence of the business structure. We have a consistent approach to tax across all jurisdictions we operate in.

Our approach to tax is guided by the following aspects:

- 100% compliance with tax regulations and reporting requirements.
- Taxation is consistent with the underlying economic activities and value creation.

- Contemporaneous and detailed documentation.
- Robust tax risk management and governance.
- Strong code of conduct to implement the best business, commercial and legal practices.
- Nurture the ecosystem we operate in to be tax compliant – be it our employees, partners, vendors, customers or other stakeholders .

“Our approach to tax demonstrates our commitment to act transparently and responsibly on all tax matters across the geographies we operate in. We engage with local tax authorities in a transparent and constructive manner and ensure we pay our fair share of taxes.”



2. Tax policy and governance



The Group's tax policy is closely aligned with the Company's core values, corporate governance practices, and integrated with the enterprise risk management framework applicable in each tax jurisdiction.

Governance:

The Board of Directors of Tanla provide the strategic direction to the company while upholding the highest standards of corporate governance. Our tax policy is approved by our Board of Directors. On a quarterly basis, key developments on both direct and indirect tax are presented to audit committee by the management team and external tax consultants. Tanla has a professionally qualified internal tax function, supported by external tax specialists on a need basis. We also have periodic review by Internal auditors on the tax processes.

Tax planning:

We acknowledge our duty to fulfil our tax obligations in every jurisdiction where we conduct our business. Our commitment is to operate in such a manner that is efficient and fully compliant with the laws. It is our strong conviction to avoid

any form of tax evasion, and we refrain from engaging in aggressive tax planning. Moreover, we strictly prohibit any promotion or facilitation of tax evasion by any individual or entity associated with us.

Tax havens and tax-free zones:

We do not engage in tax haven jurisdictions as a policy. The jurisdictions we operate is based solely on business requirements. Further, we thoroughly evaluate the establishment of operations in special economic zones, free trade zones, or other notified areas that offer tax benefits in various jurisdictions. The tax benefits in the special economic zones are contingent on delivering targeted outcomes by the authorities like foreign exchange generation, etc. Our decision to set up business in these zones is determined solely on the business model's ability to deliver the expected outcomes to the authorities.

Accounting Policies:

The Company has put in place well-defined policies and standard operating procedures that encompass critical aspects, including Revenue Recognition, Procurement, Capitalization, Depreciation & Amortization, Investments, and Dividend. These policies are crafted to achieve consistency and ensure accurate accounting practices in line with the established financial reporting framework.

Additionally, the Company has implemented governance policies that include the Employee Code of Conduct, Supplier code of conduct, Whistle Blower Policy, Code for Insider Trading, Risk management, and Related Party Transaction policy. These governance policies are crucial in promoting ethical conduct, transparency, and effective risk management within the organization.

We prioritize innovation and continually seek opportunities to create new platforms that cater to ever-changing demands of the digital economy. We inevitably incur development costs, which include expenses associated with third-party product development and other directly related expenditures. In accordance with our capitalization policy, we capitalize these development costs once the product is ready for commercial use and is amortized over the useful life. We do impairment testing on a periodic basis for our intangible assets. We believe this approach is best suited to reflect the underlying economic activity.

2. Tax policy and governance



Group transfer pricing policy

Introduction:

The purpose of our Transfer Pricing ("TP") policy ("the Policy") is to define the guidelines, methodology and accountability in all inter-company transactions within the Group. When entering into inter-company transactions, we carefully consider the following aspects:

- Ensuring all related party transactions are conducted at Arm's Length Price.
- Prioritizing operational efficiency.
- Maintaining accuracy, fairness, and consistency across all entities involved.

Transfer pricing regulations and guidelines:

The generally accepted Indian Transfer Pricing Regulations prescribe that income arising from international transactions or specified domestic transactions between associated enterprises shall be calculated based on Arm's Length Price (ALP). Additionally, the Transfer Pricing regulations necessitate that any allowance for expenditure, interest, or allocation of cost arising from such

transactions should also be determined in accordance with the Arm's Length Principle.

At Tanla, we are committed to ensuring strict adherence to these policies by all entities within the Group. We take all care to ensure that TP arrangements within the Group are aligned in letter and the spirit with applicable Transfer Pricing regulations or the guidelines provided by the Organization for Economic Cooperation and Development (OECD). This approach reflects our dedication to maintaining transparency and compliance in all our international transactions and specified domestic transactions. We specifically ensure the following:

• Inter-company pricing policy:

We carefully assess all inter-company transactions to determine the contributions made by each Group entity. We set appropriate prices for these transactions in line with Transfer Pricing requirements.

• Benchmarking inter-company transactions:

We conduct a thorough identification and benchmarking process for all inter-company transactions to ensure their adherence to the arm's length principle. This involves considering transaction-specific information that impacts inter-company pricing, as well as external information related to these transactions. To comply with Transfer Pricing regulations in the respective countries, we seek guidance from Transfer Pricing experts to identify the most suitable Transfer Pricing methodology for inter-company transactions. We conduct a benchmarking study every year to evaluate the approach to transfer pricing.

• Maintenance of contemporaneous transfer pricing documentation:

In accordance with the local Transfer Pricing regulations, all entities within the Group diligently adhere to documentation requirements. Our comprehensive Transfer Pricing documentation encompasses essential details, including:

- Detailed information about the Group entities and their respective operations.
- Detailed descriptions of all inter-company transactions.
- Assessment of contributions made by each Group entity to the specific transactions, including services delivered, assets utilized, and risks assumed.
- Categorization of Group entities involved in the inter-company transactions.
- Evaluation of Transfer Pricing methodologies employed.
- Thorough benchmarking and testing of the inter-company transactions from a Transfer Pricing perspective.

2. Tax policy and governance



Group transfer pricing policy

Tax and intellectual property rights and data localization

The purpose of our Intellectual Property Rights and Data Localization policy is to define and implement the guidelines, methods, and responsibilities for registering, leveraging, and disclosing our intellectual property rights. This policy also aims to safeguard our intellectual property from any unauthorized exploitation or infringement by external parties.

- The Group has established robust systems to assess and document various critical aspects throughout the intellectual property life cycle. These encompass activities such as IP development, enhancement, maintenance, and protection.
- In the process of registering our Intellectual Property (IPs), Tanla Group carefully evaluates various aspects, including identifying jurisdictions that offer stronger legislation to protect and safeguard our IPRs.

Selection of the jurisdiction for 'putting to use' the registered Intellectual Property Rights is determined by considering the commercial and business rationale.

- To safeguard critical data, we have implemented suitable measures and safeguards to ensure strict compliance requirements.

The process of selecting the most suitable jurisdiction for registering, and dealing with IP Rights is based on a comprehensive evaluation of both legal and business requirements, rather than solely focusing on potential tax savings in a particular jurisdiction. In line with this approach, Tanla's "Wisely," was patented in India under The Patents Act, 1970, and in the USA with the U.S. Patent and Trademark Office (USPTO).



3. Tax compliance and risk management



Tax compliance:

We are committed to compliance with all regulatory requirements across all jurisdictions where we operate, and taxation is a major component of our compliances. We diligently adhere to tax filing, reporting, and payment obligations for all applicable taxes.

We seek the assistance of external tax advisors as needed to ensure compliance with the applicable tax regulations in every country that we operate, periodically. To maintain robust compliance practices, the company has implemented a comprehensive system of checks and balances. This system is reviewed periodically and updated to align with changes in the regulatory environment in which we operate.

Internal code of conduct:

At Tanla, our internal code of conduct serves as the bedrock of our organizational culture, fostering a positive and respectful work environment for all employees. We place significant emphasis on upholding values like integrity, honesty, and accountability in every action and decision we make.

We maintain a zero-tolerance policy towards any violations of our Code of Conduct and Code of Ethics, without exception, regardless of an individual's

position within the hierarchy.

To further reinforce this commitment, we actively encourage our employees to speak up and report any concern or potential violation of our Code of Conduct and Code of Ethics through an internal platform known as Speakup@tanla.com. This platform provides a safe and confidential space for employees to voice their views or blow the whistle, promoting transparency in the overall conduct of our operations, including tax-related workflows.

We have put in place a Whistleblower policy to provide employees with a mechanism to report any cases of unethical behaviour, suspected or actual fraud, or violations of the company's code of conduct. In cases where the Protected Disclosures pertain to financial or accounting matters, employees are directed to address them directly to the Chairman of the Audit Committee of the Company.

Risk management:

Tanla Group is largely exposed to a variety of tax risks and have low tolerance to such risks. Our enterprise risk management framework encompasses practices related to identification, analysis, evaluation, treatment, mitigation, monitoring of strategic, operational, legal and compliance risks.

Our risks in taxation could arise from incorrect calculation, differences in interpretation and changes in regulations. The tax function takes the lead role in identifying, managing, and monitoring tax risks within the business with regular reviews across geographies in which we operate. When facing significant uncertainty or complexity related to tax matters, we proactively seek external advice for clarity and certainty.

To enhance transparency in tax matters, we proactively engage with tax authorities to initiate discussions and find resolutions for any issues, or uncertain tax positions. This includes seeking advance tax rulings or obtaining lower tax deduction certificates.

Engagement with tax authorities:

At Tanla, we engage with tax authorities in a constructive and transparent manner. Our approach is rooted in the spirit of co-operative compliance, where we proactively collaborate with tax authorities to ensure compliance and transparency in all tax matters. We are committed to promptly disclose relevant information and to foster open and transparent communication with the respective tax authorities.

Dispute resolution:

In case of any disagreement with the tax authorities, Tanla takes proactive steps to resolve the matter swiftly and amicably through constructive dialogue. We explore various options for resolution provided under the law, including appeals. In situations where the matters are before higher appellate authorities or involve high complexity and materiality, we seek the guidance and expertise of senior counsels to ensure a well-informed and comprehensive approach to the resolution process.

Tax Advocacy:

The dynamic and ever-changing nature of tax laws introduces increasing complexities in interpretation and implementation, affecting taxes globally. To navigate these challenges, it becomes essential to make appropriate representations and collaborate with industry bodies to seek clarifications from lawmakers and adopt best tax practices.

In line with this, Tanla is committed to playing an active role as part of the industry in which we operate. Our approach is forward-looking, seeking to strike a balance between legitimate fiscal interests and the broader interests of Industry and the Group for sustainable economic results.

4. Tax reporting

Global tax contributions



Tanla's Corporate Social Responsibility (CSR) activities are focused on assisting the not so privileged sections of society, providing them with opportunities, and working towards building a more equitable society. Our CSR initiatives encompassed projects in Education, Health, and Skill Development. We have extended scholarships to deserving candidates and conducted skill development programs for rural youth, aiming to empower them with valuable skills. During FY'23, we spent ₹ 38 Mn (including unspent amount) towards CSR, increased by 172% YoY.

Taxes paid by Tanla in FY2023

Global Tax paid encompasses taxes paid directly by Tanla to the governments on the profits generated by the Group, it also includes other contributions such as social security contributions made by Tanla in the respective jurisdictions where we operate.

Taxes collected by Tanla in FY2023

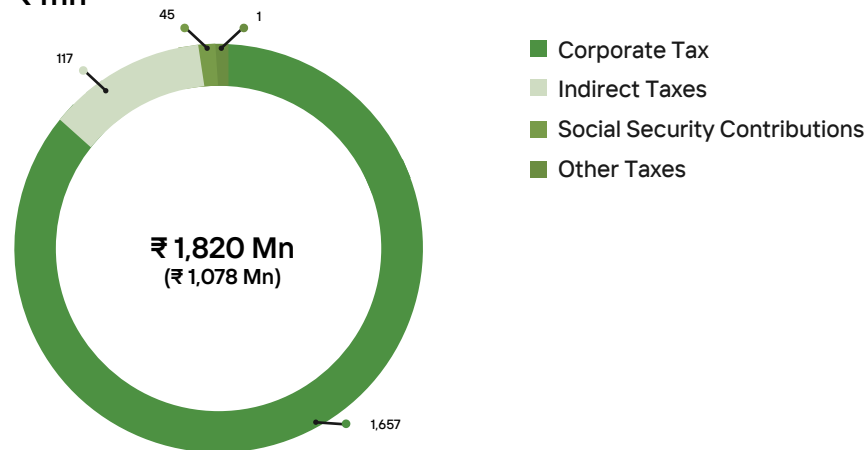
Global Tax Collections refer to the taxes collected by Tanla from various sources such as vendors, employees, and other entities, on behalf of the governments in the respective jurisdictions where we operate. These taxes are then diligently deposited with the respective governments in a timely manner.

Over and above the tax contributed and collected as reported under this section:

Tanla has enabled Telcos to contribute ₹ 2,113 mn towards the Wireless Planning & Coordination (WPC) charges payable by Telcos to the Department of Telecommunication (DOT). Out of which ₹ 112 Mn is paid by Tanla as an adjustment to Tanla's revenue share.

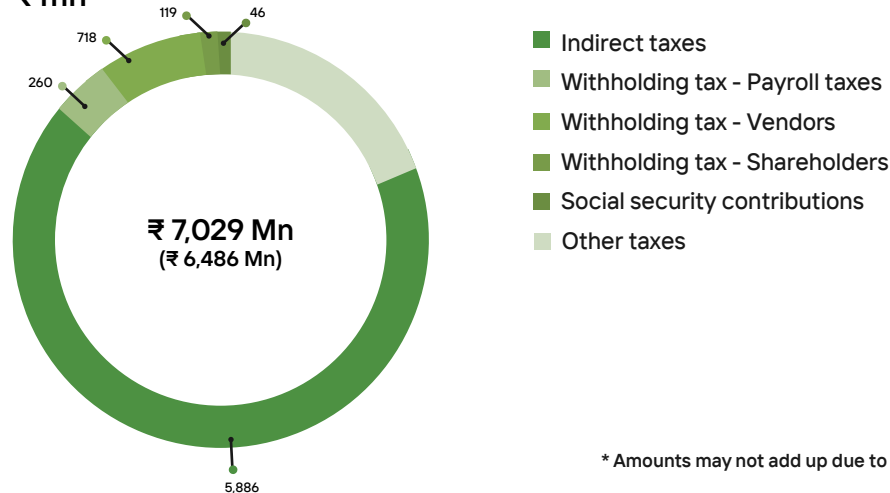
Taxes paid by Tanla in FY2023

₹ mn



Taxes collected by Tanla in FY2023

₹ mn



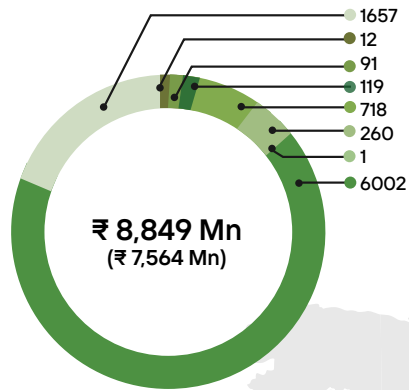
* Amounts may not add up due to rounding off.

4. Tax reporting

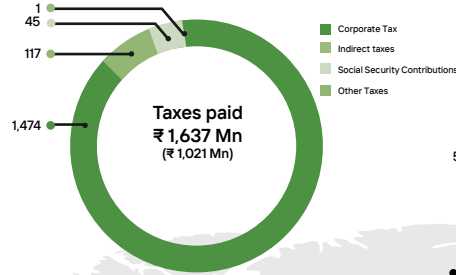


Total tax contribution by jurisdiction

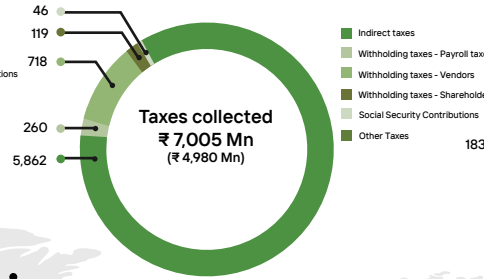
Tanla total tax contribution in 2023



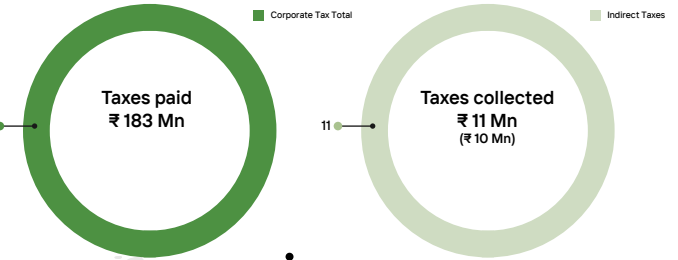
- Corporate Tax
- Indirect Taxes
- Withholding tax - Payroll taxes
- Withholding tax - Vendors
- Withholding tax - Shareholders
- Social security contributions
- Other taxes



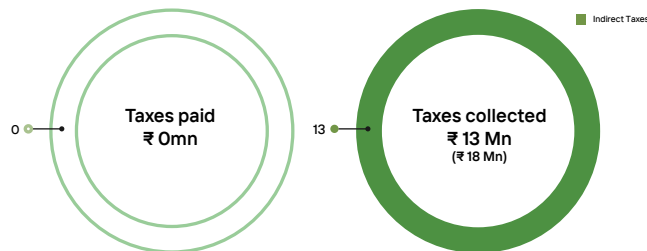
INDIA



SINGAPORE



UAE



* Amounts may not add up due to rounding off.

4. Tax reporting

Effective tax rate (ETR)

Each jurisdiction has its unique tax regulations, along with specific tax rates that apply to businesses operating within its borders. The effective tax rate, commonly known as ETR, represents the tax expense as a percentage of the profits earned in a particular jurisdiction.

The effective tax rate serves as a measure of how efficiently a company manages its taxes. Businesses often strategize and structure their operations across different jurisdictions to minimize the effective tax rate legally. However, such tax planning

must align with the local tax regulations and adhere to global initiatives, such as the Base Erosion and Profit Shifting (BEPS) project led by the OECD and G-20 inclusive framework.

At Tanla, we maintain our Effective Tax Rate (ETR) at a reasonable level, carefully considering all the tax compliance requirements in the various jurisdictions where we operate. Below is a snapshot of our ETR at both the jurisdictional level and the Group level.

₹ in Mn

Country	Total Revenue	Profit before tax	Income tax	Effective Income tax rate %	Group effective income tax rate %
FY2023					
India	32,054	5,194	1,173	22.6%	
Singapore	7,680	93	16	17.0%	21.0%
UAE	6,256	410	-	-	
FY2022					
India	31,315	5,202	1,200	23.1%	
Singapore	8,858	1,253	151	12.1%	20.0%
UAE	2,273	428	-	-	

The average ETR of the industry in which we operate is 20.9%*.

* Source: <https://prowessiq.cmie.com/>



4. Tax reporting



Tax assessments

Ongoing tax assessments and tax refund status:

Income tax assessments across the Group have been completed till AY 2020-21 as on the date of the report.

Out of the total tax refund amounting to ₹ 539 mn across the Group, ₹ 196 mn is still to be received from

the tax authorities.

Income tax assessment for the Group entities for AY 2021-22 is under process and is expected to be completed during FY24.

Tax litigation status:

We have been adhering to tax legislations in various jurisdictions that we operate. In some recent years, tax authorities have initiated assessments. The jurisdiction wise summary of pending assessments with relevant authorities is captured below:

Jurisdiction	Tax law	Period	Authority	Amount involved (₹ in Mn)	Remarks
India	Income Tax	AY 2009-10	H'ble Madras High Court	9	We have received favorable orders from the lower tax authorities. Tax department has preferred appeal before High Court.
	Income Tax	AY 2018-19	CIT(A)	11	We have preferred an appeal before CIT(A) and confident that the case will be settled in our favour.
	Service Tax	FY 2007-08 to 2010-11	CESTAT	33	Based on the strength of the case, we are of the view that the probability of the case being settled against the Company is remote.
	Goods and Service Tax	FY 2017-18 and 2018-19	AO	62	Based on the available judicial precedents, we are expecting favorable outcome.
Singapore				Nil	
UAE				Nil	

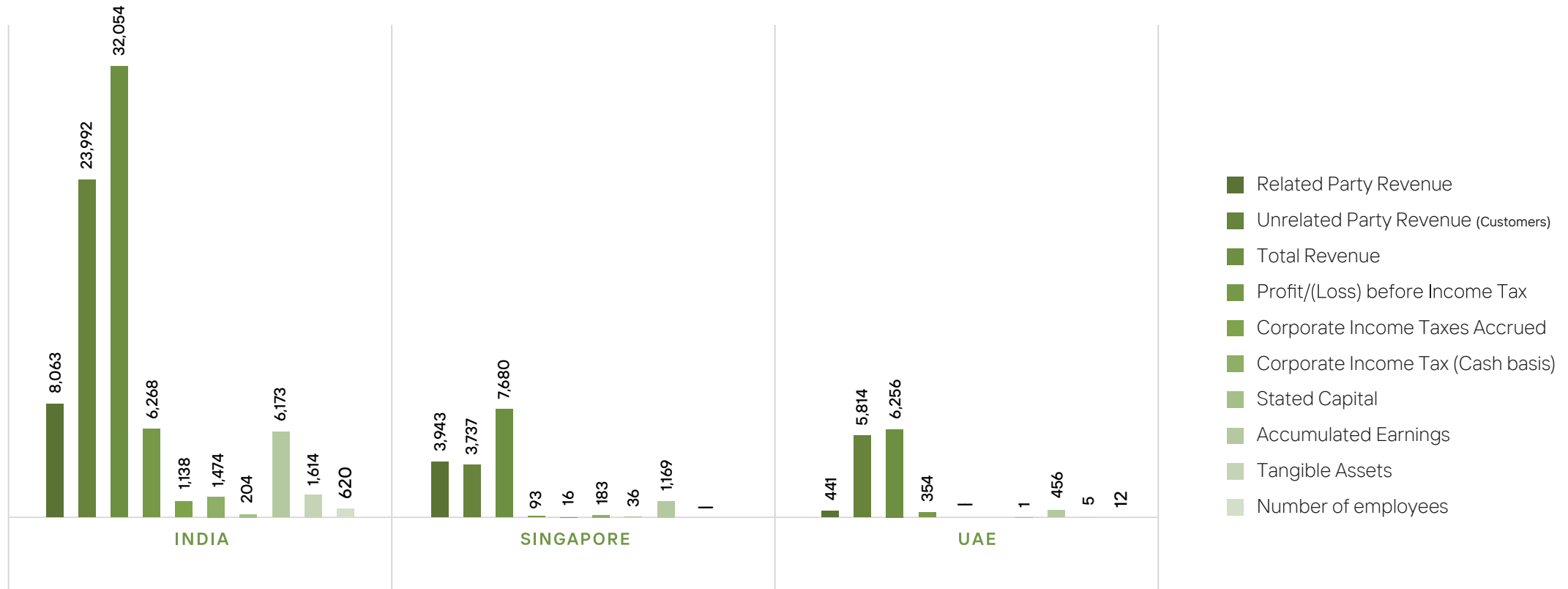
4. Tax reporting



Key financial information

In the following graph, we have summarized jurisdiction wise key financial information covering related party revenue, unrelated party revenue (customers), profit/(loss) before tax, taxes accrued and paid along with stated capital, accumulated earnings, tangible assets and number of employees.

₹ in Mn



Note: To be read along with the basis of preparation

5. Basis of preparation

- This basis of preparation section provides the scope and methodology for the collection and reporting of data on the Global Tax & Other Contributions made directly or indirectly to the government. Such data is reported in the section "Tax Reporting".
- The data reported is for the period April 01, 2022 to March 31, 2023 and is based on the data used in preparation of the Annual Report.
- We have reported Global Tax & Other Contributions under cash basis.
- We have categorized the Global Tax and Other Contributions into two parts:
 - Taxes paid (tax paid by Tanla directly)
 - Taxes collected (tax collected by Tanla on behalf of and paid to Governments)

In addition to the above, we have also provided the "Key Financial Information" for better understanding of our tax contributions and our scale of operations in each region. Further, the tax related contributions to the governments, we have also incurred social expenditures in the form of Corporate Social Responsibility (CSR) related contributions, etc., which are not considered under this report.

- Each type of tax and other contributions are provided in detail below:

1. Taxes paid:

- **Corporate Tax:** This represents the actual taxes paid directly on the taxable profits of the group operations during the year, buyback tax, net of tax refunds, including the amounts of taxes withheld by third parties while making payment to Tanla i.e., taxes withheld by customers/collected by third party vendors.
- Since, these are reported on cash basis, it may also include the tax paid on account of assessment by the jurisdictional government for the previous years or self-assessment, depending on the tax laws of the respective countries.
- **Indirect taxes:** This includes customs duties paid by us on import of goods across borders and for sale of goods from SEZ to non-SEZ and ineligible GST.
- **Social security contributions:** Social security contributions are compulsory payments to the government that entitle employees to receive a future social benefit such as Provident Fund, Employee Pension Scheme, National Pension Scheme, Labour Welfare Fund,

- Employee State Insurance/National Insurance, Medicare, etc. which are solely for the benefit of employees. The social security contributions forming part of "Taxes Contributed" reflect the employer's contribution to social security funds for the benefit of the employees.
- **Other taxes:** Includes property tax, municipal tax or any other taxes paid by Tanla for its operations.

2. Taxes collected:

- **Indirect taxes:** Indirect taxes represent the GST/VAT billed and collected by Tanla from customers and paid to the respective tax authorities without excluding the credit of taxes available to Tanla on contribution through its vendors.
- **Withholding taxes:**
 - **Payroll taxes:** This represents professional taxes and taxes withheld on salary payments to employees and deposited by Tanla with the government.
 - **Vendors:** This represents taxes withheld by Tanla on payments made to suppliers and deposited with the tax department.

- **Dividends:** This represents the taxes withheld on the dividends distributed to the shareholders and deposited with the government.
- **Social security contribution:** The social security contributions forming part of "Taxes Collected" represent employees' individual contribution to social security funds.
- **Other taxes:** Includes taxes collected at source and any other taxes collected on behalf of others and paid to the governments.

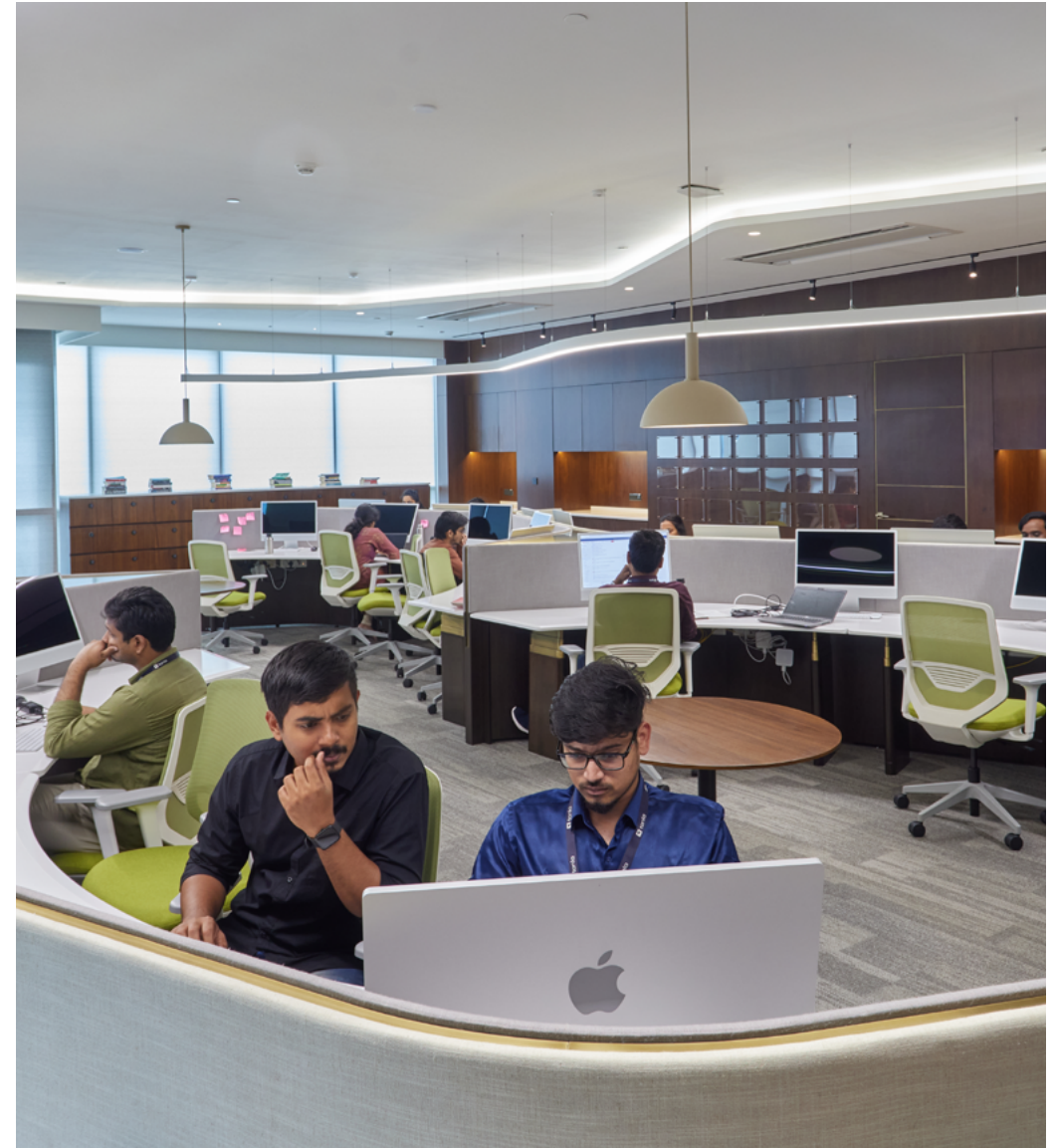
The amounts reported as taxes paid and collections are based on the periodic forms or returns or challans or any other documents filed with the government authorities. The group of taxes under the heads of "taxes paid" and "taxes collected" is based on our understanding of nature of taxes and its payment mechanism.

An effort has been made to report all types of taxes, duties and levies. Any omission or exclusion, other than that specifically mentioned, is unintentional and not expected to have any material impact on the disclosures.

5. Basis of preparation

3. Key Financial Information:

- **Revenue:** Revenue is split between unrelated and related-party. Unrelated revenue consists of all forms of revenue flowing from entities which are not controlled by Tanla Limited. Related-party revenues include revenues from dealing with the related entities which are in other tax jurisdictions. Further, revenues on account of transactions between our group entities in the same tax jurisdiction and inter-company dividends are excluded.
- **PBT:** The profit or loss before taxes in respective country is calculated based on the figures used for preparing consolidated financial statements.
- **Corporate income taxes accrued:** The amount of corporate income tax accrued on the business operations during the reporting period is as per the books of accounts. It may or may not be the same as corporate income taxes paid in the relevant reporting period. These exclude the amount of deferred tax in accordance with the guidance provided under GRI 207.
- **Stated capital:** This refers to the amount of capital invested in the Group entities.
- **Accumulated earnings:** Accumulated earnings reports the sum of the total of profit and loss balance and general reserves (reserves freely available) and excludes capital reserves, security premium, revaluation reserves, or reserves of like nature which are not freely available for distribution of dividends, as at the end of the year.
- **Tangible assets:** This represents the gross value of tangible assets as reported in consolidated financial statements.
- **Employees:** The number of employees indicates the number of employees employed with Tanla as at the year ended March 31, 2023, based on the normal work jurisdiction of the employee.
- The tax and other contributions disclosed in this report are in INR and are shown in millions. The results and financial position of foreign operations that have functional currency different from INR is translated as follows:
 - Assets and liabilities are translated at the closing rate at the date of balance sheet.
 - Income and expense are translated at average exchange rates for the FY'23.



6. Independent reasonable assurance report

To
The Board of Tanla Platforms Limited,
Tanla Technology Centre,
Madhapur, Hyderabad,
India - 500081

Report on the audit of the tax schedule included in the tax transparency report 2022-23

We have verified the accompanying "Tax Schedule" for the year ended 31 March 2023, included in the Tax Transparency Report 2022-23 of Tanla Group headquartered in Hyderabad, India.

Management's responsibility

The Management is responsible for the preparation and presentation of the Tax Transparency Report for FY 2022-23, in accordance with the "Basis of Preparation" and for such internal control as management determines is necessary to enable the preparation of the Tax Transparency Report 2022-23 that is free from material misstatement, whether due to fraud or error.

In preparing the Tax Transparency Report 2022-23, management is responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters relating to going concern and using going concern basis of accounting unless management either intends to liquidate the Group company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent auditor's responsibility

Our responsibility is to express an opinion on the Tax Schedule based on our verification. We have taken into account ISA 805 which require us to obtain reasonable assurance about whether the Tax Transparency Report 2022-23 is free from material misstatement, whether due to fraud or error.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted 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 Tax Transparency Report 2022-23.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Tax Schedule.

Our opinion

In our opinion, the financial information provided under the Tax Schedule (on page no's 9 & 10) contained in the Tax Transparency Report for the FY 2022-23 is prepared, in all material respects, in accordance with the "Basis of Preparation". The corresponding figures related to FY2021-22 are not covered by this report and are given for comparison purposes only.

This report is not issued under any statute/law.

Restriction on use

This report has been issued at the request of Tanla Platforms Limited and should not be used by any other person. We are appointed to only verify the Tax Schedule in accordance with the Basis of Preparation shared with us and are not the auditors of Tanla Platforms Limited. M/s BDO India LLP shall not be liable to Tanla Platforms Limited or to any other concerned for any claims, liabilities or expenses relating to this assignment.

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For BDO India LLP

Place: Hyderabad
Date: 04th Aug, 2023

7. Further information

Abbreviations

Abbreviation	Full Form
AO	Assessing Officer
AY	Assessment Year
CESTAT	Customs, Excise & Service Tax Appellate Tribunal
CFO	Chief Financial Officer
CIT(A)	Commissioner of Income Tax (Appeals)
CSR	Corporate Social Responsibility
DOT	Department of Telecommunications
ETR	Effective Tax Rate
FY	Financial Year
GRI	Global Reporting Initiative
GST	Goods and Services Tax
INR	Indian Rupee
IPR	Intellectual Property Rights
OECD	Organization for Economic Co-operation and Development
PAT	Profit after Taxes
PBIT	Profit before Interest and Tax
PBT	Profit before Tax
SEZ	Special Economic Zone
TDS	Tax Deducted at Source
TP	Transfer Pricing
VAT	Value-Added Tax
WHT	Withholding Tax
WPC	Wireless Planning & Co-ordination



Disclaimer

Safe Harbour:

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.

No duty to update:

Tanla assumes no obligation to update any information or forward-looking statement contained herein, save for any information we are required to disclose by law.

We welcome your views:

We warmly invite all our stakeholders to provide feedback and comments on our Tax Transparency Report:

investorhelp@tanla.com

Our reporting ecosystem:

We pay special attention on transparency and making content easy to find.

This report is part of a broader reporting ecosystem which covers other topics relevant to Tanla Group. The publications include among others.

- [Annual Report 2021-22](#)
- [Shareholder report Q1FY24](#)
- [Investor update Q1FY24](#)

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Tanla announces first Tax Transparency Report FY'23, to demonstrate commitment to better governance.

HYDERABAD, India — August 4, 2023 — Tanla Platforms Limited (NSE:TANLA, BSE:532790)

At Tanla, we have a defining purpose – ‘**Empower Consumers and Enable Companies**’. We have always operated in a manner where our business model goes beyond delivering our financial objectives and delivered social and ethical outcomes. Our approach to tax is guided by the same philosophy. We recognize that a responsible approach towards taxation is a fundamental aspect of our ESG journey. We have a consistent approach to tax across all jurisdictions. Our approach to tax is guided by the following:

- 100% compliance with tax regulations and reporting requirements
- Taxation that is consistent with underlying economic activities and value creation
- Contemporaneous and detailed documentation
- Robust tax risk management and governance
- Strong code of conduct to implement the best business, commercial and legal practices
- Nurturing the ecosystem we operate in to be tax compliant

“Tanla has delivered incredible financial performance and shareholder value over the years. What gives me immense satisfaction is the impact we create on the society. Our business model enables us to secure the digital citizens of India and beyond, while contributing around INR 9 billion in terms of taxation and economic contribution to public finances globally. We have been significantly increasing our disclosures to investors and our first Tax Transparency report is another step towards increased transparency and disclosures. Our promise is that we will continue to enhance our disclosures and there is more to come.”

Uday Reddy
Founder Chairman & CEO, Tanla Group

Tanla's robust commitment to tax compliance and risk management is demonstrated in our dedication to regulatory adherence across all operating jurisdictions. Our forward-looking approach to tax advocacy, zero-tolerance policy, internal code of conduct and ethics, solidify efforts to maintain the highest standards of integrity and accountability.

“Tanla is the undisputed CPaaS industry leader in India with over 35% market share. Our market leadership is driven by incredible innovation and customer obsession, backed by strong financial discipline. I am a firm believer that Governance is the bedrock of sustainable value creation. At Tanla, we look at Tax as a responsibility rather than as an expense. It is a source of pride that we have increased our tax contribution across the globe by 17% YoY in FY'23.”

Aravind Viswanathan
Chief Financial Officer, Tanla Group

To read the Tax Transparency Report click <http://bit.ly/TTRFY2023>

About Tanla

Tanla 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, (NSE: TANLA; BSE:532790) and included in prestigious indices such as the Nifty 500 and BSE 500, Nifty Digital Index, FTSE Russell and MSCI.

Safe Harbour

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