Tanla reports Fiscal 2014 audited results

Hyderabad, India – May 30 2014, Tanla today announced audited financial results for Q4 and FY 2013-14.

Financial Snapshot – Consolidated financials

(Rs. In Mn)	Q4 FY 2014	Q4 FY 2013	*% (Y-o-Y)*	Q3 FY 2014	*% (Q-o-Q)*	FY 2014	FY 2013	*% (Y-o-Y)*
Income from Operations	355.26	295.61	*20%*	231.34	*54%*	1,045.98	1,173.85	*-11%*
Gross Margin	220.82	163.30	*35%*	113.31	*95%*	547.94	397.17	*38%*
% Margin	*62%*	*55%*		*49%*		*52%*	*34%*	
EBITDA	133.88	54.58	*145%*	78.76	*70%*	357.21	93.85	*281%*
% EBITDA	*38%*	*18%*		*34%*		*34%*	*8%*	
Depreciation	399.24	733.48	*-46%*	147.434	*171%*	840.45	1688.64	*-50%*
Other Income	212.87	105.98	*101%*	86.39	*146%*	316.59	127.4	*149%*
Exceptional Items	96.81	-	-	-	-	96.81	9.86	

Key Highlights:

- Gross margin increased from Rs.397.17 Mn in FY 2012-13 to Rs. 547.94 Mn in FY2013-14
- EBITDA increased by 218% from Rs.93.85 Mn to Rs.357.21 Mn due to better product mix and realizations.
- Value and volume of business have increased resulting in increased Gross Margin and EBITDA. However overall revenue has decreased from Rs.1173.85 Mn in FY2012-13 to Rs.1045.98 Mn in FY 2013-14 as clients paid on gross basis till Q2FY2014 as against net basis from operators from Q3FY2014 onwards.
- Income from operations increased QoQ from Rs.231.34 Mn to Rs.355.26 Mn as a result of good traction and response to new platforms.

- Depreciation has increased during Q4 FY 2014 on account of recognition of foreign currency fluctuation on Fixed Assets and balance provision of full year depreciation on fixed assets as per the audited financials of subsidiary companies.

- Exceptional item represents write off of investments by Tanla Mobile Asia Pacific Pte Ltd, Singapore in Tanla Mobile USA and impairment of investment in Tanla Mobile South Africa Pty Ltd and Tanla Mobile South Asia Pvt Ltd as the companies have applied for deregistration in the respective geographies.

BUSINESS UPDATE FOR Q4 FY14:

1. Messaging: Tanla's messaging platform has processed 3.8 BN in Q4 up from 3.1BN in Q3. Entered into an agreement with one of the largest telecom carriers in India for providing messaging services to enterprises and aggregators that would result in an increase in the volume of transactions. This platform is presently in deployment stage, which would be completed by August 2014 and this will have a positive revenue impact on business from Q3FY2015.

2. Payments: The impact of regulatory changes on domestic mobile payment business as mentioned in Q3 has stabilized over the past quarter, where in the number of mobile payment transactions processed during Q4 increased from 50MN in Q3 to 55MN in Q4. In the international mobile payment business Tanla has signed up with a large payment service provider in the US and will go live during Q2FY2015.

3. M-Commerce: Existing social gaming and mobile consultancy services will be brought under the m-commerce platform of Tanla, signaling a shift away from content based services to commercial services. The existing m-commerce services have witnessed a growth in Middle East markets. These services would also be rolled out in other international markets.

4. Property Update: Approval received from HMDA and development activities on the land have commenced.