Q2 FY 2015-16 Investor Update

Hyderabad | Friday, October 30th, 2015



tanla

Highlights of Q2 FY2016

Financials

- ✓ 108% growth in total revenue YoY and 4% growth QoQ.
- ✓ 113% growth in business revenue YoY and 4% growth QoQ.
- ✓ 203% growth in domestic revenue YoY and 5% growth QoQ.
- ✓ 7% growth in international revenue YoY and 1.3% growth QoQ.

Business

- ✓ Revenue from Business operations has increased by 6% from ₹ 96.5 Cr to ₹ 102.7 QoQ.
- ✓ 2 Large international clients have been boarded on the international hub in Singapore and they have started commercial traffic in October 2015 (this does not reflect in Q2 revenues).
- ✓ Domestic A2P messaging hub has processed 11.75 bn messages in Q2 FY16 compared to 4.6 billion messages in Q2 FY15.

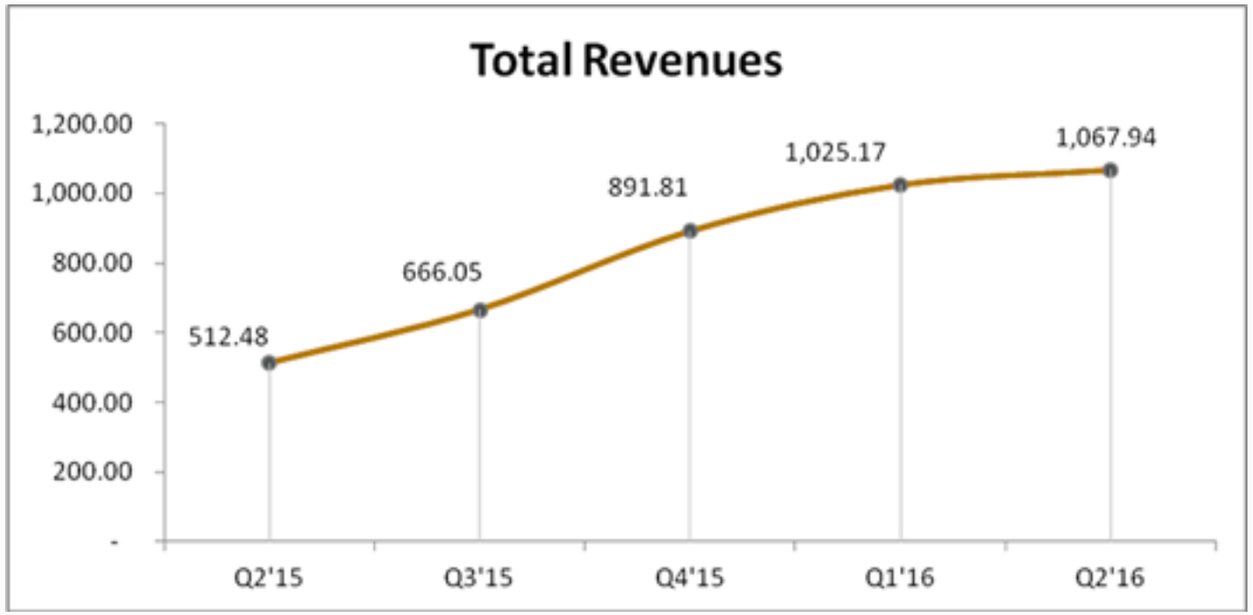
Corporate

- ✓ Ms. N Kalpana has been appointed as an Independent Woman Director on board of Tanla.
- ✓ Audit of Internal Financial Controls of the Company.
- ✓ Define Standard Operating Procedures.

Financial updates

₹ in Mn

Total Revenue

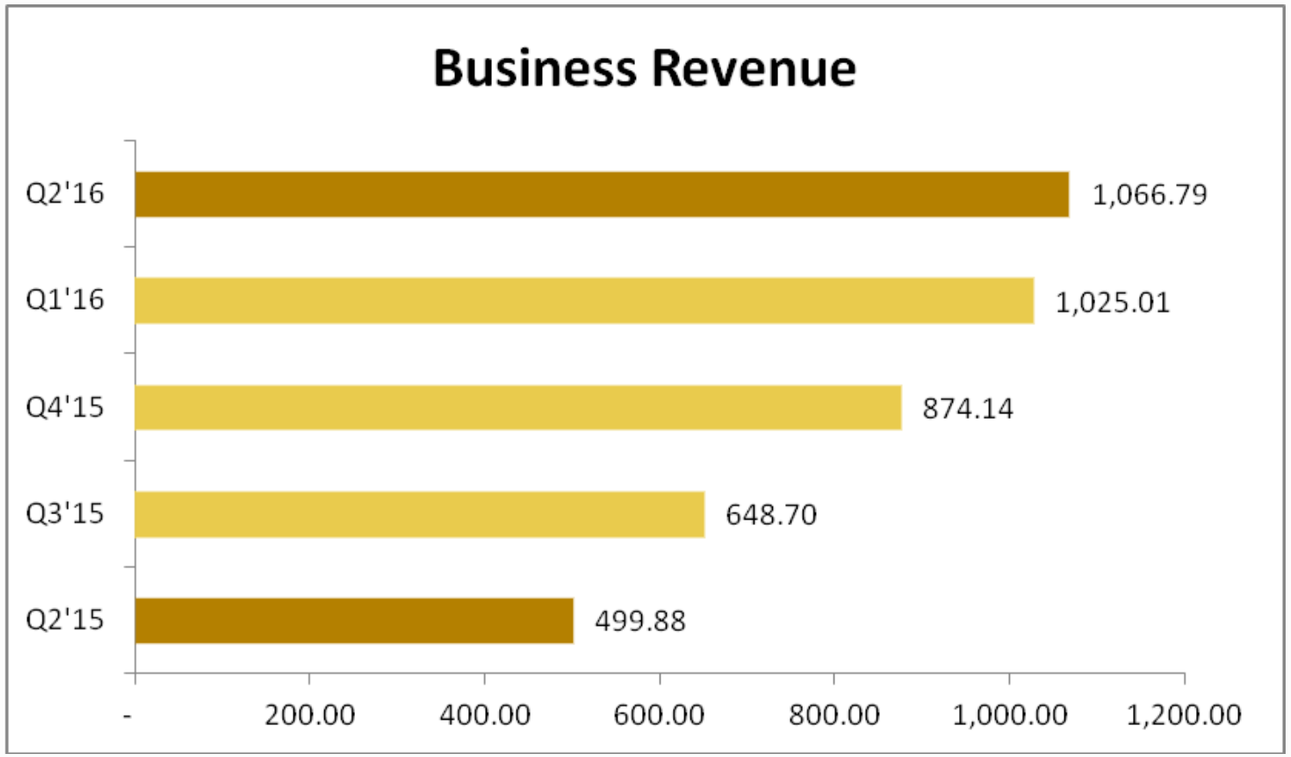


- ✓ 108% growth from ₹ 512.48 Mn in Q2 FY2015 to ₹ 1,067.94 Mn in Q2 FY2016
- ✓ 4% growth from ₹ 1025.17 Mn in Q1 FY2016 to ₹ 1,067.94 Mn in Q2 FY2016

Financial updates

₹ in Mn

Business revenue

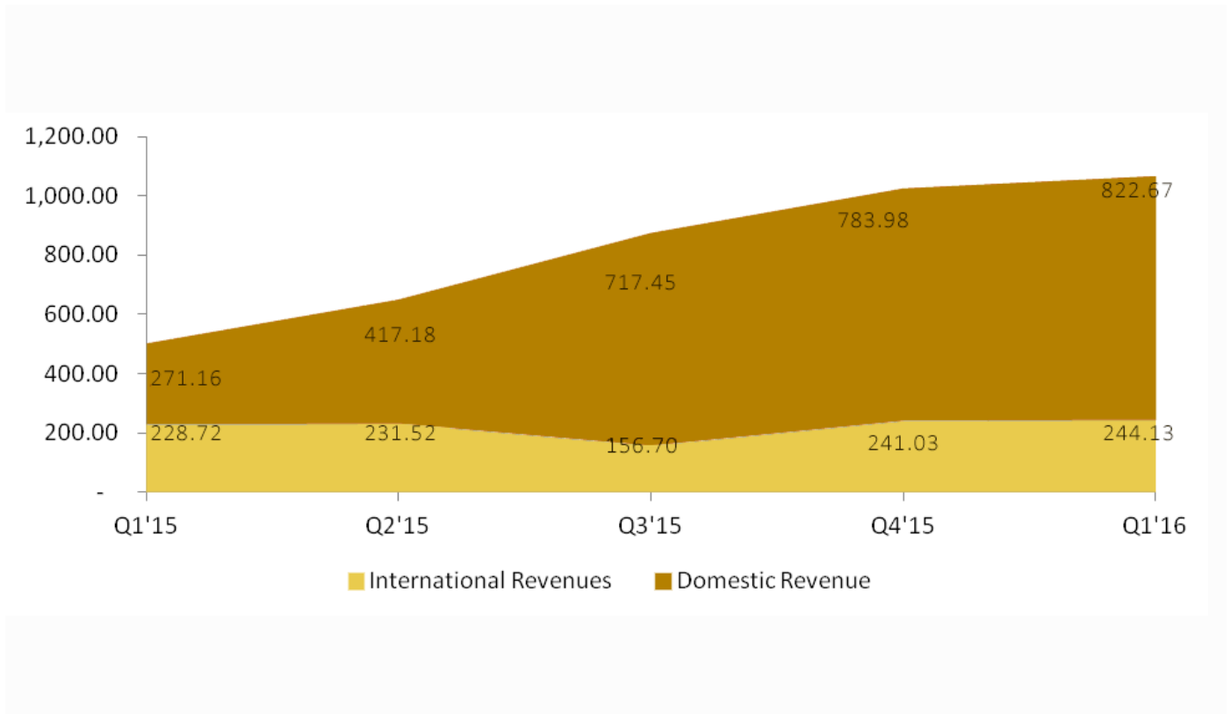


113% growth from ₹ 499.88 Mn in Q2 FY2015 to ₹ 1,066.79 Mn in Q2 FY2016

4% growth from ₹ 1025.01 Mn in Q1 FY2016 to ₹ 1,066.79 Mn in Q2 FY2016

Financial updates

- Domestic & International revenue



₹ in Mn

Domestic revenue

- ✓ **203% growth from ₹ 271.16 Mn in Q2 FY2015 to ₹ 822.67 Mn in Q2 FY2016**
- ✓ **5% growth from ₹ 783.98 Mn in Q1 FY2016 to ₹ 822.67 Mn in Q2 FY2016**

Increase in A2P messaging volumes by existing clients boarded in earlier quarters.

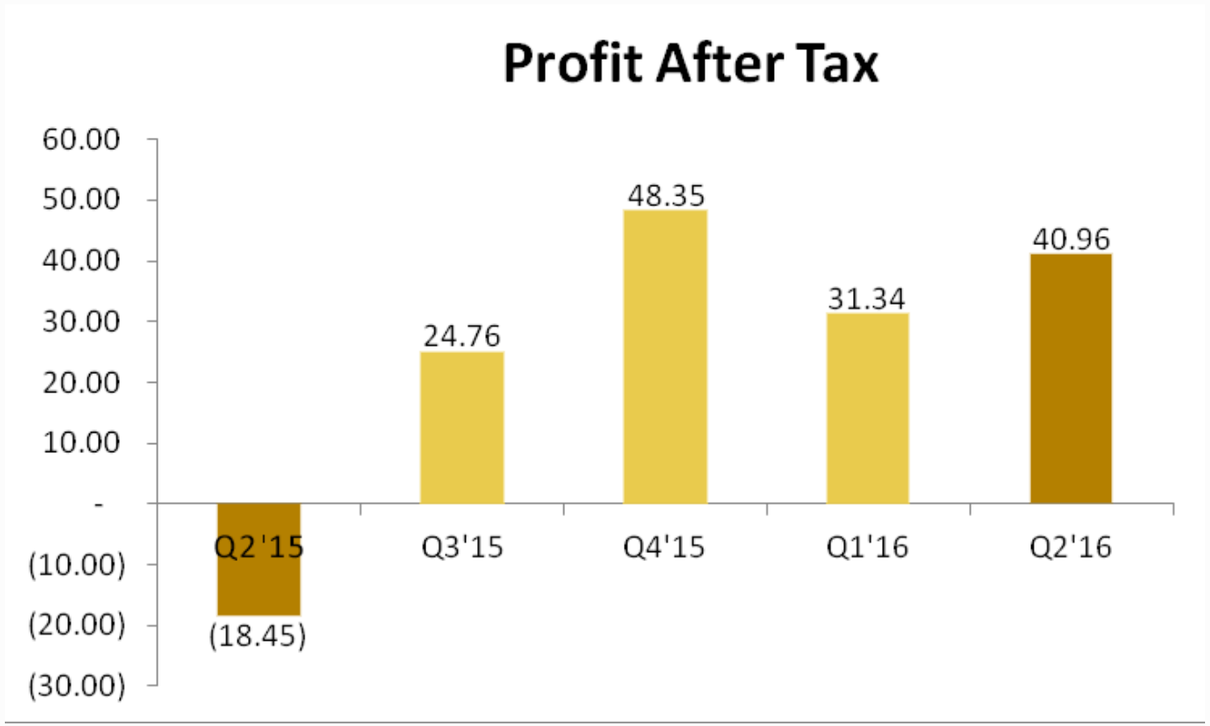
International revenue

- ✓ **7% growth from ₹ 228.72 Mn in Q2 FY2015 to ₹ 244.13 Mn in Q2 FY2016**
- ✓ **1.3% growth from ₹ 241.03 Mn in Q1 FY2016 to ₹ 244.13 Mn in Q2 FY2016**

The company had continued to operate only in high margin verticals and has exited from low margin products/verticals resulting in increase in overseas revenues.

Profit After Tax (PAT)

₹ in Mn



✓ **PAT is at ₹ 40.96 Mn in Q2 FY2016 in comparison to loss of ₹ 18.45 Mn in Q2 FY2015**

✓ **31% growth in PAT from ₹ 31.34 Mn in Q1 FY2016 to ₹ 40.96 Mn in Q2 FY2016.**

Business updates

M-Messaging

International

- ✓ International A2P messaging hub is operational from Oct 2015. 2 large international clients have been boarded in Q2 and they have started commercial traffic in October 2015, which will ramp up over the coming quarters.
- ✓ Delay in commercial launch of the Singapore hub was a result of implementing the changed regulations for International messaging outlined by TRAI.

Domestic

- ✓ Total volume processed in Q2FY16 is 11.75 billion messages as compared to 11.64 billion messages in Q1FY16, an increase of 156% over Q2 FY15 and 1% over Q1 FY16.
- ✓ India A2P messaging hub recognized as the preferred platform for delivering mission critical transactional messages like OTP's, transaction, delivery and security alerts due to its industry leading processing times.

M-Payments

- ✓ 45.4 Mn transactions were processed during Q2 FY2016 compared to 47 Mn Transactions in Q1 FY2016.

Segment Reporting

- ✓ Revenue from Property Development Division is ₹ 40 Mn in Q2 FY2016, a decrease of 33% from ₹ 60 Mn in Q1 FY2016.

Corporate updates

- ✓ Ms. N Kalpana has been appointed as an Independent woman director on board of Tanla Solutions Limited. A post-graduate in bio-technology from Bangalore University, Ms. Kalpana has an experience of over a decade in scientific research analysis, teaching and data management.

- ✓ KPMG in India has been appointed to assess, design and test the internal financial controls as required under the Companies Act, 2013.

- ✓ The Board has resolved to appoint one among the top 3 consulting firms viz., E & Y, KPMG and Deloitte to define the standard operating procedures for the delivery and operations teams of the Company.

Consolidated Financial Data - Fact Sheet

₹ in Mn

Particulars	Quarter ended September 30		% Change over previous year corresponding Quarter	Quarter ended June 30	% Change over previous Quarter
Income from Operations :	2015	2014	%	2015	%
Overseas	244.13	228.72	7%	241.03	1%
Domestic	822.67	271.16	203%	783.98	5%
Total Income from Operations (A)	**1,066.80**	**499.88**	**113%**	**1025.01**	**4%**
Other Income :					
Bad debts recovery	-	-	-	-	-
Interest & Income on Investments	1.15	3.95	-71%	0.16	619%
Forex Fluctuation	-	8.65	-	-	-
Total Other Income (B)	1.15	12.60	-91%	0.16	619%
Total Revenue (A)+ (B)	**1,067.95**	**512.48**	**108%**	**1025.17**	**4%**
Expenses :					
Operating Expenses (C)	807.11	272.52	196%	747.17	8%
Diminution in Value of Investment (D)	-	-	-	-	-
Total Expenses (C)+ (D)	**807.11**	**272.52**	**196%**	**747.17**	**8%**
% Total Revenue	75.58%	53.18%		72.88%	
Gross Profit :					
Gross Profit from Operations (A-C)	**259.69**	**227.36**	**14%**	**277.84**	**-7%**
% Total Revenue	24.32%	44.36%		27.10%	

₹ in Mn

Particulars	Quarter ended Sept 30		% Change over previous year corresponding Quarter	Quarter ended June 30	% Change over previous Quarter
	2015	2014	%	2015	%
Other Income net of Diminution in Value of Investments (H)	1.15	12.60	-91%	0.16	619%
EBIDTA (E)	**175.38**	**168.60**	**4%**	**168.67**	**4%**
Depreciation & Amortization :					
Normal Depreciation (F)	127.28	195.81	-35%	127.21	-
Depreciation on account of Currency Translation (G)	-	-	-	-	-
Total Depreciation & Amortization (F+G)	**127.28**	**195.81**	**-35%**	**127.21**	**-**
Net Profit/(Loss) after Depreciation on account of Currency Translation {E-F}	48.10	(27.21)	-277%	41.46	-16%
Net Proft / (Loss) after Depreciation & Amortization (E-F-G+H)	49.25	(14.61)	-437%	41.62	-18%
Net Profit / (Loss) before Tax	**49.25**	**(14.61)**		**41.62**	
Provision for Taxation :					
Current Tax - MAT	5.38	2.09	157%	4.22	27%
Deferred Tax	2.92	1.75	67%	6.05	-52%
Net Profit / (Loss) after Tax	**40.96**	**(18.45)**	**-**	**31.34**	**31%**
Earnings Per Share (of Face value Re.1/- each)	**0.40**	**(0.18)**		**0.31**	

Revenue by geography

in %

	Quarter Ended		
Particulars	Sept 30 2015	June 30 2015	Sept 30 2014
India	77.1%	76.5%	54.2%
ROW	22.9%	23.5%	45.8%

Currency Variance

in ₹

	Quarter Ended		
Particulars	Sept 30 2015	June 30 2015	Sept 30 2014
GBP	98.69	100.07	95.89
USD	64.06	63.67	61.48

Revenue from Property Segment

₹ in Mn

	Quarter Ended		
Particulars	Sept 30 2015	June 30 2015	Sept 30 2014
Revenue	40.00	60.00	-
EBIDTA	17.94	26.80	-

Safe Harbor

Certain statements in this release reflecting our future growth prospects are forward – looking statements which involve a number of risks and uncertainties that could cause results to differ materially from those in such forward looking statements. The risks and uncertainties relating to these statements include but are not limited to risks and uncertainties with respect to fluctuati0on in earnings, our ability to manage growth, intense competition on IT services including these factors which may affect our cost advantage, cost of resources, introduction of regulations that might impact the prospects, our ability to successfully complete the planned projects, general economic conditions affecting our industry. The Company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the Company.

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