

NOTICE OF 21ST ANNUAL GENERAL MEETING

Notice, is hereby given that the Twenty First Annual General Meeting of the Members of Tanla Solutions Limited will be held on Monday, 18th September, 2017 at 11:30 AM at Novotel Hyderabad Convention Centre, Novotel & HICC Complex, Near Hitec City, Madhapur, Hyderabad – 500081, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt:

a) the Audited Financial Statements of the Company for the financial year ended 31st March, 2017, the Report of the Board of Directors and the Report of the Auditors thereon; and

b) the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2017 together with the Report of the Auditors thereon.

2. To consider and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT a final dividend for the year ended 31st March, 2017 of ₹0.25/- per fully paid up equity share of ₹1/- each be and is hereby declared and paid."

3. To appoint a Director:

Mr. D. Uday Kumar Reddy (DIN: 00003382), who retires by rotation and being eligible, offers himself for re-appointment and in this connection to consider and if deemed fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for the reappointment of Mr. D. Uday Kumar Reddy (DIN: 00003382) as Director, to the extent that he is required to retire by rotation and continuation as Managing Director of the Company as per the approval accorded by the Members at the 20th Annual General Meeting of the Company held on September 12, 2016 and as revised/amended from time to time."

4. To appoint the Statutory Auditors:

To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s. M.N.Rao & Associates, Chartered Accountants (Firm Registration No.005386S), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of 21st Annual General Meeting (AGM) till the conclusion of the 22nd AGM of the Company to be held in the year 2018, at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"RESOLVED THAT, pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013 read with Part II of Schedule V of the Companies Act, 2013, Mr. D. Uday Kumar Reddy, Chairman & Managing Director, be and is hereby paid a remuneration of ₹120.00 lakhs per annum as recommended by the Nomination & Remuneration Committee in its meeting dated July 28, 2017 for a period of three years from the month of October 2017 excluding other benefits, allowances, perquisites."

"RESOLVED FURTHER THAT, Mr. D. Uday Kumar Reddy, Chairman & Managing Director would be eligible for the following perks as recommended by the Nomination & Remuneration Committee in its meeting dated July 28, 2017 in addition to the above mentioned remuneration, as per Section 197 read with Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or any Statutory modification(s) or re-enactment thereof:

a. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per Company Rules.

b. Gratuity payable at a rate not exceeding half month's salary for each completed year of service.

c. Encashment of leave as per the Company's rules at the end of tenure."

"RESOLVED FURTHER THAT for the purpose of giving effect to the payment of remuneration, the Company Secretary of the Company be and is hereby authorized on behalf of the Company to do all such acts, deeds, things and matters as may be deemed expedient or desirable to give effect to the above said resolution."

Your Directors recommend that the said resolution may be passed as a Special Resolution.

None of the Directors except Mr. D. Uday Kumar Reddy is interested or concerned in the said resolution.

Mr. D. Uday Kumar Reddy holds 1,94,96,493 equity shares constituting 17.57% of the paid up capital of the Company as on July 28, 2017.

for Tanla Solutions Limited

Hyderabad
July 28, 2017

Sd/-
Seshanuradha Chava
Company Secretary &
VP – Legal & Secretarial

Registered Office:
Tanla Solutions Limited
Tanla Technology Centre,
Hi-Tech City Road, Madhapur,
Hyderabad – 500 081.

NOTES:

1. A member entitled to attend and vote at the Annual General Meeting ("the Meeting") is entitled to appoint a proxy to attend and vote on a poll, instead of himself/herself and the proxy need not be a member of the Company.

The instrument appointing the proxy should be deposited at the registered office of the Company not less than forty-eight (48) hours before the commencement of the Meeting. A person can act as a proxy on behalf of members upto and not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.

2. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send to the Company a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.

3. Brief profile of Mr. D. Uday Kumar Reddy, Chairman & Managing Director proposed to be re-appointed along with names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and his relationship with other directors inter-se as stipulated under Regulations of the Listing Agreement with the Stock Exchange(s), are provided in the Report on Corporate Governance forming part of the Annual Report.
4. An Explanatory Statement under Section 102(1) of the Companies Act, 2013, in respect of the Special Business to be transacted at the Meeting is annexed hereto.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from September 11, 2017 to September 18, 2017 (both days inclusive) for the purpose of AGM and Payment of Dividend.
6. Pursuant to the provisions of Section 124 of the Companies Act 2013, the amount of dividend remaining unclaimed up to the financial year 2008-09 has been transferred, from time to time on due dates, to the Investors Education & Protection

Fund. Details of unpaid/unclaimed dividends lying with the Company as on the last Annual General Meeting of the Company is available on the website of the Company. Shareholders are requested to ensure that they claim the dividend(s) from the Company before transfer to the Investor Education and Protection Fund. The seven year period of "Unpaid and Unclaimed dividend for the year 2009-10" which amounts to ₹198,335/- (Rupees One Lakh Ninety Eight Thousand Three Hundred and Thirty Five only) expires on October 09, 2017 and the same will be transferred to the "Investor Education and Protection Fund".

7. Members/Proxies attending the Meeting are requested to complete and bring the Attendance Slip enclosed with the Annual Report and hand over the same at the entrance of the meeting hall, duly signed.
8. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars and Transfer Agents, Karvy Computershare Private Limited ("Karvy") cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the concerned Depository Participant by the members.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company / Karvy.
10. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Karvy, for consolidation into a single folio.
11. Non-Resident Indian Members are requested to inform Karvy, immediately of:
 - a) Change in their residential status on return to India for permanent settlement.
 - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
12. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Karvy.
14. In terms of Section 72 of the Companies Act, 2013, a member of the Company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
15. Any director himself or any member intending to propose any person as a director other than a retiring director, has to give a notice as to his intention to propose him/her as a candidate for that office not less 14 (fourteen) days before the meeting along with deposit of ₹1,00,000 (Rupees One Lakh only).
16. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure,

members are requested to register their e-mail addresses in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to send their e-mail address to the following: evoting@karvy.com

The Annual Report for the year ending 31st March, 2017 and Notice of the AGM inter-alia indicating the manner and process of e-voting along with the Attendance Slip and Proxy Form are being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

17. Members may also note that the Notice of the 21st AGM and the Annual Report for 2017 will also be available on the Company's website www.tanla.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Hyderabad for inspection during the normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's email id: investorhelp@tanla.com.

18. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide the members facility to exercise their right to vote at the 21st Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by Karvy Computershare Private Limited. The procedure for participating in the e-voting is given below:

E-Voting Instructions:

- A. In case a Member receives an email from Karvy [for members whose email IDs are registered with the Company/ Depository Participants (s)]:

- i. Launch internet browser by typing the **URL: <https://evoting.karvy.com>**.
- ii. Enter the login credentials (i.e. **User ID and password**). In case of physical folio, User ID will be EVENT NO. 3360 followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVENT" i.e., Tanla Solutions Limited.
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated

as "ABSTAIN" and the shares held will not be counted under either head.

- viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm; else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution(s).
- xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.,) are required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email kritika.s112@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Tanla – 21st AGM".

B. (1) In case of Members receiving physical copy of Notice [for members whose email IDs are not registered with the Company / Depository Participants (s)]

- i. **E-Voting** (EVENT NO. 3360), User ID and Password is provided in the Attendance Slip.
- ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

(2) Voting at AGM: The Members, who have not cast their vote electronically, can exercise their voting rights at the AGM. The Company will make necessary arrangements (e-voting/ballot) in this regard at the AGM Venue. Members, who cast their votes by e-voting prior to AGM may attend the AGM, but will not be entitled to cast their votes again.

Other Instructions:

- i. In case of any queries, you may refer Help & FAQ section of <https://evoting.karvy.com> (Karvy website) or call KCPL on Toll Free No.1800 3454 001.
- ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- iii. The e-voting period commences on **Friday, September 15, 2017 (9:00 a.m. IST) and ends on Sunday, September 17, 2017 (5:00 p.m. IST)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., September 08, 2017, may cast their vote electronically in the manner and process set out herein above. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- iv. Any person, who becomes a member of the Company after the dispatch of the notice of the meeting and holding shares as on the cut-off date i.e. **September 08, 2017** may write to e-voting@karvy.com or to the Company at investorhep@tanla.com requesting for User ID and password. On receipt of User ID and password the steps from (i) to (xi) mentioned above should be followed for casting their vote, if the member is already registered with Karvy e-voting platform then he can use his existing User ID and password for casting the vote through remote e-voting.

- v. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date **September 08, 2017**.
- vi. The Board of Directors has appointed Ms. Kritika Sharma, Practicing Company Secretary as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- vii. The scrutinizer shall immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through e-voting in the presence of at least two witnesses who are not in the employment of the Company and within a period not exceeding three(3) days from the conclusion of the meeting make a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or person authorized by the Chairman for counter signature.
- viii. The Results shall be declared either by the Chairman or by an authorized person of the Chairman and the resolution will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).
- ix. Immediately after declaration of results, the same shall be placed along with the Scrutinizer's Report on the Company's website www.tanla.com and on the website of KARVY at <https://evoting.karvy.com>, and communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed for placing the same in their website.

EXPLANATORY STATEMENT

Pursuant to Section 102 (1) of the Companies Act, 2013 ("the Act") read with section 110 of the Companies Act, 2013

Item No. 5

The members are being informed that Mr. D. Uday Kumar Reddy was appointed as Chairman & Managing Director of the Company for a period of 5 years with effect from January 14, 2015 at the Annual General Meeting of the Company held on September 16, 2015.

The Board of Directors of the Company considered the nature of services and on the recommendation and resolution passed by Nomination and Remuneration Committee at its meeting held on July 28, 2017 considered for continuation in remuneration payable to Mr. D. Uday Kumar Reddy, Chairman & Managing Director from existing annual remuneration of ₹120 lakhs P.A. payable for a further period of three years (i.e., from October 01, 2017 to September 30, 2020).

Statement as required under Part II of Section II of Schedule V to the Companies Act, 2013:

I. General Information:

- (1) Nature of Industry: The Company is telecom products & solutions providing Company that specializes in pioneering communication roadmaps and integrating various systems of communication for mobile technology.
- (2) Date or expected date of commencement of commercial production: Certificate of commencement of business certificate was issued by ROC in July 1995.
- (3) In case of new companies, expected date of commencement of activities: N.A.
- (4) Financial performance based on given indicators:

Particulars	(Amount in ₹)	
	FY 2016-17	FY 2015-16
Paid up Capital	107,485,785	101,479,593
Reserves & Surplus	6,298,162,680	6,209,238,576
Income from operations	4,987,150,228	2,804,360,056
EBIDTA	71,442,650	123,577,635
Profit before Tax	-15,131,599	98,662,613
Profit after Tax	-6,288,217	36,462,556

(5) Foreign investments or collaborations, if any:

Particulars	As on	
	March 31 2017 (No. of Shares)	March 31 2016 (No. of Shares)
Foreign Portfolio Investors	670,490	-
Non Resident Indians	3,449,921	2,432,628
Foreign Nationals	85,886	85,886

The explanatory statement may also be regarded as an abstract of Memorandum under Section 190 of the Companies Act, 2013 (corresponding Section 302 of the Companies Act, 1956) and disclosure under the regulations of the Listing Agreement.

Pursuant to Section 198 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013, approval of members is required by way of Special Resolution for payment of aforesaid remuneration to Mr. D. Uday Kumar Reddy, Chairman & Managing Director of the Company.

Your Directors recommend that the said resolution for your approval.

Except Mr. D. Uday Kumar Reddy and Mrs. D. Tanuja Reddy, being his relative none of the Directors/ Key Managerial Personnel of the Company/their relatives are, in any way concerned or interested, financially or otherwise, in the above resolution set out in the Notice except to the extent of their shareholding.

II. Information about the appointee:

(1) Background details

Mr. D Uday Kumar Reddy holds an MBA from University of Manchester, UK and is the founder promoter of Tanla Solutions Limited. He is the chief architect of the company, besides being responsible for its meteoric rise from a mere products-based solution provider to

one of the largest publicly traded Mobile VAS software company, specializing in wireless data services for mobile messaging and billing. The Company has also launched its cloud communication platform in October 2016.

(2) Past remuneration

The shareholders in the 18th AGM approved an annual remuneration of ₹ 120.00 lakhs for a period of 3 years from October 2014.

(3) Recognition or awards:

Not applicable

(4) Job Profile and his suitability

Uday's keen business acumen and a sharp focus on innovation combined with an urge to set new milestones in business and technology have been the key drivers of the Company's success. An active member in the M&A community, he has been leading discussions across the globe regarding potential alliances and M&A opportunities. It is little wonder that within a decade of its inception, he has led Tanla to dizzying heights as one of the most successful young IT companies in India with a global presence.

(5) Remuneration Proposed

The Nomination and Remuneration Committee in its meeting held on July 28, 2017 proposed an Annual Remuneration of ₹120.00 lakhs for a period of 3 years

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from October 2017 subject to the approval of members by passing Special Resolution in the ensuing 21st Annual General Meeting.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The indicative salary range for this role, based on the study conducted by the Company is ₹150.00 lakhs to ₹450.00 lakhs which includes annual cash and bonus, as applicable. Considering the current financial position of the Company, the Board has deemed it fit to approve an annual remuneration of ₹120.00 lakhs, excluding perquisites mentioned in Schedule V of the Companies Act 2013.

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.

There is no pecuniary relationship either directly or indirectly with the company, or relationship with the managerial personnel except with Mrs. D. Tanuja Reddy, the co-promoter of Tanla Solutions Limited. In addition Mr. D. Uday Kumar Reddy holds 1,94,96,493 equity shares constituting 17.57% of the paid up capital of the Company. Mrs. D. Tanuja Reddy holds 1,28,35,342 equity shares constituting 11.57% of the paid up capital of the Company as on July 28, 2017.

III. Other information:

(1) Reasons of loss or inadequate profits:

Net loss in FY 2017 in standalone Financials in on account of one-off expenditure charged to statement of comprehensive income towards sale of assets due to technological obsolescence.

For the year ended on 31st March, 2017, the Company reported loss of ₹ 62.88 lakhs the total remuneration payable to all the Managerial personnel cannot exceed ₹ 60.00 lakhs per annum as per Part II of Schedule V of the Companies Act, 2013, this limit can be doubled if the shareholders' pass a special resolution in the ensuing Annual General Meeting. Nomination and Remuneration Committee has been authorized to review and fix monthly salary and also to determine performance linked incentives including commission, either on quarterly, half yearly or yearly basis, considering the maximum remuneration payable under Section 197

read with Schedule V of Companies Act, 2013. The Nomination and Remuneration Committee thus met on July 28, 2017 and passed a resolution approving the proposed salary payable.

(2) Steps taken or proposed to be taken for improvement:

The Company has launched its cloud communication platform apart from its solution for A2P messaging which is slated to increase the market share going forward. The Company has partnered with leading telecom service providers in India and this is expected to result in substantial growth in revenues and margin. The Company has diversified into m-commerce and tied up with leading payment gateway in US which is expected to generate revenues in the coming quarters.

(3) Expected increase in productivity and profits in measurable terms:

The Company expects to generate increased revenues in the coming years.

Your Directors recommend that the said resolution may be passed as a Special Resolution.

None of the Directors except Mr. D. Uday Kumar Reddy is interested or concerned in the said resolution.

Mr. D. Uday Kumar Reddy holds 1,94,96,493 equity shares constituting 17.57% of the paid up capital of the Company as on July 28, 2017.

for Tanla Solutions Limited

Hyderabad
July 28, 2017

Registered Office:
Tanla Solutions Limited
Tanla Technology Centre,
Hi-Tech City Road, Madhapur,
Hyderabad - 500 081.

Sd/-
Seshanuradha Chava
Company Secretary &
VP - Legal & Secretarial