

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF TANLA SOLUTIONS LIMITED FOR THE BUYBACK OF EQUITY SHARES THROUGH THE TENDER OFFER ROUTE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED

This Public Announcement (the "Public Announcement") is made in relation to the Buyback (as defined below) of Equity Shares (as defined below) of Tanla Solutions Limited (the "Company") through the tender offer process, pursuant to Regulation 7(i) and other applicable provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended (including any statutory modification(s), amendment(s) or re-enactments from time to time) (the "SEBI Buyback Regulations") along with the requisite disclosures as specified in Schedule II of the SEBI Buyback Regulations read with Schedule I of the SEBI Buyback Regulations.

OFFER FOR BUYBACK OF NOT EXCEEDING 1,90,12,345 (ONE CRORE NINETY LAKHS TWELVE THOUSAND THREE HUNDRED AND FORTY FIVE ONLY) FULLY PAID-UP EQUITY SHARES HAVING A FACE VALUE OF INR 1/- (INDIAN RUPEE ONE ONLY) EACH OF THE COMPANY ("EQUITY SHARES") AT A PRICE OF INR 81/- (INDIAN RUPEES EIGHTY ONE ONLY) PER EQUITY SHARE, PAYABLE IN CASH, ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER PROCESS

1. DETAILS OF THE BUYBACK AND BUYBACK PRICE

1.1. The board of directors of the Company ("Board") at its meeting held on April 22, 2020 ("Board Meeting") and the special resolution passed by the shareholders of the Company through postal ballot (by way of remote e-voting only) pursuant to a postal ballot notice dated April 22, 2020 ("Postal Ballot Notice"), the results of which were declared on May 23, 2020, subject to approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, have approved the buyback of the Company of its equity shares having a face value of INR 1/- (Indian Rupee One Only) each not exceeding 1,90,12,345 Equity Shares, at a price of INR 81/- (Indian Rupees Eighty One Only) per Equity Share ("Buyback Offer Price"), payable in cash, for an aggregate maximum amount not exceeding INR 154,00,00,000/- (Indian Rupees One Hundred and Fifty Four Crores Only), excluding any expenses incurred or to be incurred for the buyback viz. brokerage, costs, fees, turnover charges, taxes such as buyback tax, securities transaction tax and goods and services tax (if any), stamp duty, advisors fees, filing fees, printing and dispatch expenses and other incidental and related expenses and charges ("Transaction Costs") (such maximum amount hereinafter referred to as the "Buyback Offer Size"), from all the shareholders/beneficial owners of the Equity Shares of the Company, as on June 10, 2020 ("Record Date") (for further details on in relation to the Record Date, refer to paragraph 11 of this Public Announcement), on a proportionate basis through the "tender offer" route as specified under the SEBI Buyback Regulations.

1.2. The Buyback is pursuant to Article 3 of the Articles of Association of the Company, Sections 68, 69, 70, 108, 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended ("Companies Act") and the relevant rules made thereunder including the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Management and Administration) Rules, 2014, each as amended from time to time and to the extent applicable, the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), the SEBI Buyback Regulations read with the SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and such other circulars or notifications, as may be applicable (hereinafter referred to as the "Buyback").

1.3. The maximum amount required for the Buyback will not exceed INR 154,00,00,000/- (Indian Rupees One Hundred and Fifty Four Crores Only) excluding the Transaction Costs, being 22.32% and 24.65% of the total paid-up capital and free reserves based on the standalone and consolidated financial statements of the Company as on March 31, 2019, respectively, which is not exceeding 25% of the aggregate of the total paid-up capital and free reserves of the Company as per latest available standalone and consolidated audited financials of the Company as on March 31, 2019.

1.4. Further, under the Companies Act and SEBI Buyback Regulations, the number of Equity Shares that can be bought back in any financial year shall not exceed 25% of the total paid-up equity capital of the Company in that financial year. The Company proposes to Buyback not exceeding 1,90,12,345 Equity Shares of the Company, representing 12.49% of the total number of Equity Shares in the total existing paid-up equity capital of the Company, and 16.44% and 13.02% of the total number of Equity Shares in the total paid-up equity capital as of March 31, 2019, and March 31, 2020, respectively. Therefore, the number of Equity Shares proposed to be purchased under the Buyback does not exceed 25% of the total number of Equity shares in the existing total paid-up equity capital of the Company and of the total paid-up equity capital of the Company as of March 31, 2019 and March 31, 2020.

1.5. The Buyback shall be undertaken on a proportionate basis from the shareholders of the Equity Shares of the Company as on the Record Date ("Eligible Shareholders") through the tender offer process prescribed under Regulation 4(iv)(a) of the SEBI Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified by the Securities and Exchange Board of India ("SEBI") in its circular bearing reference number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular bearing reference number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and such other circulars as may be applicable, including any further amendments thereof (such circulars hereinafter referred to as the "SEBI Circulars"). Please refer to paragraph 11 below for further details regarding the Record Date and shareholders' entitlement to tender the Equity Shares in the Buyback.

1.6. The Buyback of Equity Shares may be subject to taxation in India and/or in the country of residence of the Eligible Shareholders. The transaction of Buyback would also be chargeable to securities transaction tax in India. In due course, Eligible Shareholders will receive a letter of offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences, Eligible Shareholders are advised to consult their own legal, financial and tax advisors for the applicable tax implications prior to participating in the Buyback.

1.7. A copy of this Public Announcement is available on the Company's website i.e., www.tanla.com, and is expected to be made available on the website of the SEBI i.e., www.sebi.gov.in and on the website of BSE Limited and National Stock Exchange of India Limited i.e., www.bseindia.com and www.nseindia.com respectively, during the period of the Buyback.

2. NECESSITY FOR THE BUYBACK AND DETAILS THEREOF

The Buyback is being undertaken by the Company after taking into account the strategic and operational cash requirements of the Company in the medium term and for returning surplus funds to the members in an effective and efficient manner. The Board at its meeting held on April 22, 2020 considered the accumulated free reserves as well as the cash liquidity reflected in the latest available standalone and consolidated audited financial statements as on March 31, 2019 and also as on the date of the Board Meeting and considering these, the Board decided to allocate not exceeding INR 154,00,00,000/- (Indian Rupees One Hundred and Fifty Four Crores Only) excluding the Transaction Costs for distributing to the shareholders holding Equity Shares of the Company through the Buyback.

After considering several factors and benefits to the shareholders holding Equity Shares of the Company, the Board decided to recommend Buyback of not exceeding 1,90,12,345 Equity Shares at a price of INR 81/- (Indian Rupees Eighty One Only) per Equity Share for an aggregate amount not exceeding INR 154,00,00,000/- (Indian Rupees One Hundred and Fifty Four Crores Only). Buyback is being undertaken, *inter-alia*, for the following reasons:

- The Buyback will help the Company to return surplus cash to its shareholders holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to shareholders;
- The Buyback, which is being implemented through the tender offer route as prescribed under the SEBI Buyback Regulations, would involve allocation of number of Equity Shares as per their entitlement or 15% of the number of Equity Shares to be bought back whichever is higher, reserved for the small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder" as per Regulation 2(i)(ii) of the SEBI Buyback Regulations;
- The Buyback may help in improving its earning per Equity Share and return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value; and
- The Buyback gives an option to the shareholders holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buyback offer, without additional investment.

3. BASIS OF ARRIVING AT THE BUYBACK OFFER PRICE OF THE BUYBACK

- The Equity Shares of the Company are proposed to be bought back at a price of INR 81/- (Indian Rupees Eighty One Only) per Equity Share. The Buyback Offer Price has been arrived at, after considering various factors including, but not limited to, the trends in the volume weighted average prices of the Equity Shares on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") and together with BSE, the "Stock Exchanges" where the Equity Shares are listed, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buyback on the earnings per Equity Share.
- The Buyback Offer Price represents:
 - Premium of 17.70% and 15.76% over the volume weighted average market price of the Equity Shares on NSE and BSE, respectively, during the three months preceding April 17, 2020, being the date of intimation to the Stock Exchanges for the Board Meeting to consider the proposal of the Buyback ("Intimation Date").
 - Premium of 55.80% and 55.35% over the volume weighted average market price of the Equity Shares on NSE and BSE, respectively, for two weeks preceding the Intimation Date.
 - Premium of 48.08% over the closing price of the Equity Shares on the Stock Exchanges as on the Intimation Date.
 - Premium of 55.47% over the closing price of the Equity Shares on the Stock Exchanges as on April 16, 2020, being the day preceding the Intimation Date.

4. DETAILS OF PROMOTERS, MEMBERS OF THE PROMOTER GROUP, PERSONS IN CONTROL AND DIRECTORS OF PROMOTERS AND MEMBERS OF THE PROMOTER GROUP SHAREHOLDING AND OTHER DETAILS

(i) The aggregate shareholding of the promoters, members of the promoter group, directors of the promoter and members of the promoter group, where such promoter or promoter group entity is a Company and of persons who are in control of the Company, as on the date of the Postal Ballot Notice (i.e., April 22, 2020) and the date of this Public Announcement i.e. May 26, 2020, is as follows:

Sr. No.	Name of the Shareholder	Number of Equity Shares	% of paid up equity share capital
1.	Uday Kumar Reddy Dasari*	2,81,03,431	18.46
2.	D Tanuja Reddy**	2,10,88,127	13.85
3.	TNA Corporation LLP	34,79,000	2.28
4.	Mobile Techsol Private Limited****	3,15,000	0.21
5.	Veda Matha Technologies Private Limited	3,05,000	0.20
6.	Blue Green Technologies Private Limited*****	3,20,000	0.21
7.	B Venu Gopal Reddy***	2,070	Negligible
	Total	5,36,12,628	35.21

*Uday Kumar Reddy Dasari is one of the promoters of the Company and holds directorship in certain promoter group entities of our Company, namely, Mobile Techsol Private Limited (formerly known as Arka Dresswear Private Limited) and Veda Matha Technologies Private Limited. Uday Kumar Reddy Dasari is a partner of promoter group entity of the Company, namely, TNA Corporation LLP.

**D Tanuja Reddy is one of the promoters of the Company and holds directorship in certain promoter group entities of our Company, namely, Mobile Techsol Private Limited (formerly known as Arka Dresswear Private Limited) and Veda Matha Technologies Private Limited. D Tanuja Reddy is a partner of promoter group entity of the Company, namely, TNA Corporation LLP.

***B Venu Gopal Reddy holds directorship in Blue Green Technologies Private Limited (formerly known as Blue Green Biotech and Pharma Private Limited), which is part of the promoter group of the Company.

****formerly known as Arka Dresswear Private Limited

*****formerly known as Blue Green Biotech and Pharma Private Limited

(ii) None of the directors of the Company ("Directors") or key managerial personnel of the Company ("KMPs") hold any Equity Shares in the Company, as on the date of the Postal Ballot Notice (i.e., April 22, 2020) and the date of this Public Announcement i.e. May 26, 2020, except for the following:

Sr. No.	Name of the Shareholder	Designation	Number of Equity Shares	% of paid up equity share capital
1.	Uday Kumar Reddy Dasari	Chairman and Managing Director	2,81,03,431	18.46
2.	AG Ravindranath Reddy	Non-Executive Director	3,000	Negligible
3.	Sanjay Kapoor	Non-Executive Director	96,866	0.06
4.	Sanjay Baweja	Independent Director	2,32,850	0.15
5.	K Srinivas Gunupudi	Chief Financial Officer	1,41,110	0.09
6.	Seshanuradha Chava	Vice President -Legal and Secretarial	1,73,582	0.11

(iii) Except as disclosed below, no Equity Shares or other specified securities in the Company were either purchased or sold (either through the stock exchanges or off market transaction) by any of the promoters, members of the promoter group, directors of the promoter and promoter group, where such promoter or promoter group entity is a Company and of persons who are in control of the Company during a period of six months preceding the date of the Board Resolution, i.e., April 22, 2020 and from the date of the Board Resolution till the date of this Public Announcement.

Sr. No.	Name of shareholder	Aggregate number of Equity Shares purchased/sold	Nature of transaction	Minimum Price (INR)	Date of Minimum Price	Maximum Price (INR)	Date of Maximum Price
1.	Uday Kumar Reddy Dasari*	31,42,929	Acquisition by conversion of warrants of warrants	40	April 3, 2020	40	April 3, 2020
2.	D Tanuja Reddy**	31,42,929	Acquisition by conversion of warrants of warrants	40	April 3, 2020	40	April 3, 2020

*Uday Kumar Reddy Dasari is one of the promoters of the Company and holds directorship in certain promoter group entities of our Company, namely, Mobile Techsol Private Limited (formerly known as Arka Dresswear Private Limited) and Veda Matha Technologies Private Limited. Uday Kumar Reddy Dasari is a partner of promoter group entity of the Company, namely, TNA Corporation LLP.

**D Tanuja Reddy is one of the promoters of the Company and holds directorship in certain promoter group entities of our Company, namely, Mobile Techsol Private Limited (formerly known as Arka Dresswear Private Limited) and Veda Matha Technologies Private Limited. D Tanuja Reddy is a partner of promoter group entity of the Company, namely, TNA Corporation LLP.

5. INTENTION OF THE PROMOTERS, MEMBERS OF THE PROMOTER GROUP AND PERSONS IN CONTROL OF THE COMPANY TO TENDER THEIR EQUITY SHARES IN THE BUYBACK

In terms of the SEBI Buyback Regulations, under the tender offer route, the promoters, members of the promoter group and persons in control of the Company have the option to participate in the Buyback. In this regard, the promoters, members of the promoter group and persons in control of the Company have expressed their intention of not participating in the Buyback. Accordingly, the disclosures as required as per paragraph (viii) to the Schedule I of the SEBI Buyback Regulations are not applicable.

6. NO DEFAULTS

The Company confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or payment of interest thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.

7. CONFIRMATION BY THE BOARD OF DIRECTORS OF THE COMPANY

As required by clause (x) of Schedule I read with Regulation 5(iv)(b) of the SEBI Buyback Regulations, the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion that:

- immediately following the date of the Board resolution and the date on which the results of postal ballot approving the proposed Buyback be declared ("Postal Ballot Resolution"), there will be no grounds on which the Company can be found unable to pay its debts;
- as regards the Company's prospects for the year immediately following the date of the Board resolution and for the year immediately following the Postal Ballot Resolution, and having regard to the Board's intention with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will in the Board's view be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board resolution as well as from the date of the Postal Ballot Resolution;
- in forming the aforesaid opinion, the Board has taken into account the liabilities including prospective and contingent liabilities payable as if the Company were being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code, 2016 (to the extent notified).

8. REPORT BY THE COMPANY'S STATUTORY AUDITOR

The text of the report dated April 22, 2020 received from the statutory auditor of the Company ("Auditor's Report") addressed to the Board of the Company is reproduced below:

Quote

Report of factual findings in connection with Agreed-upon Procedures related to confirming the affairs and prospects of the Company for the proposed buyback of equity shares in accordance with the requirements of the Companies Act, 2013 and Schedule I to the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended.

To,

The Board of Directors

Tanla Solutions Limited

Tanla Technology Centre, Hitech City Road, Madhapur Hyderabad, Telangana 500081

We, MSKA & Associates, Chartered Accountants, the Statutory Auditors of the Company, have performed the following procedures agreed with you vide mandate letter dated March 30, 2020, in connection with the proposal of Tanla Solutions Limited ("Company") to buy-back its equity shares in pursuance of the provisions of Section 68 of the Companies Act, 2013 (the "Act") as amended and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended, ("Buyback Regulations"), approved by the Board of Directors of the Company at the Board Meeting held on April 22, 2020.

Our engagement was undertaken in accordance with the Standard on Related Services (SRS) 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information," issued by the Institute of Chartered Accountants of India.

We have been provided with the following documents:

- Audited standalone and consolidated financial statements for the year ended March 31, 2019
- Solvency declaration by the Board of Directors
- Board resolutions dated April 22, 2020 for approval of proposed buyback
- Assessment note and projected cash flow provided to the board for solvency declaration
- Annexure A-Statement of permissible capital payment ("Statement") and the same has been identified for the identification purpose only
- Articles of association to verify authorization for buy back of securities.

The procedures summarized below are performed solely to assist you in confirming the affairs and prospects of the Company for the proposed buyback of shares:

- Inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements for the year ended March 31, 2019;
- Examined authorization for buyback from the Articles of Association of the Company, approved by Board of Directors in its meeting held on April 22, 2020, which is subject to approval of the shareholder of the Company;
- Agreed the amounts of paid up equity share capital, securities premium account, general reserve and retained earnings as at March 31, 2019 as disclosed in the accompanying Statement, with the audited standalone and consolidated financial statements of the Company for the year ended March 31, 2019;
- Examined that the amount of capital payment for the buyback as detailed in the Statement is within the permissible limit computed in accordance with section 68(2)(c) of the Act and Regulation 4(i) of the Buyback Regulations;
- Examined that the ratio of the aggregate of secured and unsecured debts owed by the Company after the Buyback shall not be more than twice its paid-up capital and free reserves based on both, audited standalone and consolidated financial statements of the Company as on March 31, 2019;
- Examined that all the shares for buy-back are fully paid-up;
- Inquired if the Board of Directors of the Company, in its meeting held on April 22, 2020 has formed the opinion as specified in Clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the Board meeting and the date on which the results of the shareholders' resolution with regard to the proposed buyback will be declared;
- Examined resolutions passed in the meetings of the Board of Directors i.e., on April 22, 2020;
- Examined Director's declarations in respect of the buyback and solvency of the Company; and
- Obtained necessary management representations from the company.

Based on the procedures performed as stated above, and according to the information, explanations provided by the Company, we report that:

- We have inquired into the state of affairs of the Company in relation to its latest audited standalone and consolidated financial statements for the year ended March 31, 2019;
- The permissible capital payment towards buyback of equity shares, as stated in the Statement, is in our view properly determined in accordance with Section 68(2)(c) of the Act and Regulation 4(i) of the Buyback Regulations based on the audited standalone and consolidated financial statements for the year ended March 31, 2019; and
- The Board of Directors at their meeting held on April 22, 2020 have formed its opinion, as per the provisions of clause (x) of Schedule I to the Buyback Regulation on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of board meeting and one year from the date on which the results of the shareholders with regards to the proposed buy back will be declared.

The above procedures do not constitute either an audit or a review made in accordance with the Generally Accepted Auditing Standards in India.

Had we performed additional procedures or an audit or review of the financial statements / information provided to us in accordance with the generally accepted auditing standards in India, other matters might have come to our attention that would have been reported to you.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

This report is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with the aforesaid requirements and to include this report, pursuant to the requirements of the Buyback Regulations, (i) in the explanatory statement to be included in the postal ballot notice to be circulated to the shareholders of the Company, (ii) public announcement to be made to the shareholders of the Company, (iii) in the draft letter of offer and the letter of offer to be filed with the Registrar of Companies, Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited, as required by the Buyback Regulations, (iv) the Central Depository Services (India) Limited, National Securities Depository Limited, as applicable, and (v) for providing to the merchant banker to the buyback. Accordingly, this report may not be suitable for any other purpose, and therefore, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. This report can be relied upon by the Manager to the Buyback. MSKA & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose for which 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 MSKA & Associates,

Chartered Accountants

FRN: 105047W

Sd/-

Amit Kumar Agarwal

M. No: 214198

Date: April 22, 2020

Place: Hyderabad

UDIN: 20214198AAACM4186

ANNEXURE A - STATEMENT OF PERMISSIBLE CAPITAL PAYMENT

Computation of amount of permissible capital payment towards buyback of equity shares of Tanla Solutions Limited in accordance with the requirements of Section 68(2)(c) of the Companies Act, 2013, as amended and Regulation 4(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended based on audited standalone and consolidated financial statements for the year ended March 31, 2019:

Particulars	As at March 31, 2019	
	Standalone	Consolidated
A. Issued subscribed and fully paid up capital as at March 31, 2019* (115,626,827 Equity Shares of INR 1/-each fully paid-up)	11,56,26,827	11,56,26,827
B. Free Reserves as at March 31, 2019**		
• General Reserve	25,48,17,667	25,48,17,667
• Securities premium account	475,09,21,963	476,13,10,163
• Surplus in statement of Profit and Loss	177,86,25,080	111,46,25,970
Total Free Reserves	678,43,64,710	613,07,53,800
C. Total of Paid up Equity Share Capital and Free Reserves (A+B)	689,99,91,537	624,63,80,627
D. Maximum amount permissible for buyback under Section 68(2)(c) of the Act and Regulation 4(i) of the SEBI Buyback Regulations (25% of the total paid-up equity capital and free reserves)	172,49,97,884	156,15,95,156

*Free reserves as defined in Section 2(43) of the Companies Act, 2013 read along with Explanation II provided in Section 68 of the Companies Act, 2013, as amended.

**The above calculation of the total paid-up equity share capital and free reserves as at March 31, 2019 for buyback of equity shares is based on the amounts appearing in the audited standalone and consolidated financial statements of the Company for the year ended March 31, 2019. These financial statements are prepared and presented in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rules made thereunder, each as amended from time to time.

For and on behalf of the Board of Directors

Tanla Solutions Limited

Sd/-

Uday Kumar Reddy Dasari

Chairman & Managing Director

DIN: 00003382

Date: April 22, 2020

Unquote

9. PROCESS AND METHODOLOGY TO BE ADOPTED FOR BUYBACK

9.1. The Buyback is open to all eligible shareholders/beneficial owners of the Company, i.e., the shareholders who on the Record Date were holding Equity Shares either in physical form ("Physical Shares") and the beneficial owners who on the Record Date were holding Equity Shares in the dematerialized form ("Demat Shares") (such shareholders are referred as the "Eligible Shareholders").

9.2. The Buyback will be implemented using the "Mechanism for acquisition of shares through Stock Exchange" issued by SEBI vide circular no. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 and circular no. CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, and in accordance with the procedure prescribed in the Companies Act and the SEBI Buyback Regulations, and as may be determined by the Board of Directors, or the Buyback Committee (a committee constituted by the Board to exercise its powers in relation to the Buyback, the "Buyback Committee"), on such terms and conditions as may be permitted by law from time to time.

9.3. For implementation of the Buyback, the Company has appointed HDFC Securities Limited as the registered broker to the Company (the "Company's Broker") through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:



HDFC Securities Limited

iThink Techno Campus Building-B

'Alpha', 8th Floor, Opp. Crompton Greaves Near Kanjurmarg Station Kanjurmarg (East), Mumbai 400 042

Tel. No.: +91 22 3075 3400 Fax No.: +91 022 3075 3435 E-mail: sharmila.kambli@hdfcsec.com;

Website: www.hdfcsec.com

Contact Person: Sharmila Kambli

SEBI Registration No.: INZ000186937

Validity Period: Permanent (unless suspended or cancelled by SEBI)

CIN: U67120MH2000PLC152193

9.4. The Company shall request BSE, being the designated stock exchange ("Designated Stock Exchange"), to provide a separate window (the "Acquisition Window") to facilitate placing of sell orders by the Eligible Shareholders who wish to tender their Equity Shares in the Buyback. The details of the Acquisition Window will be as specified by BSE from time to time. In the event the Shareholder Broker(s) of any Eligible Shareholder is not registered with BSE as a trading member/stock broker, then that Eligible Shareholders can approach any BSE

- e) Excess Demat Shares or unaccepted Demat Shares, if any, tendered by the Eligible Shareholder would be returned to them by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. Any excess Physical Shares pursuant to proportionate acceptance/ rejection will be returned back to the concerned Eligible Shareholders directly by the Registrar to the Buyback. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Physical Shares, in case the Physical Shares accepted by the Company are less than the Physical Shares tendered in the Buyback.
- f) The Company Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- g) In case of certain shareholders viz., NRIs, non-residents etc. (where there are specific regulatory requirements pertaining to funds payout including those prescribed by the RBI) who do not opt to settle through custodians, the funds payout would be given to their respective Shareholder Broker's settlement accounts for releasing the same to such shareholder's account.
- h) Eligible Shareholders who intend to participate in the Buyback should consult their respective Shareholder Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Shareholder Broker upon the selling Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholders.
- i) The Equity Shares bought will be extinguished in the manner and following the procedure prescribed in the SEBI Buyback Regulations.

11. RECORD DATE AND SHAREHOLDER ENTITLEMENT

- a) As required under the SEBI Buyback Regulations, the Company has fixed June 10, 2020 as the Record Date for the purpose of determining the entitlement and the names of the shareholders of the Equity Shares who are eligible to participate in the Buyback.
- b) As per the SEBI Buyback Regulations and such other circulars or notifications, as may be applicable, in due course, each shareholder as on the Record Date will receive a Letter of Offer along with a Tender Form (including Form SH-4 as applicable), indicating the entitlement of the shareholder for participating in the Buyback.
- c) The Equity Shares to be bought back as a part of the Buyback is divided in two categories:
- (i) Reserved category for small shareholders (as defined in Regulation 2(i)(n) of the SEBI Buyback Regulations, a "small shareholder" is a shareholder who holds Equity Shares having market value, on the basis of closing price on stock exchanges in which the highest trading volume in respect of such Equity Shares as on Record Date, is not more than INR 2,00,000/- (Indian Rupees Two Lakh Only); and
- (ii) General category for all other shareholders.
- d) In accordance with the proviso to Regulation 6 of the SEBI Buyback Regulations, 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders as part of this Buyback. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder".
- e) Based on the shareholding on the Record Date, the Company will determine the entitlement of each shareholder including small shareholders to tender their shares in the Buyback. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder as on the Record Date and the ratio of Buyback applicable in the category to which such shareholder belongs.
- f) In order to ensure that the same Eligible Shareholder with multiple demat accounts/ folios does not receive a higher entitlement under the Small Shareholder category, the Equity Shares held by such Eligible Shareholder

with a common PAN shall be clubbed together for determining the category (Small Shareholder or General Category) and their entitlement under the Buyback. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Shareholders holding physical shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar to the Buyback will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/ foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/ sub-accounts and have a different demat account nomenclature based on information prepared by the Registrar to the Buyback as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of "clearing members" or "corporate body margin account" or "corporate body – broker" as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

- g) Shareholders' participation in Buyback will be voluntary. Shareholders holding Equity Shares of the Company may also accept a part of their entitlement. Shareholders holding Equity Shares of the Company also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other shareholders, if any. If the Buyback entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback.
- h) The maximum tender under the Buyback by any shareholder cannot exceed the number of Equity Shares held by the shareholder as on the Record Date.
- i) The Buyback from shareholders who are persons resident outside India, including the foreign portfolio investors, erstwhile overseas corporate bodies and non-resident Indian, etc., shall be subject to such approvals, if any and to the extent required from the concerned authorities including approvals from the Reserve Bank of India under Foreign Exchange Management Act, 1999, as amended, and the rules and regulations framed there under, and such approvals shall be required to be taken by such non-resident shareholders.
- j) Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the Letter of Offer which will be sent in due course to the shareholders holding Equity Shares of the Company as on the Record Date.

12. COMPLIANCE OFFICER

The Company has appointed Ms. Seshanuradha Chava as the compliance officer for the purpose of the Buyback ("**Compliance Officer**"). Investors may contact the Compliance Officer for any clarification or to address their grievances, if any, on all working days except Saturday, Sunday and public holidays during office hours i.e. 10:00 a.m. to 5:00 p.m.:

Ms. Seshanuradha Chava
Vice President – Legal & Secretarial
Tanla Technology Centre, Hitech City Road, Madhapur, Hyderabad – 500 081
Tel: +91 40 4009 9999; Fax: +91 40 2312 2999
E-mail: investorhelp@tanla.com

13. INVESTOR SERVICE CENTRE AND REGISTRAR TO THE BUYBACK

In case of any query, the shareholders may also contact KFin Technologies Private Limited, the Registrar and Share Transfer Agent of the Company, appointed as the Investor Service Centre for the purposes of the Buyback, on any day

except Saturday and Sunday and public holiday between 9:30 a.m. to 5:30 p.m. at the following address:

KFINTECH

KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited)*

Selenium, Tower B, Plot No. - 31 & 32, Financial District Nanakramguda, Serilingampally Hyderabad Rangareddi TG 500032 India

Tel: +91 40 6716 2222; Fax: +91 40 2343 1551

Contact Person: M Murali Krishna

Email: tanla.buyback@kfinfintech.com;

Website: www.kfinfintech.com

Investor Grievance E-mail: einward.ris@kfinfintech.com

SEBI Registration No.: INR00000221

Validity Period: Permanent (unless suspended or cancelled by SEBI)

CIN: U72400TG2017PTC117649

*The name has been changed from 'Karvy Fintech Private Limited' to 'KFin Technologies Private Limited' with effect from December 5, 2019.

14. MANAGER TO THE BUYBACK

HDFC BANK

We understand your world

HDFC Bank Limited

Investment Banking Group

Unit No. 401 & 402, 4th Floor, Tower B, Peninsula Business Park, Lower Parel Mumbai 400 013

Tel: +91 22 3395 8233, Fax: +91 22 3078 8584

E-mail: tsl.buyback@hdfcbank.com;

Website: www.hdfcbank.com

Investor Grievance E-mail: investor.redressal@hdfcbank.com

SEBI Registration No.: INM000011252

Validity Period: Permanent (unless suspended or cancelled by SEBI)

Contact Person: Harsh Thakkar / Ravi Sharma

CIN: L65920MH1994PLC080618

15. DIRECTOR'S RESPONSIBILITY

As per Regulation 24(i)(a) of the Buyback Regulations, the Board accepts responsibility for all the information contained in this Public Announcement and for the information contained in all other advertisements, circulars, brochures, publicity materials etc., which may be issued in relation to the Buyback, and confirms that the information in such documents contain and will contain true, factual and material information and does not and will not contain any misleading information.

For and on behalf of the Board of Directors of

	Tanla Solutions Limited	
Sd/-	Sd/-	Sd/-
Uday Kumar Reddy Dasari	AG Ravindranath Reddy	Seshanuradha Chava
Chairman and Managing Director	Director	Vice President - Legal & Secretarial
DIN: 00003382	DIN: 01729114	Membership No. – A15519

Date: May 26, 2020

Place: Hyderabad