

Q3 FY 2015-16 Investor Update

Hyderabad | Monday, February 1st, 2016



Highlights of Q3 FY2016:

Financial:

- ✓ Revenue: Rs.108.6 Crs, increase of 67% compared to Rs. 64.9 Crs YoY
increase of 2% compared to Rs. 106.7 Crs QoQ
- ✓ Net Profit: Rs. 4.3 Crs, increase of 73% compared to Rs. 2.5 Crs YoY.
increase of 5% compared to Rs. 4.1 Crs QoQ.

Business:

M-Messaging:

✓ International:

2 way messaging on Singapore A2P messaging hub went live in Dec 2015; the hub is now fully compliant with 16th amendment to TRAI Regulations. The hub is now fully operational, used by leading social media, search and OTT players with volumes growing steadily.

Signed agreements with 2 new Telecom Service Providers for provision of international A2P messaging services in India, technical deployment is in process and is expected to go live before end of Q4FY2016.

✓ Domestic:

Highest monthly volume of 5Bn messages in Oct 2015

Highest daily volume of 250 Mn messages during Dec 2015

Major campaigns include 1 Bn messages for a leading social media company campaigns for capital market regulator.

Total volume processed in Q3FY16 is 11.34 Bn messages during Q3 as compared to 11.75 Bn in Q2.

Highlights of Q3 2016:

Corporate:

- ✓ KPMG is appointed to implement internal financial controls as mandated for Listed Entities as per section 134 of the Companies Act, 2013 to promote good governance, total transparency, integrity and accountability of the Management.
- ✓ KPMG has been appointed to identify operational efficiencies by designing new Standard Operating Practices for all departments in the Company.

Issue of share warrants to Promoters on preferential basis:

- ✓ Issue price of share warrants is Rs.34.61 per share warrant as per SEBI (ICDR) Regulations
- ✓ Application for in-principle listing approval was made to BSE & NSE in December 2015.

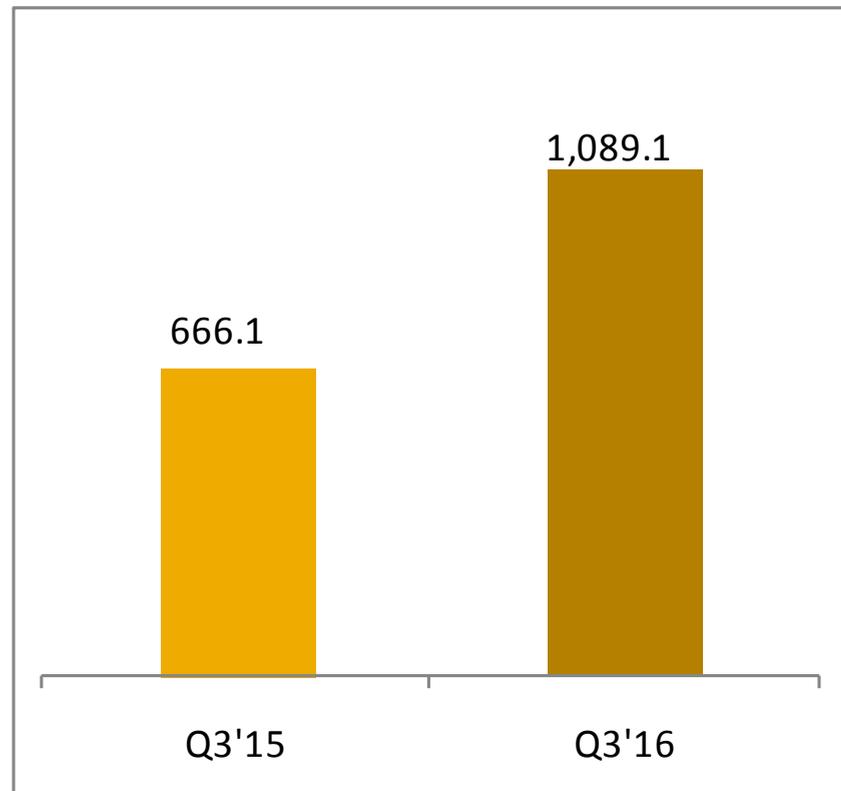
Issue of options to employees under Tanla Employee Stock Option Plan 2015-16:

- ✓ Remuneration Committee in its meeting on November 18th 2015 approved “The Tanla (ESOP) 2015-16” and allotted options to all eligible employees under the Tanla (ESOP) 2015-16.

Financial Analysis:

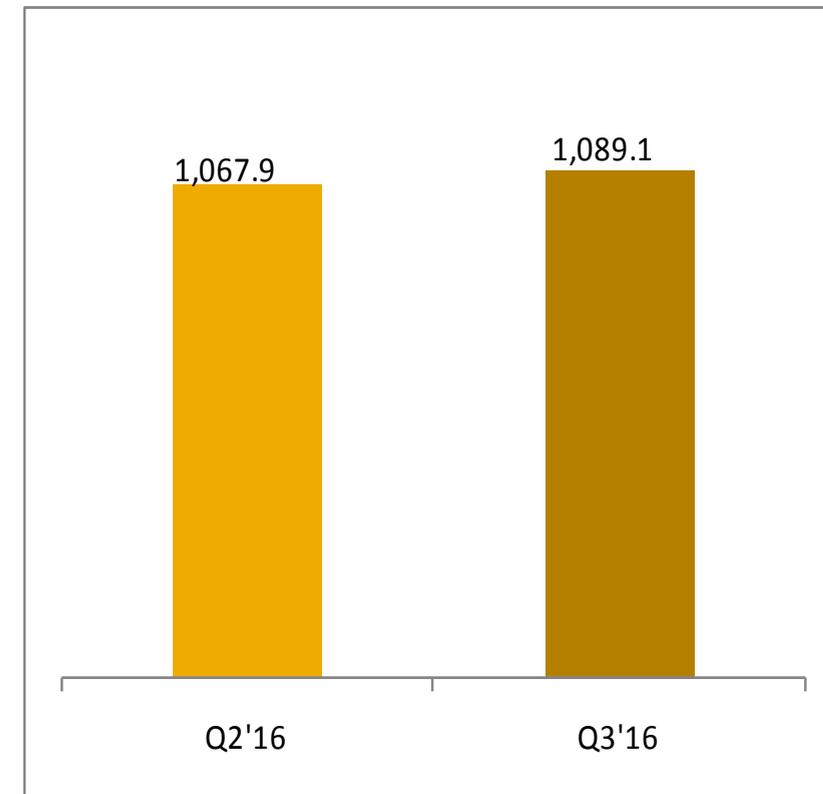
₹ in Mn

Total Revenues: YoY:



- ✓ 64% growth from ₹ 666.05 Mn in Q3 FY2015 to ₹ 1,089.10 Mn in Q3 FY2016 due to increase in A2P messaging volumes and launch of international messaging services.

QoQ:

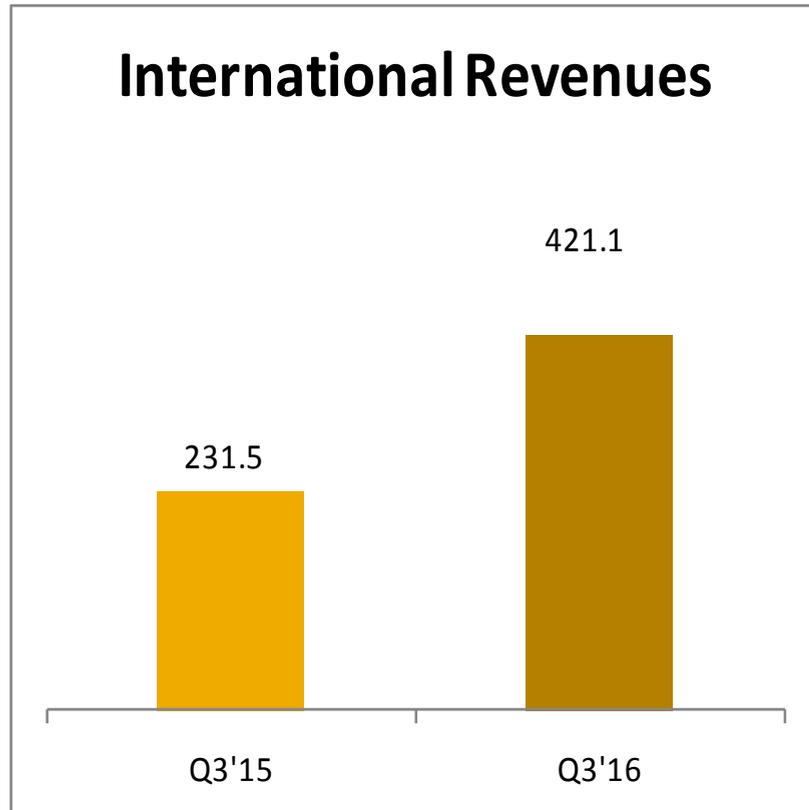


- ✓ Overall growth in revenue by 2%
- ✓ International Revenue is up by 68% due to increase in mobile payments and generation of revenues from Singapore A2P messaging hub.
- ✓ Domestic revenue has decreased by 16% due to reduction in Off-net messaging and focusing on On-net messaging. Management has decided to focus on On-net messaging to increase profitability.

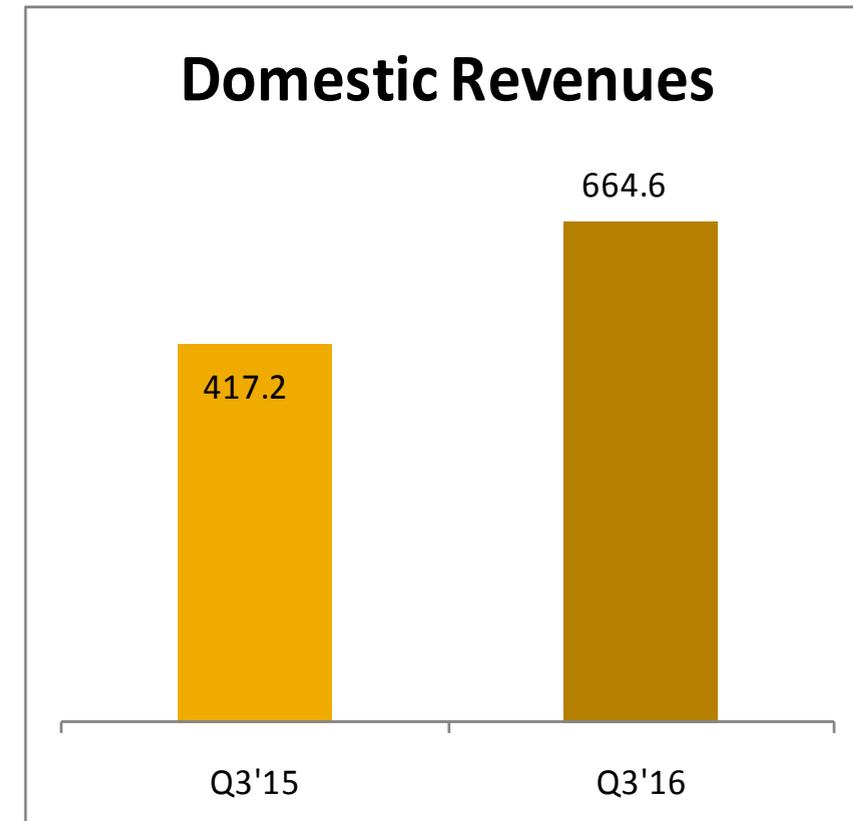
Financial updates

₹ in Mn

International & Domestic revenues YoY :



- ✓ 82% growth from ₹ 231.5 Mn in Q3 FY2015 to ₹ 421.1 Mn in Q3 FY2016.

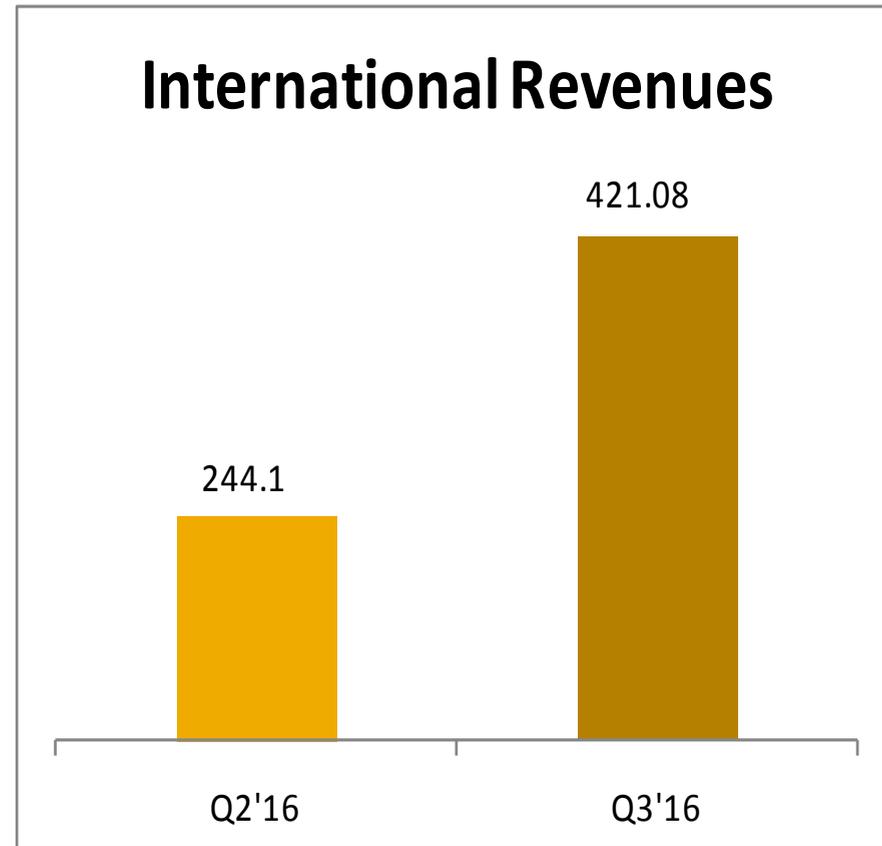


- ✓ 59% growth from ₹ 417.2 Mn in Q3 FY2015 to ₹ 664.6 Mn in Q3 FY2016.
- ✓ Stabilization of domestic hub has resulted in higher volumes on domestic A2P messaging contributing to increase in domestic revenues.

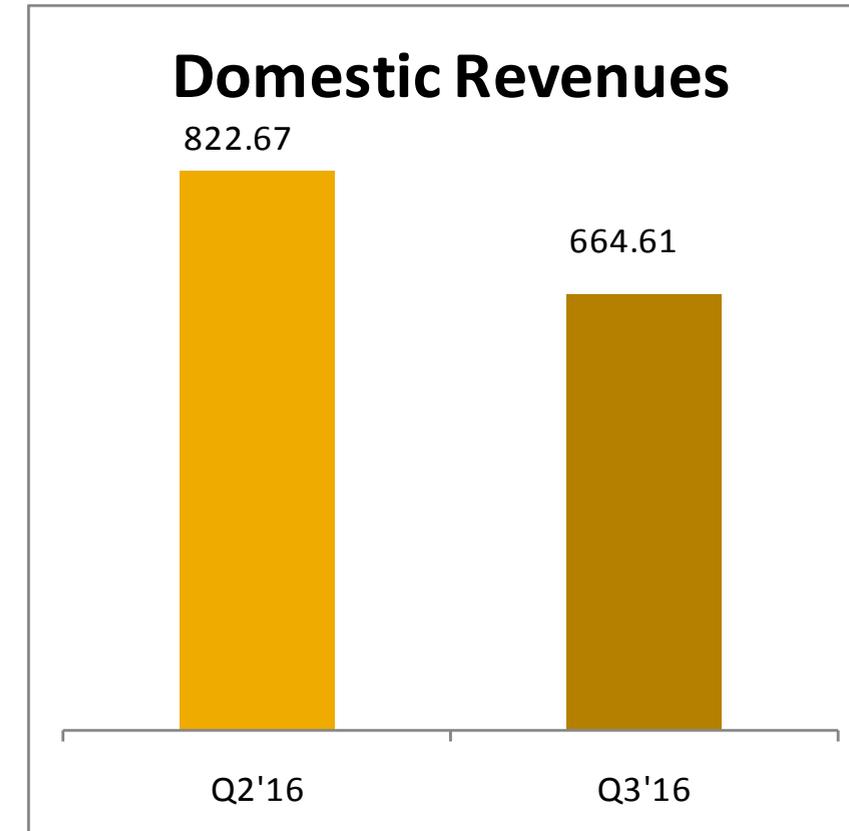
Financial updates

International & Domestic revenues QoQ:

₹ in Mn



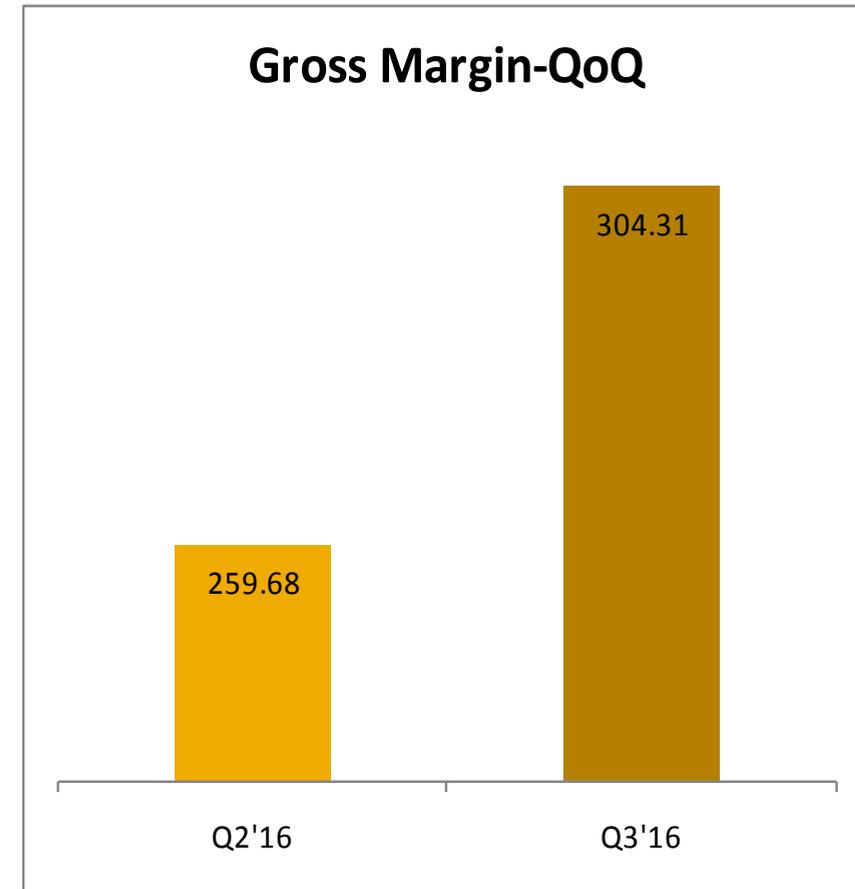
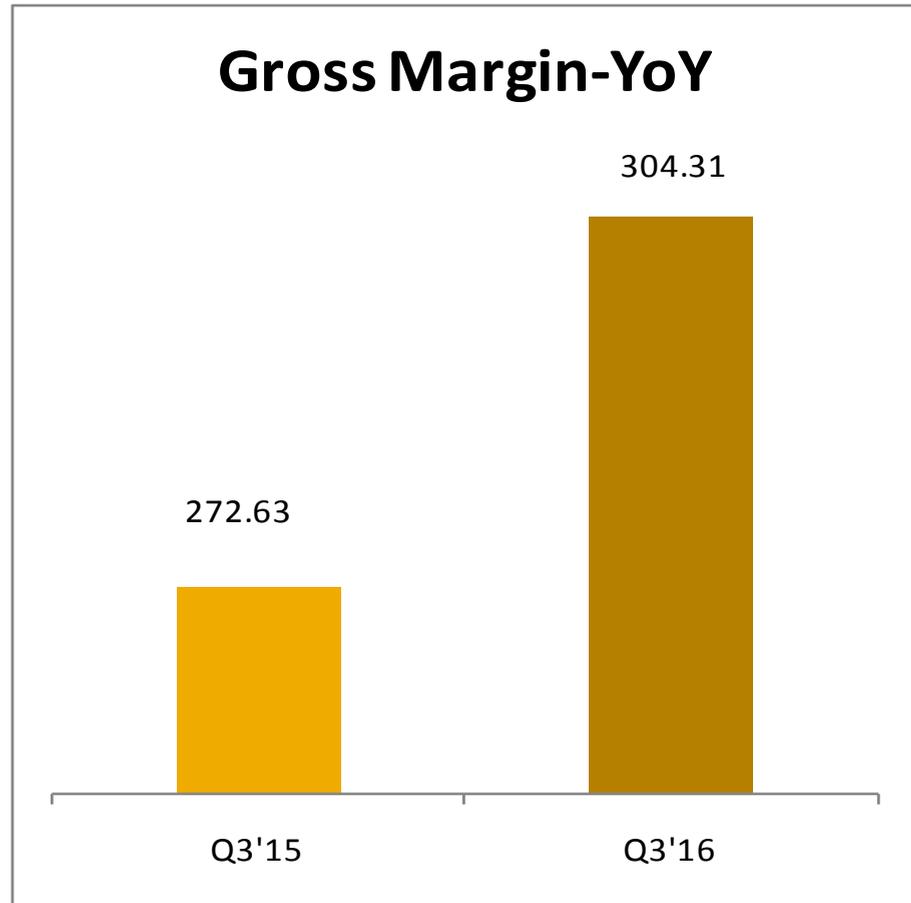
- ✓ 72% growth from Rs. 244.13 Mn in Q2 FY2016 to Rs. 421.08 Mn in Q3 FY2016.
- ✓ Increase in mobile payments and revenues from A2P messaging hub in Singapore has contributed to increase in international revenues



- ✓ 19% dip from Rs. 822.67 Mn in Q2 FY2016 to Rs. 664.61 Mn in Q3 FY2016.
- ✓ Management has decided to focus on On-net messaging to increase profit, which has effected the topline domestic revenue.

Consolidated Gross Margin: (₹ in Mn)

₹ in Mn



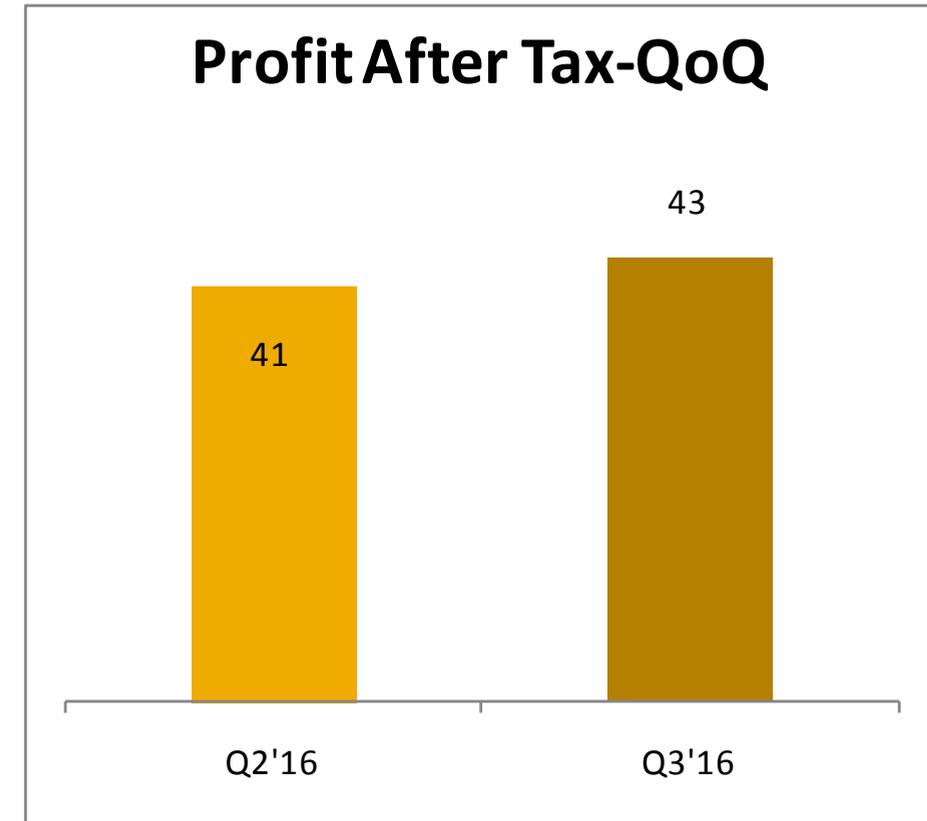
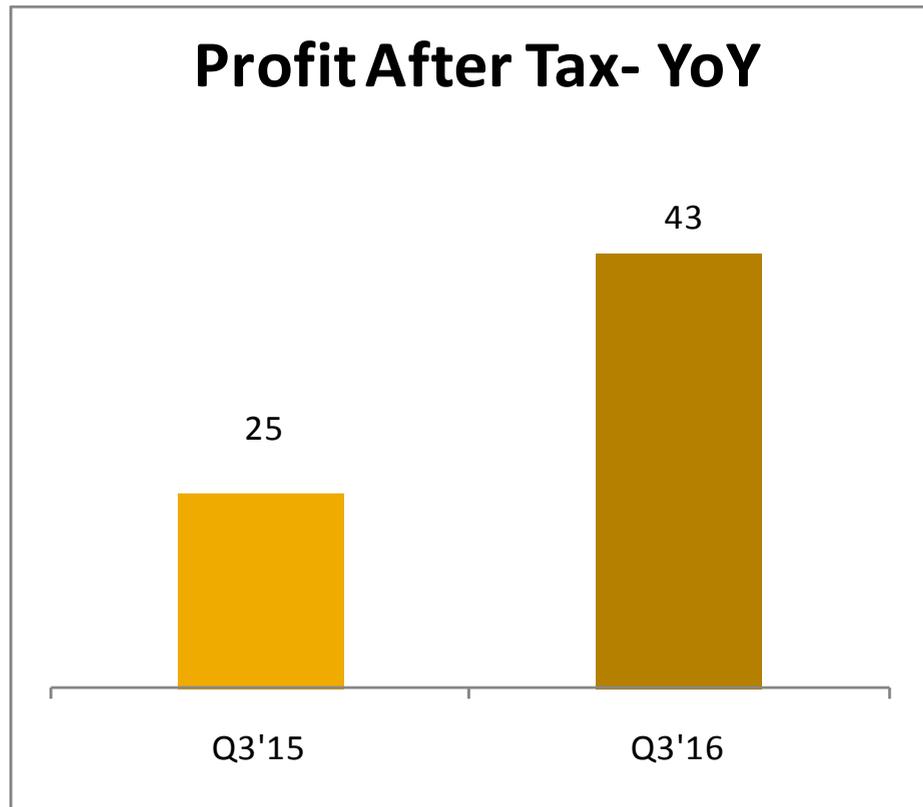
✓ 12% growth from Rs. 272.6 Mn in Q3 FY2015 to Rs. 304.3 Mn in Q3 FY2016

✓ 17% growth from Rs. 259.7 Mn in Q2 FY2016 to Rs. 304.3 Mn in Q3 FY2016

Growth in gross margin is due to focus on On-net traffic in domestic A2P messaging business. Gross margins are higher in On-net messaging compared to Off-net.

Profit After Tax (PAT)

₹ in Mn



✓ 74% growth in PAT from ₹ 24.76 Mn in Q3 FY2015 to ₹ 43.10 Mn in Q3 FY2016

✓ 5% growth in PAT from ₹ 40.96 Mn in Q2 FY2016 to ₹ 43.10 Mn in Q3 FY2016.

Consolidated Financial Data - Fact Sheet

₹ in Mn

Particulars	Quarter ended December 31		% Change over previous year corresponding Quarter	Quarter ended September 30	% Change over previous Quarter
	2015	2014			
Income from Operations :					
Overseas	421.08	231.52	82%	244.13	72%
Domestic	664.61	417.18	59%	822.67	-19%
Total Income from Operations (A)	1,085.70	648.70	67%	1,066.80	2%
Other Income :					
Interest Income on Fixed Deposits	3.40	8.37	100%	1.15	196%
Forex Fluctuation	-	8.99	-	-	-
Total Other Income (B)	3.40	17.35	-80%	1.15	196%
Total Revenue (A)+ (B)	1,089.09	666.05	64%	1,067.94	2%
Expenses :					
Operating Expenses (C)	781.39	376.07	108%	807.11	-3%
Diminution in Value of Investment (D)	-	-	-	-	-
Total Expenses (C)+ (D)	781.39	376.07	108%	807.11	-3%
% Total Revenue	7.17	5.65	27%	7.56	-5%
Gross Profit :					
Gross Profit from Operations (A-C)	304.31	272.63	12%	259.68	17%
% Total Revenue	2.79	4.09	-32%	2.43	15%

Particulars	Quarter ended December 31		% Change over previous year corresponding Quarter	Quarter ended September 30	% Change over previous Quarter
	2015	2014	%	2015	%
Other Income net of Diminution in Value of Investments (H)	3.40	17.35	-80%	1.15	196%
EBIDTA (E)	186.74	207.45	-10%	175.38	6%
Depreciation & Amortization :					
Normal Depreciation (F)	134.12	194.22	-31%	127.28	5%
Depreciation on account of Currency Translation (G)	-	2.13	-	-	-
Total Depreciation & Amortization (F+G)	134.12	196.35		127.28	5%
Net Profit/(Loss) after Depreciation on account of Currency Translation {E-F}	52.62	13.23	298%	48.10	9%
Net Profit / (Loss) after Depreciation (E-F-G+H)	56.01	28.45	97%	49.25	14%
Provision for Taxation :					
Current Tax - MAT	9.88	1.89	422%	5.38	84%
Deferred Tax	3.16	1.80	76%	2.92	8%
Net Profit / (Loss) after Tax	42.97	24.76	74%	40.96	5%
Earnings Per Share (of Face value ₹ 1/- each)	0.42	0.24	74%	0.40	6%

Revenue by geography

in %

Particulars	Quarter Ended		
	Dec 31 2015	Sept 30 2015	Dec 31 2014
India	61%	77%	64%
ROW	39%	23%	36%

Currency Variance

in ₹

Particulars	Quarter Ended		
	Dec 31 2015	Sept 30 2015	Dec 31 2014
GBP	98.14	98.69	98.77
USD	66.20	64.06	63.60

Revenue from Property Segment

₹ in Mn

Particulars	Quarter Ended		
	Dec 31 2015	Sept 30 2015	Dec 31 2014
Revenue	20.00	40.00	105.00
EBIDTA	8.50	17.94	39.02
EBIDTA (in %)	43%	45%	37%

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 fluctuation 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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