



Tanla Solutions Limited
Tanla Technology Center
Hi-tech city Road, Madhapur,
Hyderabad, India - 500081
CIN: L72200TG1995PLC021262

T: +91-40-40099999
info@tanla.com
tanla.com

November 9, 2019

To,

BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 Scrip Code: 532790	National Stock Exchange of India Ltd. “Exchange Plaza” Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051 Symbol: TANLA
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Dear Madam/Sir,

Sub: Outcome of Board Meeting - Unaudited Financial Results for the quarter ended Sept 30, 2019.

With reference to the notice issued on October 31, 2019, we would like to inform you that the Board of Directors of the Company at their meeting held on November 9, 2019 have *inter alia* approved the Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2019.

In terms of the above, we are enclosing herewith the following:

1. Unaudited financial results of the Company and Unaudited consolidated financial results of the Company, its subsidiaries and associate for the quarter and half year ended September 30, 2019 under Ind AS, which have been approved and taken on record at a meeting of the Board of Directors of the Company held today.
2. Limited Review Report pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015, for Unaudited Financial Results (Consolidated & Standalone) for the quarter half year ended September 30, 2019 from our Statutory Auditors.

The Board Meeting commenced at 11:00 AM and concluded at 04:50 PM.

Request you to take the same on record and oblige.

Yours faithfully,

For **Tanla Solutions Limited**




Seshanuradha Chava
VP - Legal & Secretarial
ACS-15519

Encl.: as above

TANLA SOLUTIONS LIMITED

CIN: L72200TG1995PLC021262

TANLA TECHNOLOGY CENTRE, HITECH CITY ROAD, MADHAPUR, HYDERABAD - 500081

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & SIX MONTHS ENDED SEPTEMBER 30, 2019



₹ in Lakhs

Particulars (Refer notes below)	Consolidated Results for the						Standalone Results for the					
	Quarter ended Sept 30, 2019	Quarter ended June 30, 2019	Quarter ended Sept 30, 2018	Six months ended Sept 30, 2019	Six months ended Sept 30, 2018	Year ended March 31, 2019	Quarter ended Sept 30, 2019	Quarter ended June 30, 2019	Quarter ended Sept 30, 2018	Six months ended Sept 30, 2019	Six months ended Sept 30, 2018	Year ended March 31, 2019
	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited	Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
1 Revenue from Operations (net)	48,716.43	39,456.01	21,843.20	88,172.44	40,424.36	100,396.48	27,693.69	27,191.87	17,332.70	54,885.57	33,001.75	80,940.87
2 Other Income	171.83	471.76	221.07	643.59	402.84	1,061.10	188.18	397.59	215.19	585.78	388.38	956.04
3 Total income (1+2)	48,888.26	39,927.77	22,064.27	88,816.03	40,827.20	101,457.58	27,881.87	27,589.46	17,547.89	55,471.35	33,390.13	81,896.91
4 Expenses												
(a) Cost of services	38,857.87	31,790.86	18,624.74	70,648.73	34,600.43	86,066.24	23,411.82	23,206.79	14,669.56	46,618.61	28,374.43	68,695.20
(b) Employee benefits expense	4,597.80	2,666.64	408.71	7,264.44	821.82	2,294.76	451.06	479.25	385.10	930.31	770.21	2,182.53
(c) Depreciation and amortisation expense	6,923.81	15,364.49	1,918.70	22,288.30	3,123.18	7,322.76	6,682.42	15,162.19	1,796.29	21,844.61	2,849.76	6,808.30
(d) Connectivity & related expenses	206.79	165.67	64.45	372.46	132.83	269.65	60.04	59.24	52.14	119.28	109.32	289.52
(e) Travel expenses	217.50	110.37	30.28	327.87	61.51	259.96	75.57	38.95	30.26	114.52	61.42	217.57
(f) Finance costs	118.03	148.05	5.08	266.08	5.08	32.34	114.34	212.99	88.36	327.33	148.14	295.45
(g) Other expenses	1,689.73	1,594.30	495.56	3,284.03	757.62	1,833.49	1,042.58	1,001.73	420.87	2,044.30	640.84	1,444.56
Total expenses	52,611.53	51,840.38	21,547.52	104,451.91	39,502.47	98,079.20	31,837.83	40,161.14	17,442.58	71,998.96	32,954.12	79,933.13
5 Profit before non-controlling interest/ share in net profit/(loss) of associate	(3,723.27)	(11,912.61)	516.75	(15,635.88)	1,324.73	3,378.38	(3,955.96)	(12,571.68)	105.31	(16,527.61)	436.01	1,963.78
6 Share in net profit/(loss) of associate	(149.82)	(19.21)	-	(169.04)	-	(30.96)	-	-	-	-	-	-
7 Profit before tax	(3,873.09)	(11,931.82)	516.75	(15,804.92)	1,324.73	3,347.42	(3,955.96)	(12,571.68)	105.31	(16,527.61)	436.01	1,963.78
8 Tax Expense												
- Current tax	266.80	197.92	31.61	464.71	107.14	490.00	-	-	18.32	-	88.90	411.10
- Mat credit entitlement	0.55	(31.17)	(31.61)	(30.62)	(107.14)	(403.78)	-	-	(18.32)	-	(88.90)	(411.10)
- Deferred Tax	560.98	(4,528.12)	(326.76)	(3,967.14)	313.22	279.08	482.82	(4,124.24)	(366.85)	(3,641.42)	271.20	256.20
9 Profit / (Loss) for the period (7-8)	(4,701.43)	(7,570.45)	843.51	(12,271.87)	1,011.51	2,982.12	(4,438.78)	(8,447.44)	472.16	(12,886.19)	164.81	1,707.58
Attributable to												
Shareholders of the Company	(4,701.43)	(7,570.45)	843.51	(12,271.87)	1,011.51	2,982.12	(4,438.78)	(8,447.44)	472.16	(12,886.19)	164.81	1,707.58
Non controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-
10 Other Comprehensive Income	338.60	292.44	56.12	631.03	59.15	119.57	72.63	2.12	(6.14)	74.76	(3.11)	433.87
11 Total Comprehensive Income (9+10)	(4,362.83)	(7,278.01)	899.63	(11,640.84)	1,070.66	3,101.69	(4,366.15)	(8,445.32)	466.02	(12,811.43)	161.70	2,141.45
Attributable to												
Shareholders of the Company	(4,362.83)	(7,278.01)	899.63	(11,640.84)	1,070.66	3,101.69	(4,366.15)	(8,445.32)	466.02	(12,811.43)	161.70	2,141.45
Non controlling Interest	-	-	-	-	-	-	-	-	-	-	-	-
12 Paid-up Equity Share Capital (Face Value of Re.1 each)	1,437.65	1,403.87	1,124.22	1,437.65	1,124.22	1,156.27	1,437.65	1,403.87	1,124.22	1,437.65	1,124.22	1,156.27
13 Total reserves	-	-	-	-	-	72,143.77	-	-	-	-	-	68,815.27
14 Earnings per share (before extraordinary items) (of Re.1 each) (not annualised)												
(a) Basic	(3.27)	(5.39)	0.75	(8.54)	0.90	2.58	(3.09)	(6.02)	0.42	(8.96)	0.15	1.48
(b) Diluted	(3.27)	(5.39)	0.75	(8.54)	0.90	2.58	(3.09)	(6.02)	0.42	(8.96)	0.15	1.48

Notes:

- The above Un-audited financial results for the quarter and six months ended September 30, 2019 have been subject to a limited review by the Statutory Auditors, reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 09, 2019. The statutory auditors have expressed an unmodified opinion on these results.
- The above un-audited financial results have been prepared in accordance with the Ind AS notified under Section 133 of the Companies Act, 2013, read with (Indian Accounting Standards) Rules, 2015 as amended.
- The above un-audited consolidated financial results include financials of:
Subsidiaries:
 - Karix Mobile Pvt Ltd., India
 - Unicel Technologies Pvt Ltd., India,
 - Tanla Mobile Asia Pacific Pte Ltd., Singapore
 - Tanla Corporation Pvt Ltd, India
 - Capitalsiri Investments Pvt Ltd., India
 Joint Venture
 - TZ Mobile Private Limited., India
 Associate
 - Jengatron Gaming India Pvt Ltd., India
- Karix Mobile Private Limited and Unicel Technologies Private Limited were acquired w.e.f., April 10, 2019. The accounting for these business combinations have been made on a provisional basis as information regarding the identifiable assets and liabilities as at the acquisition date may arise during the measurement period within the financial year.
The Consolidated financial results for the quarter and six months ended Sept 30, 2019 include the results of the operations of the above entities from April 10, 2019. The corresponding figures for the prior periods are not comparable.
- As per the Telecom Commercial Communications Customer Preference Regulations (TCCCPR), 2018, voice and text communications should be provided using block chain technology. New technology and cloudification of services has resulted in a need for re-assessment of useful life of technology assets leading to additional provision of accelerated depreciation amounting to ₹ 4,726.00 lakhs for Q2 FY20 and ₹ 18,041.00 lakhs for the six months ended September 30, 2019 (September 30, 2018 – Rs Nil)
- (i) The Company has allotted 27,60,000 equity shares of face value Rs.1/- each during Q1 FY20 and 32,40,000 equity shares of face value ₹ 1/- each during the quarter ended September 30, 2019 under Employee stock Purchase scheme. Employee cost of ₹ 2,947.14 lakhs for Q2 FY20 and ₹ 4,102.20 lakhs for the six months ended September 30, 2019 (September 30, 2018 – ₹ Nil) have been charged to the statement of profit and loss for the respective periods.

(ii) The Company has allotted 1,38,195 equity shares of face value ₹ 1/- each during the quarter ended September 30, 2019 pursuant to exercise of options under employee stock option scheme.
- The Company has acquired “Gamooga Softtech Private Limited” on October 24, 2019 for a purchase consideration of ₹ 4,850.0 lakhs. The purchase consideration comprised of a cash payment of ₹ 3,150.0 lakhs and allotment of 21,19,688 equity shares of Tanla Solutions Limited of face value ₹ 1 each at a price of ₹ 80/- per equity share, to the erstwhile promoters of Gamooga.
- The Board of Directors of the Holding Company (“Company”) have approved a scheme of arrangement (“the Scheme”) for amalgamation of its subsidiaries (i.e., Karix Mobile Private Limited & Unicel Technologies Private Limited with Tanla Corporation Private Limited) on August 30, 2019 and the scheme Application has been filed with National Company Law tribunal (NCLT) Hyderabad on September 30, 2019
- Effective April 01, 2019, the Company has adopted Ind AS 116 “Leases”, which sets out the principles for recognition, measurement, presentation and disclosure of leases and require lessees to account for all leases under a single on-balance sheet date model. The adoption of the standard did not have any material impact on the financial results of the company for the quarter and six months ended Sept 30, 2019.
- The Company operates in a single segment “A2P messaging services”, as such reporting is done on single segment basis.
- The Un-audited financial results for the quarter and six months ended Sept 30, 2019 are available on the Company’s website (www.tanla.com) and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com)

Key standalone information is given below :

₹ in Lakhs

Particulars	Quarter Ended		
	30-Sep-19 Un-audited	30-Jun-19 Un-audited	30-Sep-18 Un-audited
Revenue from operations & other income	27,881.87	27,589.46	17,547.89
Profit / (Loss) before tax	(3,955.96)	(12,571.68)	105.31
Profit / (Loss) after tax	(4,438.78)	(8,447.44)	472.16



12. Statement of Assets and Liabilities (Un-audited):

₹ in Lakhs

Particulars	Consolidated		Standalone	
	30-Sep-19	31-Mar-19	30-Sep-19	31-Mar-19
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	15,284.86	34,971.26	12,057.77	33,748.32
(b) Intangible assets under developments	799.49	576.13	799.49	576.13
(c) Intangible assets	26.63	-	-	-
(d) Investments	-	169.04	29,007.70	5,585.26
(e) Goodwill	22,258.10	-	-	-
(f) Deferred tax assets (net)	5,323.08	1,123.14	4,698.79	1,060.92
(g) Other non-current assets	10,251.49	7,310.00	1,983.33	7,228.75
Total non current assets	53,943.65	44,149.57	48,547.08	48,199.38
(2) Current Assets				
(a) Financial Assets				
(i) Investments	3,603.74	7,376.17	3,603.74	7,376.17
(ii) Trade receivables	35,208.25	30,782.95	30,247.91	23,628.52
(iii) Cash and cash equivalents	13,138.46	15,502.49	7,906.15	13,519.67
(iv) Other Financial Assets	16,221.39	8,976.92	8,483.78	8,544.38
(b) Other current assets	4,940.90	3,899.54	3,304.68	3,978.26
Total current assets	73,112.74	66,538.07	53,546.26	57,047.00
TOTAL ASSETS	127,056.39	110,687.64	102,093.34	105,246.38
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	1,437.65	1,156.27	1,437.65	1,156.27
(b) Other equity	74,410.39	71,398.01	70,657.03	68,815.27
Total equity	75,848.04	72,554.28	72,094.68	69,971.54
(2) Non current liabilities				
(a) Financial liabilities				
(i) Borrowings	4,331.94	4,692.53	-	4,692.53
(ii) other financial liabilities	18.03	19.03	18.03	19.03
(b) Provisions	661.50	-	-	-
(c) Other non-current liabilities	11.35	8.85	11.35	8.85
Total Non Current Liabilities	5,022.82	4,720.41	29.38	4,720.41
(4) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	1,272.72	1,295.67	-	1,295.67
(ii) Trade payables	27,204.66	20,232.49	24,260.26	24,820.02
(iii) other financial liabilities	2.54	-	3,835.28	2,452.98
(b) Other current liabilities	16,854.97	11,394.79	1,873.74	1,574.66
(c) Liabilities for current tax (net)	850.64	490.00	-	411.10
Total Current liabilities	46,185.53	33,412.95	29,969.28	30,554.43
TOTAL EQUITY AND LIABILITIES	127,056.39	110,687.64	102,093.34	105,246.38



13. Statement of Cash flows (Un-audited):


₹ in Lakhs

	Particulars	Consolidated		Standalone	
		Sept'2019	Sept'2018	Sept'2019	Sept'2018
A	CASH FLOWS FROM OPERATING ACTIVITIES:				
	Profit before tax	(15,804.92)	1324.72	(16,527.63)	436.02
	Adjusted for :				
	Depreciation	22,288.30	3,123.18	21,844.61	2,849.76
	Interest & other income received	(531.83)	(401.01)	(568.48)	(386.55)
	Provision for diminution of investment	169.04		200.00	-
	ESOP and ESPS cost	2,948.53	25.58	16.33	25.58
	Exchange fluctuation	-	60.71	-	57.85
	Provision for doubtful debts	235.47	3.20	87.68	(2.86)
	Operating profits before working capital charges	9,304.59	4,136.38	5,052.51	2,979.80
	Changes in current assets and liabilities				
	(Increase)/Decrease in trade receivables	(4,425.29)	(6,152.00)	(6,619.39)	(3,240.32)
	(Increase)/Decrease in financial and non-financial assets	(10,835.36)	(1,697.73)	5,979.60	(1,451.31)
	Increase/(Decrease) in financial and non-financial liabilities	5,516.58	(148.54)	665.17	2,246.69
	Increase/(Decrease) in trade payables & other liabilities	6,972.17	2,744.88	(559.77)	(3.09)
	Cash generated from operations	6,532.69	(1,117.01)	4,518.12	531.77
	Income taxes paid	-	-	-	-
	Net cash generated from operating activities	6,532.69	(1,117.01)	4,518.12	531.77
B	CASH FLOWS FROM INVESTING ACTIVITIES:				
	(Purchase)/Sale of fixed assets	(1,785.34)	1,694.02	(384.46)	1,694.01
	Investments in Subsidiary/associate	(23,622.44)	-	(23,622.44)	(50.00)
	(Purchase)/Sale of Investments (net)	3,772.43	(12,868.35)	3,772.43	(12,868.35)
	Interest & other income received	531.83	401.02	568.48	386.55
	Net cash used in investing activities	(21,103.52)	(10,773.31)	(19,665.99)	(10,837.79)
C	CASH FLOWS FROM FINANCING ACTIVITIES:				
	Proceeds from issue of shares	61.38	-	61.38	-
	Borrowings	(383.54)	-	(5,988.20)	-
	Movement in share capital	12,528.95	-	15,461.15	-
	Dividends and dividend tax paid during the year	-	(405.92)	-	(405.92)
	Net Cash generated from financing activities	12,206.79	(405.92)	9,534.33	(405.92)
D	Net increase / (decrease) in cash and cash equivalents	(2,364.04)	(12,296.24)	(5,613.54)	(10,711.94)
E	Cash and cash equivalents at the beginning of the year	15,502.49	16,544.38	13,519.67	13,601.91
F	Cash and cash equivalents at the end of the year	13,138.45	4,248.14	7,906.13	2,889.97

14. Previous period / year figures have been re-grouped/re-arranged wherever necessary.

 Hyderabad
 Nov 09, 2019

For and on behalf of the Board of Directors



(D.Uday Kumar Reddy)
 Chairman & Managing Director
 DIN: 00003382





MSKA
& Associates

Chartered Accountants

1101/B, Manjeera Trinity Corporate,
JNTU-Hitech City Road, Kukatpally,
Hyderabad-500072, Telangana, INDIA
Tel: +91 40 6814 2999

Independent Auditor's Review Report on Consolidated Unaudited Quarterly and year to date financial results of Tanla Solutions Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**The Board of Directors
Tanla Solutions Limited**

1. We have reviewed the accompanying statement of consolidated unaudited financial results of Tanla Solutions Limited ('the Holding Company'), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') and its share of the net loss after tax and total comprehensive loss of its associate and joint ventures for the quarter ended September 30, 2019 and the year to-date results for the period from April 01, 2019 to September 30, 2019 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'). Attention is drawn to the fact that the figures for the consolidated statement of cash flows for the corresponding period from April 01, 2018 to September 30, 2018, as reported in these unaudited consolidated financial results have been approved by Holding Company's Board of Directors, but have not been subjected to review.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



4. The Statement includes the results of the following entities:

Sr. No	Name of the Company	Relationship with the Holding Company
1	Tanla Corporation Private Limited, India	Wholly Owned Subsidiary
2	Tanla Mobile Asia Pacific Pte Limited, Singapore	Wholly Owned Subsidiary
3	Capitalsiri Investments Private Limited, India	Wholly Owned Subsidiary
4	Karix Mobile Private Limited, India	Wholly Owned Subsidiary
5	Unicel Technologies Private Limited, India	Step Down Subsidiary
6	TZ Mobile Private Limited, India	Joint Venture
7	Jengatron Gaming Private Limited, India	Associate Company

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 and 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the financial information of Dubai branch included in the standalone unaudited financial results of the holding company, whose information reflect total assets Rs. 11,717.52 Lakhs as at September 30, 2019 and total revenues of Rs. 268.66 Lakhs and Rs. 1387.56 Lakhs, total net loss after tax of Rs. 5,969.02 Lakhs and Rs. 15,809.54 Lakhs and total comprehensive income of Rs. 67.35 Lakhs and Rs. 74.76 Lakhs for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019 respectively, and Net cash inflows of Rs. 730.88 Lakhs for the period from April 01, 2019 to September 30, 2019, as considered in the respective standalone unaudited financial information of the entities included in the Group. The financial information of this branch were reviewed by the other auditor whose report has been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

7. We did not review the financial information of three subsidiaries included in the consolidated unaudited financial results, whose financial information reflect total assets of Rs. 17,671.39 Lakhs as at September 30, 2019 and total revenues of Rs. 10,153.29 Lakhs and Rs. 15,394.08 Lakhs, total net profit after tax of Rs. 89.22 Lakhs and Rs. 445.08 Lakhs and total comprehensive income of Rs. 3.68 Lakhs and Rs. 5.76 Lakhs, for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively, and net cash outflows of Rs. 230.15 Lakhs for the period from April



01, 2019 to September 30, 2019, as considered in the consolidated unaudited financial results. These financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

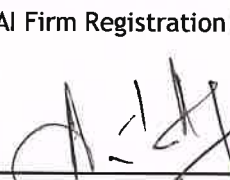
8. The consolidated unaudited financial results also includes the Group's share of net loss after tax of Rs. 149.82 Lakhs and Rs. 169.04 for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019, respectively, as considered in the consolidated unaudited financial results, in respect of associate and joint venture, based on their financial information which have not been reviewed by their auditors. According to the information and explanations given to us by the Management, these financial information are not material to the Group.

Our conclusion on the Statement is not modified in respect of the above matter.

9. The unaudited/audited consolidated statement of the Group for the comparative period ended June 30, 2019, September 30, 2018 and year ended March 31, 2019 were reviewed / audited by another auditor vide their unmodified limited review report dated July 31, 2019, November 01, 2018 and unmodified audit opinion dated May 02, 2019 respectively.

Our conclusion on the statement is not modified in respect of the above matter.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Amit Kumar Agarwal
Partner
Membership No.: 214198



Place: Hyderabad
Date: November 09, 2019
UDIN: 19214198AAAAAL5010



MSKA
& Associates

Chartered Accountants

1101/B, Manjeera Trinity Corporate,
JNTU-Hitech City Road, Kukatpally,
Hyderabad-500072, Telangana, INDIA
Tel: +91 40 6814 2999

Independent Auditor's Review Report on unaudited quarterly and year to date financial results of Tanla Solutions Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**The Board of Directors
Tanla Solutions Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Tanla Solutions Limited ('the Company') for the quarter and the year to-date results for the period April 01, 2019 to September 30, 2019 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulation'). Attention is drawn to the fact that the figures for net cash flows for the period corresponding period from April 01, 2018 to September 30, 2018 as reported in these unaudited standalone financial results have been approved by the Board of Directors of the Company, but have not been subjected to review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether financial results are free of material misstatements. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulation including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We did not review the financial information of Dubai branch included in the standalone unaudited financial results of the Company, whose information reflect total assets of Rs. 11,717.52 Lakhs as at




September 30, 2019 and total revenues of Rs. 268.66 Lakhs and Rs. 1,387.56 Lakhs , total net loss after tax of Rs. 5,969.02 Lakhs and Rs. 15,809.54 Lakhs and total comprehensive income of Rs. 67.35 Lakhs and Rs. 74.76 Lakhs for the quarter ended September 30, 2019 and for the period from April 01, 2019 to September 30, 2019 respectively, and Net cash Inflows of Rs. 730.88 Lakhs for the period from April 01, 2019 to September 30, 2019. The financial information of the branch were reviewed by the other auditor whose report has been furnished to us, and our conclusion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such other auditor and the procedures performed by us as stated in paragraph 3 above.

Our conclusion on the Statement is not modified in respect of the above matter.

6. The unaudited/audited standalone results of the Company for the comparative period ended June 30, 2019, September 30, 2018 and year ended March 31, 2019 were reviewed / audited by another auditor vide their unmodified limited review report dated July 31, 2019, November 01, 2018 and unmodified audit opinion dated May 02, 2019 respectively.

Our conclusion on the Statement is not modified in respect of the above matter.

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.105047W


Amit Kumar Agarwal
Partner
Membership No.: 214198



Place: Hyderabad
Date: November 09, 2019
UDIN: 19214198AAAAAM9214