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June 28, 2021

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: Intimation of Investor’s Day Transcript

In continuation to our earlier communication dated June 03, 2021, relating to hosting of **Investors’ Day** on June 23, 2021, the transcript of the Investors’ Day is attached herewith.

Request you to take the same on record and oblige.

Yours faithfully,

For **Tanla Platforms Limited**
(Formerly known as Tanla Solutions Limited)




Seshanuradha Chava
General Counsel and Chief Regulatory Officer
ACS-15519



Tanla Platforms Limited
Investor & Analyst Day Transcript
June 23, 2021

Call Duration	<ul style="list-style-type: none">▪ 1 hour 53 minutes
Management	<ul style="list-style-type: none">▪ Uday Kumar Reddy – Chairman & Chief Executive Officer▪ Deepak Goyal – Chief Business Officer▪ Aravind Viswanathan – Chief Financial Officer▪ Kishore Annapureddy – Chief Technology Officer▪ Ritu Mehta – Head of Investor Relations
Guests	<ul style="list-style-type: none">▪ Ankur Tripathi – Chief Information Officer at AU Small Finance Bank Ltd.▪ Shreeya Roy – AVP Head, CRM, and Loyalty Nykaa.Com

Ritu Mehta:

Hello, everyone. I am Ritu Mehta. I lead Investor Relations for Tanla Platforms. I hope you and your families are safe and healthy. On behalf of everyone at Tanla, I would like to welcome you to our Analyst & Investor Meet.

We are excited to share with you our vision, strategy, and financial overview. This evening the event will start with Uday Kumar Reddy, our Chairman and CEO. He will provide an overview of Tanla's achievement, our innovation-led strategy, and our vision; followed by Deepak Goyal, our Chief Business Officer and Executive Director, who will walk us through on what makes us the trusted communication partner for large enterprises. Finally, we will have Aravind Viswanathan, our CFO, who will provide an overview of our financials and company's ESG initiatives.

Before I hand it over to Uday, let me draw your attention to the fact that this presentation contains statements that are forward-looking in nature. All statements, other than the statements of historical fact could be deemed forward-looking in nature. Such statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified.

Further, the CPaaS business is evolving at a fast pace in India, with little information available in the public domain on overall market. The financial community has always sought a response on the total market size, key drivers of the industry and competitive landscape in this space. In order to provide more transparency and to help understand our business better, we are providing indicative data around the market size and our relative share, assuming this indicative data. This indicative data has been arrived at basis our detailed internal analysis. This is being done with an intent to provide an indicative picture of industry and address queries about the CPaaS space. This must not be seen as a positioning statement of the company, and one should not rely on company's disclosure for their assessment of market size. The presentation that is being shared will be uploaded in the Investors section of our website. Audio/video recording and transcript will be available on the website soon.

Now, over to Uday, our Chairman and CEO of Tanla.

Uday Kumar Reddy:

Thank you, Ritu. Hello, very warm welcome to all of you.

I see a massive participation from India and around the world. Thank you for your time. I am absolutely excited, speaking with you live from our Corporate Office in Hyderabad.

These are difficult times. We have been in this pandemic for a while now. And I want to give you my sincere wishes to everyone across the globe. I am sure that better days are ahead for all of us.

Today, I will provide you with an update on Tanla's achievements, innovation-led strategy, and our vision. Deepak, Aravind and I look forward to taking your questions after the presentations.

You will see that our acceleration is shaping our belief in this remarkable growth story called Tanla. Digitalization is the opportunity of this generation.

We will see high adoption of CPaaS across enterprises as a move towards digital transformation.

There has been increased investments in CPaaS. And this is amongst the hottest segment for consolidation and capital. Tanla is perfectly poised to leverage the opportunities coming our way.

This is a tangible demonstration of a strong unit economics within our business, and it showcases the durability of the business model. So, the question is what really drives our performance?

We are focused on innovation. And our unique business model enables us to engage entire CPaaS ecosystem across telcos, enterprises, and regulators. In terms of Tanla's growth trajectory, we have built an unprecedented innovation engine.

Let us demystify CPaaS. I want to walk you through a real-world example of how Tanla has a role to play across the ecosystem. Let us roll.

Example on video:

Let us take the example of Anand, who is hungry and would like to order lunch through one of the food delivery apps. As Anand is browsing for restaurants and dishes, our Gamooga AI technologies, which are integrated in the app, first, tries to understand what Anand is looking for.

Based on his history and likings, we are able to recommend him choice of restaurants with his favorite cuisine offering a deal. We help the user make an informed decision. Once Anand confirms his order, a communication workflow is kicked off by invoking Karix APIs.

Now the workflow moves to Karix messaging platform, where multiple channels for communication are made available. In this example, let us say the preferred mode of communication is SMS. Karix will accept the message from the app and push it, ensuring it chooses the best route for delivery as requested by the app.

Karix also opens up a conversational platform between the user and the app for any requests or need of 2-way communication. The next stage is where the message is scrubbed for spam & fraud and confirms the center details in the DLT platform.

Only on positive validation in Trubloq, the message moves to the last leg. The message is now transmitted to the SMSC located at the Telco edge, from where the same is transmitted to the user's handset.

As you can see, there are 4 clear touchpoints in the CPaaS ecosystem. Tanla has a role to play in each one of them and add value across the ecosystem.

Uday Kumar Reddy:

As you can see from this example, communication is now intelligent. And both data & communications go hand-in-hand. Tanla is the only company to have a play in every touchpoint of the CPaaS ecosystem.

CPaaS or Communication Platform as a Service offering is leveraged by the enterprises to communicate and engage with their customers through multiple channels. There is an imperative need to build trust and retain

customers. We all experience this in our everyday lives. Tanla is now participating in a TAM of \$800 million.

According to Gartner, the global TAM for CPaaS is set to move from \$20 billion in 2020 to \$47 billion by 2023. It also states that 90% of the enterprises globally will adopt CPaaS by 2023. Tanla generates all of its revenues from India. And being the market leader, we are excited about the global opportunity that is ahead of us.

Tanla is the undisputed CPaaS market leader in India. The question is: what got us here?

I will sum it up in 2 words: acquisitions and innovations. 2 largest players in the CPaaS industry, Tanla and Karix, have joined hands and became the undisputed market leader, serving complete CPaaS ecosystem from Enterprises to Telcos. We are building products faster than ever from ideas to launch.

We have an outstanding track record of commercializing new innovations. We launched two massive platforms back-to-back within a year with successful adoption. I know, the number one position is very slippery, and we do not take anything for granted. Our platforms are deployed with the key telcos for many years. We have built domain knowledge and deep understanding of customer needs like scale and quality of service.

Many of the one-time password messages, which are time-sensitive, are delivered through our platform. And this is a testimony for our quality of services. Most of the global tech giants use our international long-distance platform to deliver critical communication to their users in India. Indian telecom regulator, TRAI, came with a first-of-its-kind regulation to curb spam & fraud, and raise the bar for international regulators.

Tanla successfully deployed its DLT platform with 5 out of 7 telcos in India to comply with regulations. More than 33,000 enterprises in India are using Trubloq to improve their customer experience. UAE came with similar regulation and both the Telcos are deploying Trubloq. Deepak is going to give you the details, but here is my quick preview.

Karix is the largest enterprise solution provider for nearly 2 decades. The best and the biggest brands, and the Government of India placed their trust in us to engage with their customers and citizens. We have beaten almost every financial metric out of the park and raised the bar for our competitors.

We have grown faster than industry, and we have done it with best-in-class margin and free cash flow profile. Tanla's current cash flow margin is equivalent to many companies' long-term often aspirational margin targets. Last year, Tanla was the best performing stock and got listed in 4 indices. Our domain expertise and unwavering focus on the communication industry for 2 decades have helped us gain customer trust and business, a big thank you to my team and customers who are part of this successful journey.

My team is just fired up to be the fastest growing CPaaS company at scale in the world. Ladies and gentlemen, we are a platform company. We are just

getting started and here is how we are going to go even further. Our path forward is clear, to have a one-platform strategy. Wisely, the enterprise-grade platform, was built along with Microsoft. This platform is built for the entire CPaaS ecosystem.

A next generation suite of solutions is built on Wisely platform for most industries and verticals. The flexibility and extensibility of this platform is our differentiator. Every opportunity we have now is multi-product, which gives us a big up-sell and cross-sell effect from core to the edge, and edge to the core.

Unlike any other company, this is not a case going head-to-head for the legacy vendor to rip and replace. In fact, we are lowering the competitive friction. Tanla will go after greenfield opportunities and create a niche for itself in the market. We are not here for linear thinking. We are here for large opportunities. We are a growth company and not to compromise our margins. We will invest for global expansion to offer our solutions to existing and new customers. We will look for bolt-on acquisitions to strengthen our one platform offerings.

In closing, there are a lot of ways and means to value a platform company. But here is my view, look at the way the customers are using our platforms to build the use-cases. Look at what went behind. Look at the millions of vaccinated people around the country on our platform. Or look at the reduction in spam and fraud for billions of mobile users in India. Or look at how our AI platform helps millions of users discover new food options and having a delightful ordering experience. We would like to measure ourselves and our platform usage by how many lives are improved through its use. We are extremely honored to be someone behind the scenes for the billions of people we serve, our customers' customers.

Thank you for your time. I am looking forward to taking your questions a little bit later. But for now, I would like to turn it over to our Chief Business Officer, Mr. Deepak Goyal. Over to you, Deepak.

Deepak Goyal:

Thank you, Uday. Firstly, I would like to extend my wishes and greetings to all of you, who have joined us for this meet today. Continuing to talk about our journey, after an apt introduction by Uday, I would now like to take you a bit deeper into our story with a specific focus on our Enterprise business.

Here, I will cover how and what makes us the trusted communication partner of large enterprises to high-potential startups. We have transformed the way enterprises communicate with their customers for almost 2 decades now.

Our solid pedigree and extensive domain expertise have made us the undisputed leaders in the CPaaS market space. So, what is it that truly defines a solid business? It is combination of leadership, strengths and relationships that enable the business to continue generating greater value for its customers.

Let us start with leadership. Our market share at over 30% in the Enterprise business is larger than our next 3 competitors combined. And our status as

a leader is driven by broad-based success. In every vertical, 7 to 9 of the top-10 companies are our customers.

We have sticky relationships with our customers with deep integrations. Over 60% of our revenue comes from 50 of our top-100 customers, who have been with us for more than 5 years. And we have added more than 250 new customers in FY21.

Now, what does this leadership translate into? Customer confidence that translates into an impressive list of references that makes us sign new deals much easier; ability to form existing accounts and create deeper and broader customer relationships that are quite tough for the competitors to breach.

Our business is very well diversified. And today, we serve most of the top enterprises across verticals. In other words, our leadership acts as a powerful lever of creating customer value across the length and the breadth of the industries that our customers represent. This depth of leadership has also given us fantastic domain insights across industries that help us innovate domain-specific solutions.

This is a virtuous cycle of leadership, driving our increasing dominance across sectors. You should now be wondering what has driven India's leading businesses to partner with us. If I say in one line, we are uniquely positioned to help businesses succeed by powering their entire customer journey at every touchpoint.

In today's fast evolving digital landscape, big or small, an enterprise succeeds when it acquires new customers, transacts with them, can retain them, and provide service support where needed. At every stage, we are a key partner to help drive better outcomes.

Let me illustrate this with an example. Let us take a bank offering a loan product and wants to communicate its promotional offers to prospects. But how do they reach out to potential customers? This is where we come in.

We will help the bank devise a multichannel promotion strategy with the right mix and choice of channels from SMS, e-mail, OTT, and voice to social media channels like ads on Facebook. Once a prospect begins to engage with the bank's promotion for a loan, we bring in AI-based marketing automation tools to help and prompt the customer to choose the right products.

Once the choice is made, we also automate the entire customer onboarding process. It is nothing like the complicated processes of the past. Do you remember how cumbersome it was to open a bank account or a de-mat account a few years ago, the number of signatures and supporting documents that were needed?

With our conversational platform, we enable customers to onboard seamlessly from their preferred channel of communication, hence creating a 100% digital experience without the need for a branch visit or a submission of any physical documents. Once onboarded, the bank can even enable verification and authentication for ongoing EMIs and payments.

If the customer is in a remote location, where SMS delivery rates are low, we can enable a retry mechanism with a voice OTP. The bank can also engage with customers to cross-sell and up-sell, and service the customers in an ongoing manner. And finally, if a customer is facing any issues, then a support request can be initiated through WhatsApp or Facebook Messenger, and an AI-powered chatbot can be triggered to provide a quick resolution.

We bring to our customers the power to leverage unmatched scale, choice of channels, intelligence, and use-cases in such a comprehensive manner that it makes us the number 1 choice for enterprises. Banking is a demanding industry and banks have been pioneers in adopting technology for transformative efforts.

We were the first in India to launch mobile banking services way back in 2002 with ICICI Bank. We started with basic transactions notifications on mobile phones to the bank's customers to reduce the load on the bank's call centers and branches. ICICI Bank was just the beginning. Since then, we have come a long way.

Today, nearly 20 years on, with a major market share, we are partnering with leading banks like HDFC Bank, Axis Bank, ICICI Bank and State Bank of India for more than a decade. We provide right from account-related notifications to critical OTPs, to advanced services like conversational automation banking and automated account opening.

We created personalized conversation pages with content that customers could interact with when they open a secured link sent via SMS. Banks saw an increased conversion rate of 12%. For Axis Bank, we designed a two-way messaging solution for customers on SMS, where they could simply fill a form for loans or request a credit card, and a conversational messaging UI that is fully integrated with the bank's backend systems. The solution enabled end-to-end processing of loans without any other manual step from the bank's back office.

We use data to personalize content for a leading private sector bank, retarget users who abandon the journey after visiting the website for various products. The personalized content is delivered via SMS and e-mail to nudge them to sign up for the loan, card, insurance, or bank accounts using various acquisition campaigns. From running the largest customer acquisition program for a leading private sector bank's entire product portfolio and servicing multiple processes for over a decade to facilitating account opening over WhatsApp, we have done it all.

Moving on, let us look at a highly dynamic industry, the e-commerce industry. All of us are interacting with one or more e-commerce brands throughout the day. It will not be wrong to say that they have become an integral part of our day-to-day lives. But it is also interesting to know many complex workflows and integrations that go behind enabling a seemingly simple process like an order delivery.

From getting your food orders tracked, essentials delivered, to setting alerts for new releases and updates, there is a backend network of tech-based activities that get activated with just a click of a button on your end. This

industry essentially depends on the high velocity of communications and scale, and we deliver on both the fronts.

For example, we partner with one of the largest e-commerce marketplaces to amplify their customer reach for the Big Billion Sale and create customer awareness about the specific discount period. While they use traditional marketing methods, it would be difficult to break through the advertising clutter. With SMS, customers receive these offers on their mobile phones with links to the app or website.

To give another use-case, a leading food delivery app uses our platform to process more than 70 million push app notifications every day to users for various meal offers right from breakfast, lunch, snacks, and dinner. Many others such e-commerce marketplaces use our services by integrating SMS, e-mail, and WhatsApp into their e-comm applications. One of the key factors when integrating SMS APIs for online customer purchase is the speed at which online retailers want to reach out to the customers for failed transactions.

One of the most critical use-cases for growth is completing the abandoned cart and payment-failure communication during checkout. We facilitate this communication with the least latency, so that end-user completes their transaction without any opportunity loss. We work with the leading brands for omnichannel communication, using e-mail, SMS, in-app notifications, to enable marketing teams to get consumer attention when they abandon search and for other category affinity campaigns.

E-comm customers are using our SMS APIs to keep their customers updated in real time about price drop or out of stock alerts based on preferences set up by their users. Our value to brands lies in helping them to provide a seamless rich experience to their end customers. We have digitized processes like appointment booking, audit tracking, OTP authentications retrieving information on demand. Thus, it also enables brands to expand and deepen their customer relationships by building loyalty programs, and up-selling and cross-selling efforts.

Now, let us talk about an intriguing one. Ed-Tech has produced more unicorns in the shortest period than any other vertical in the world. The reason being, India has one of the largest populations of youth under the age of 25. And as the second largest user of smartphones in the world, new and emerging verticals like Ed-Tech have changed the way world experiences learning and education.

We have seen huge success with one of the India's largest Ed-Tech companies. We had a key role to play in their domestic and international growth. Apart from social ads, SMS has been one of their key channels to invite students and parents for trial classes.

In the wake of the pandemic, all Ed-Tech companies accelerated the adoption of SMS, e-mail, and WhatsApp notifications to communicate with the students and parents. We send automatic notifications to parents about their child's absence from classes, and at the same time, send progress reports as PDFs via SMS links.

Notifications about class schedules, allowing students to reschedule their classes via interactive SMS, sharing doubts and parents providing feedback, our communication APIs power it all. We have managed to continue innovating our offering to suit the market's needs in a short period. This positions us to expect a huge share of revenue coming from these new and emerging verticals.

And lastly, let us talk about a vertical which we are exceptionally proud of, the work we do for the Government of India. Ours is the most populous and complex democracy in the world. And we take immense pride in our role in enabling the Indian Government in its Digital India efforts to reach, engage, empower, and interact with the Indian citizens.

The Government of India depends on the National Informatics Centre, or we call it NIC, to fulfill its communication needs and manage the world's largest citizen outreach programs. And NIC trust us to power the critical workflows that make this happen.

We ensure that important messages from the government reach citizens in their choice of language. This includes long-form audio like Mann Ki Baat, providing regular agriculture-related updates to farmers in multiple Indian languages, and providing authentication and verification support to many departments including the GST and Aadhaar, and the income tax department. We are the ones who deliver the messages you receive after filing your income tax or the reminders to pay your advance tax.

Over the last 12 to 15 months, Government of India has done a lot of work to save the lives from deadly COVID-19. We enable authentications for Aarogya Setu app as well as CoWIN app through OTPs to schedule vaccine appointments, and later on, vaccination notifications from National Health Portal. The government also uses our platform to drive awareness related to COVID safety measures, details on the lockdown schedules and much more.

Our organic growth is driven by our Land-and-Expand strategy. Our sales teams focus on finding business needs with potential customers that can be solved by one of our solutions. This could be a growth-related need, efficiency-related need, or problem-related, example, helping reduce the wait time for a support request.

Once we win the account, we expand our presence either by replicating the same solution to address different use-cases or we cross-sell and up-sell products that can deliver better business outcomes for our customers. As an organization, we see the first sale as merely the first step in our customer engagement.

Our real work begins after we sign the first contract. The Expand leg of our strategy is extremely important to us as they represent wins that are low cost that come with a higher probability of sale success. So how can you say that we are winning?

There are 4 evidence that are testimony to our continuing success. First, we are continuously expanding our customer base. Second, our customer engagements are extremely sticky, our retention rate is exceptionally high,

and our relationship grows broader and deeper every year. Third, we are reducing our dependence on a handful of large customers, de-risking our revenue stream. And finally, we are expanding our presence across industries.

This not only improves our cross-industry experience, but also protects the business from industry-specific downturns. But do not just take my word for it. Let us look at the data. We have always made new customer acquisition a key priority. But what is unique about our success is that average deal sizes also grow. Powered by our best-in-class capabilities, innovative solutions and track record, new customers are happy to trust us with larger contracts.

As you can see, our revenues from new customers added in the last 4 years have grown at a CAGR of 68% to Rs. 952 million in 2021. As our new customers experience our capabilities and the business results we deliver, they are eager to expand the existing scope of work and explore other solutions we have to offer.

We continuously engage with our customers to provide solutions to improve their customer engagement experience. As you can see, over the last 4 years, we have witnessed a CAGR of 31% from our customers generating revenue of more than Rs. 10 million. This is an excellent proof point of the confidence that our customers have in us.

Our Land-and-Expand strategy drives growth across customer cohorts. Customer success drives a low attrition rate. Our ability to offer multi-product-deals are increasing customer stickiness. We continuously strive to improve and deliver the best results for our customers. The highlight is the revenue growth CAGR of 45% in large customer accounts. This growth is a testament to the real-life strength of our proposition and the satisfaction that we have delivered to our customers.

We are also growing across all customer segments. You can see how our customer base is getting increasingly robust with 149 customers contributing an annual revenue of over Rs. 10 million. You can also see the success we have had in closing and growing our large accounts. These customers' yearly revenues are over Rs. 500 million. It also shows how low risk our revenues are. We are not dependent on any one account type as our revenues are well distributed across multiple customer relationship types. And once they become our customer, we continue to grow. A key driver of our growth is our success in expanding customer relationships.

Our sales teams are primed to look out for customer business areas so that our services can improve and seek out adjacent opportunities that can be positioned and won with ease. You can see how the revenues have grown at a CAGR of 19% for customers landed in 2016, 2017 and prior. The customers acquired in 2017-2018 have grown at a CAGR of 254% and so on.

To conclude, our success going forward will be driven by 4 levers.

First, our innovative and unique platforms, from web apps to chatbots our platforms are a result of many years of effort. They are beautifully aligned to

deliver business results for our customers and are not easily replicable by our competition. Our platforms will continue to be a critical success factor in our success going forward, and we will continue to invest in these capabilities.

Second, our domain-led solutions, we are not in the business of just delivering messages, we are a true partner that delivers business results and business outcomes. That means our solutions will be positioned relevant to our customer's business, value-chain, and related complexities.

Third is our expanding client footprint. As we have seen, we have an undying hunger for sales success. We will continue to expand our customer acquisition efforts across 3 dimensions, new verticals, new customer logos and new opportunities in existing accounts. Our funnel will continue to remain healthy, while providing the business with high quality low-risk revenues.

The last lever is our strong growth in Indian and global market.

With this, let us hear from our esteemed customers on how their experience has been in partnering with us.

I welcome Ankur Tripathi, CIO of AU Bank to this meeting.

Hi, Ankur. It is such a pleasure to have this discussion with you today. We are pleased to be a partner in your growth journey and would like to hear from you on how you have managed to turn the COVID crisis into an opportunity to go more digital and create seamless omnichannel experience.

You have personally also been at the forefront of massive digital expansion of AU Bank. So, what is your strategy to use multiple channels like SMS, e-mail, voice, WhatsApp, etc., to help your customers transact with the bank and deepen your customer engagement?

Ankur Tripathi:

Good morning, Deepak. Good to be here. It is always a pleasure to interact with the team, who is young and agile. We have been working with Karix for good last 3 years or so. And we enjoy that experience. As you rightly mentioned about digital transformation and omnichannel experience, we have been pushing our teams and deriving the strategy of building an omnichannel experience, be it transaction or conversations or engagement.

In our initiative, we have rolled out our new super app, which is AU 0101 recently. It has capabilities for both bank customers as well as new to bank customers, where they can do some kind of banking transactions and lifestyle transactions using our mobile app. And all new to bank customers can use that channel to get onboarded seamlessly using our video banking platform.

We also have invested a lot on our WhatsApp as well as SMS and e-mail channels. For that, Karix is our partner. With Karix, we had launched our industry-first initiative of onboarding savings account using WhatsApp bot. This was an industry-first initiative that we had launched about 2 years back. And we had seen good response from our customers in terms of opening an account and largely for our millennial population and digitally native

population who do not want to use the app and be on any of the conversation chat platforms like WhatsApp or Instagram. So, it has been great working with the team, and we are evolving on multiple use-cases that we can invest together and bring up multiple use-cases for our customers on various channel-specific platforms as well as create an omnichannel experience.

Deepak Goyal:

As we get into the next phase of growth via new acquisitions and building a highly engaged customer base, what role do you see Karix playing in transforming the way you serve your customers and engage with your customers?

Ankur Tripathi:

So, Deepak, we have been working on many use-cases with Karix, primarily on WhatsApp platform and your upgraded SMS platform. For WhatsApp, it has been an incremental growth. We have been able to roll out close to 12 use-cases, which are largely service-request-driven.

Going forward, we want to make it omnichannel, where customers can initiate a conversation on a WhatsApp platform, and then continue to finish that conversation either on our mobile banking or our voice call center or, let us say, a chatbot that we have on our website. That is something that we would like to build.

In addition to that, we would also be opened to explore some kind of financial transactions on our WhatsApp platform. This would enable us to offer end-to-end functionalities to our customers, who are not extremely comfortable in terms of using mobile app or Internet banking platform. But for some smaller transactions they have been using WhatsApp day in, day out and are comfortable using that platform.

Secondly, I have seen your SMS platform, which is Wisely. And architecture-wise and design-wise, it is hitting the right chords in terms of offering end-to-end encryption and security, which is paramount in the digital ecosystem or the digital world that we are heading into. And we as a bank would like to explore it further and roll it out for all our banking customers for whom we send out notification either over SMS, or e-mail and it is end-to-end encrypted.

Deepak Goyal:

Ankur, you are talking about our newly launched platform, Wisely. I am thrilled to know that you like the platform. It will help the bank keep customer data private and communicate with the customers in a secure way. We hope to see deployments soon at AU Bank. Thanks for the insights, Ankur. I am glad to hear that Karix team is working with you and other technology partners to address all your communication needs.

My team is lucky to work with you and your team and innovating to drive better customer experiences. Thank you so much.

Ankur Tripathi:

Thank you, Deepak

Kishore Annapureddy:

We are honored to be in business with some of the most groundbreaking enterprises across all major industries. These industries are not just redefining the way consumers experience a brand and its services, but they

are also quick to adapt to changing market needs and adopting transformative business processes.

Nykaa has been one such strategic and esteemed customer for us since 2015. And today, I am pleased to be in conversation with Shreeya Roy, who is AVP Head, CRM, and Loyalty for Nykaa.

Welcome, Shreeya, and thank you for giving us your valuable time. What are the top priorities for Nykaa when it comes to role of technology in customer service and experience?

Shreeya Roy:

So, personalization, that is of course a no-brainer. And I think every other e-commerce in the industry is also doing that. For us, what personalization means is from the context of beauty, which is a far more subjective understanding of the consumer, and then basically being able to translate those subjective sorts of behaviors into objective parameters with which we target users.

Kishore Annapureddy:

Other than marketing automation, what other use-cases does Nykaa solve with solutions provided by Tanla Group?

Shreeya Roy:

Other services that we have been using is definitely Karix. We, of course, started using Karix before it became a part of Tanla. And we are using them for all of our promotional SMS journeys and all the promotional pushes and everything innovative that they have to offer to us. So, we have been using them in the whole umbrella of Tanla services.

Another major thing was that we did a lot of hyper-local sort of supply-chain transformative activities, which again, we were able to push majorly through the kind of identification of customers that we had from Gamooga. And, of course, Karix was used and was the easiest form of communication. This was a time when people were not finding benefit in a lot of apps and deleting apps left, right and center. And through SMS as a channel, we could actually reach out to our customers, keep them engaged, and keep them coming back.

Kishore Annapureddy:

What has your overall experience with Gamooga and Karix been like?

Shreeya Roy:

With Gamooga the experience has been very, very high on innovation, has been very, very good in terms of the service. The sort of connect and the contact that you guys have given to us, because you guys have actually taught us the platform and basis our understanding of it, we have been able to generate and build on ideas, till we could stand on our own 2 feet. Gamooga is an older platform, and we have been using it for a longer time and we have a deep relationship there with them.

With Karix, it has been newer. It has been about 3.5-4 years now. Again, service wise it is great. What they do in in terms of reachability, what they do in terms of providing us access to some of the hacks in sort of SMS marketing is something that we have never got earlier from any other service provider. So, overall, the experience has been great.

Kishore Annapureddy: Thanks, Shreeya. It has been really wonderful to be in conversation with you. And thanks for sharing your overall experience with us. Looking forward to solving more of your marketing challenges and implementing many more interesting use-cases with Nykaa. Thank you.

Shreeya Roy: Same here. Thank you.

Deepak Goyal: Thank you, Ankur and Shreeya. Now, I would like to hand over to our CFO, Aravind, to take it forward.

Aravind Viswanathan: Thank you, Deepak. And good evening to all of you who have joined us for our Analyst and Investor Meet. Hope all of you and your loved ones are safe in these testing times. I joined Tanla around 2 months ago. My early impressions are that we are a company with innovation in our DNA, hungry for growth, backed by financial discipline, and an ambition to create a sustainable global company with best-in-class governance. I am personally extremely excited to be part of this journey with our leadership team in the CPaaS space.

As Uday and Deepak talked about in great detail, we are on a strong trajectory across multiple dimensions. We have delivered very robust financial performance, and I will take you through the same in detail.

To me, financial performance is an outcome of having a compelling business model and backing that with focused execution and that is exactly what we have done. Our operating model and focus on quality of revenues have also helped us achieve this growth on the back of strong cash flow generation.

As we accelerate forward, we want to do this journey with best-in-class governance. Governance is the bedrock for sustainable value creation. And we are passionate about this. And we have made this a way of life in Tanla.

Let me now start with our financial overview. Moving to revenues, we delivered 42% CAGR revenue growth over the past 5 years. Our revenues have grown 4X in 5 years. How did we deliver this? As said by, Uday earlier, we identified market opportunities early to address the entire ecosystem, which led us to acquire Karix and Gamooga, creating a unique organization with clear leadership in the CPaaS space in India.

Deepak talked about our client relationships, and we have been able to drive growth across our client base. We have done an exceptionally good job on all facets here, be it in terms of acquiring new clients, scaling them up through a cross-sell and up-sell, or selling new services to them altogether.

In parallel, we have continued on our innovation journey to launch new products like Trubloq & Wisely and created new avenues for growth. Our focused efforts and strategies have resulted in having multiple revenue streams across the ecosystem for the same transaction. This is something which is unique to Tanla in this space.

Uday and Deepak talked about our ecosystem plan. You will hear a lot about it from us. Our ability to address different touchpoints in the ecosystem has

helped us drive high growth momentum and gives us confidence that we are well positioned to maximize the opportunity in front of us.

Our revenue has been backed by strong growth in profitability. We delivered 62% CAGR in gross margin growth over the past 5 years. Profitable growth is very core to Tanla, and Uday mentioned this in his opening remarks. We have driven gross margin improvement in the enterprise business by offering value-added services to our customers.

Our solutioning capability is a huge differentiator. Deepak talked about it in great detail and gave multiple examples on this with live client experiences. And this is a key lever to drive profitability in the enterprise space.

Another interesting dimension to our gross margin is our focus on platform business. Our platform business operates at remarkably high gross margins. I would say, indicatively, upwards of 85%. We have augmented our traditional platform business with new platforms like Trubloq. And this is changing our gross margin profile.

Uday talked about Wisely and our one platform strategy. Wisely was launched earlier this year. Our focus is to scale Wisely. And this is going to be a big competitive advantage for us. We are confident that Wisely will help us win more business and will be the beachhead for our global ambitions.

This will help us further scale the contribution of gross margins from our platform business in the coming years. We talked about platform business. Let us look at some numbers. Platform business contribution to our gross profits have gone up from 20% in FY20 to 24% in FY21. The gross profits for platform business grew 80% YoY.

We are excited about our platform business. And it complements our enterprise business to create value for our clients and ourselves. Once again, we benefit from the end-to-end ecosystem play. Moving on to EBITDA, our revenue growth has been backed by disciplined execution, resulting in significant EBITDA margin expansion.

This is a source of great pride to us. We generated unmatched growth and profitability at scale. We delivered 67% CAGR EBITDA growth over the past 5 years and improved our EBITDA margin percentages to 19% in FY21 from historic levels of around 10%.

Our accelerated growth has allowed us the benefit of SG&A leverage, without compromising our need for investments. We are making all necessary investments across all dimensions, be it products, be it customer success, and our people, to ensure we maximize the opportunity ahead of us.

To attract the best talent, we have come up with an RSU Scheme with 3 million shares, which has been approved by our shareholders. We will use this very judiciously over a period of time, to ensure we become an employer of choice, without structurally diluting our profitability.

Our revenue growth coupled with focus on profitability has helped our net income grow 72% CAGR over the past 5 years. A small milestone, we

delivered Rs. 1 billion quarterly net income in Q4, crossing the Rs. 1 billion mark for the first time. Revenue growth and profitability needs to be backed by strong cash flow.

And I am happy with our performance on cash flows. We have generated around Rs. 5.6 billion operating cash flow in FY21 and our operating cash flow has grown 67% CAGR over the past 5 years. We also have a healthy cash conversion. Our operating cash flow to EBITDA conversion is strong at 129%. How does this happen?

This is due to our relentless focus on our collection process. Our bill DSO is up 60 days. Our unbilled revenues are usually around 11% of our annual revenues, which largely constitutes 1 month billing. And we bill most of our unbilled within 30 days. All of the above has resulted in a strong balance sheet.

Our reserves and surplus are close to Rs. 9 billion. As of March 31, 2021, our cash balance is Rs. 5.8 billion. This is, after the outflow due to buyback and the interim dividend that we declared of close to Rs. 1.8 billion during the year. We have returned significant cash to shareholders during the year.

We have also declared a final dividend of 100% of our face value, which is subject to shareholder's approval in the AGM. Our return on capital employed excluding cash is 129%, which reflects the asset-light model that we operate on.

Our net working capital excluding cash was negative as of year-end balance sheet date. We are a zero-debt company. All, of our growth has been funded from internal accruals and this is something that we are immensely proud of.

So, if I summarize the financial performance, we have done very well in every parameter. This is very much by design, as we have looked at our business holistically, to drive all parameters. Our focus is profitable revenue growth, backed by strong cash flows, resulting in a strong balance sheet.

As I mentioned in the beginning, we are focused on ensuring our business model delivering strong sustainable growth is backed by the highest standards of governance. Let me re-emphasize this. Over the past few years, we have strengthened our Board of Directors and are benefiting from the vast experience of our Board Members.

In addition to this, we have enhanced the partners we work with. All our auditors, be it our statutory auditor, internal auditor, or our pre-auditors, are large global firms. And we work together to ensure our governance standards continuously scale up to global levels.

We realize in the current environment, the calling for corporates is to do a lot more. Therefore, we are looking at this more holistically with focus on ESG. Earlier this year, we constituted an ESG council, headed by Rahul Khanna, our Independent Director. And this is a huge focus area for us.

We focus on areas where we can have the greatest impact, which includes environmental sustainability, equal opportunity, and integrity in conduct, and transparency across all the work we do.

Uday mentioned this. We aim to be carbon neutral by 2025. It is a big task. We have been focused on greenery over a decade now. And we have a target to plant 25,000 trees in the next 2 years. We plan to come out with a detailed sustainability report this year. We want to create equal opportunity for workforce, with focus on skill development, diversity and inclusion, and community development, all of which is close to our heart.

We wish to empower our future generation with the skills needed to affect the change within their communities. We have multiple social initiatives around education in schools. And you will hear more about that in the days to come.

Finally, we strongly believe in integrating governance, risk, and compliance into our business model. If you really look at it, Trubloq is a GRC platform. We want to build an environment of trust, through ethical, transparent, and secure business practices, in the way we deal with external and internal stakeholders.

In summary, we have had a strong trajectory of financial performance. As we look forward, we continue to be committed to drive sustainable, predictable, and profitable growth. Innovation is very core to our DNA. And we will make disciplined investments to create differentiation in the marketplace.

We have global ambitions. Uday talked about it. Deepak talked about it. And our intent really is to replicate our India success story to the overseas markets. We will do that, maintaining a strong balance sheet and are focused on our ESG journey.

We are confident we will create sustainable value for all our stakeholders in the years to come. Thank you, all. And I will now hand it over to Ritu for the Q&A session.

Ritu Mehta: Thank you, Uday, Deepak and Aravind for providing interesting insights. Also, thanks to our customer Ankur and Shreeya for participating and providing their insights.

Question-and-Answer Session

Ritu Mehta: We will now begin the Q&A session.

Our first question is from Kush Virani of InCred.

Kushan Virani: What are the barriers to entry in the DLT base Trubloq platform? Do telecoms enjoy any natural advantage? Where do competitors for Trubloq stand in terms of factors that drive adoption and engagement through such platforms?

Uday Kumar Reddy: So, TRAI, Indian telecom regulator, came with TCCPR regulation in 2018. And we are the first Indian company to develop and deploy with various telcos. We have deployed with five out of seven telcos. In fact, we have been

ready with the DLT platform almost from 2019 February. We launched this DLT platform in Barcelona. Mr. RS Sharma, then Chairman, has launched this platform. So, we are much ahead of the curve. We do not follow the curve. We are much ahead of the curve, and we enjoy more than 60% of market share, as we speak. The reason being is quite simple. We have tremendous domain knowledge. We understand the telco environment very well. We understand the enterprise space very well. So, once you have the domain knowledge, we know how to build the solutions around that. We know how to work with the complete ecosystem, whether it is enterprises or the telcos or even to understand the regulations and implement. So that is how we have gained the first mover advantage.

We saw an opportunity. We took the opportunity, and this is the first of its kind in the world, in the sense like no telco has rolled out a blockchain enabled platform in the world. And this was completely developed in house. And this is a competition between the three large DLT providers, between IBM, Tech Mahindra and Tanla. IBM is deployed with Airtel, we also are deployed with Airtel, so we co-exist with Airtel. And Tech Mahindra is deployed with Jio and whereas we are deployed with the rest of the telcos.

So, yes, as you speak, we enjoy more than 60%. We have been pretty consistent from the day one till date. So, we are pretty agile. In fact, the core module went live in the last six to seven months. And we are the first one to help the telcos or even mainly enterprises to comply with the regulations. If you look at our enterprise profile, most of the large enterprises in India, more than 30,000 enterprises have on-boarded on our platform. It shows how committed we are to the regulations. And in fact, as we speak, the regulators are pushing us to comply with the consent management. In fact, we have been ready with the consent management module for quite some time.

As and when we go with consent management module live, I think we have every opportunity to gain some more market. So, I do not see any issue with deployment. The reason is, we have been deploying our platforms with the telcos for more than two decades. It is difficult to get into telco environment. They have very, very stringent security norms. It is difficult to get into the telco environment. Once you are there with those telcos, I do not say it is rest of the life, but we are there for quite some time.

So, I do not see any challenge there. We are pretty established, not only with the technology, but with the compliance and so on, so forth. So, I do not see any challenge. We are pretty excited about this DLT platform. In fact, it is qualified under GRC, which is Governance of Regulatory Compliance framework. And in fact, most of the regulators from the global market are looking at these regulations very closely.

In fact, the UAE regulator is the second one to adopt these regulations and that is where we won hands down. We competed with the largest players in the world, and we won both the telcos. In fact, we have been deploying for quite some time and it should go live in the next month or so. So, we are really enjoying the way we have built the platform in terms of the competency. So, I do not see any challenge and we are here to grow our market share in DLT.

- Ritu Mehta:** The next question is from Kawaljeet Saluja of Kotak Securities.
- Kawaljeet Saluja:** Two questions. Can you detail the economics per usage for SMS, email, and WhatsApp? Also, can you talk about Tanla's strength in conversational solutions? And the second question is, how do you see competitive change, especially with Twilio's acquisition with ValueFirst?
- Uday Kumar Reddy:** So, Kawaljeet, it is a good question. In fact, if I am allowed to say we have been working with the ValueFirst almost for more than 15 years now for our domestic traffic, and they do use our platform. As we speak, they have been using our platform. Even Twilio uses our platform for global messaging. Those messages which are being terminated to India, they do use our platforms. I do not see any challenge. Our biggest strength as Tanla over a period of time is we always partner with various ecosystem players. We have been working with Karix' competitors for almost for 30 months, we do not see any challenge.
- The biggest strength, as I told you earlier, we work with the entire ecosystem, right from aggregators, to enterprises, to telcos and to the regulators. That is our biggest strength. So, I do not see any challenge over there. We always partner with the aggregators. Most of the aggregators do use our platforms. They always look for someone like Tanla who can offer better QoS, and I do not see any challenge with Twilio acquiring ValueFirst. Absolutely, I see no challenge there.
- So, in terms of the market, in general, SMS is a large market, large market not only in India but global market, but when it comes to Indian market, we see around 80% is always with SMS market. Then of course, right now 10% is with DLT. So, that put together is 90%. Remaining 10% is always shared among WhatsApp, email, and push notification. So, SMS being, whether it is NLD or ILD, they still command. Not only in Indian market but globally, most of the enterprises would like to use SMS. Even if I pick up some of the large players in this market and if you look at their revenue break up, most of the revenues do come from SMS. So, the OTT, as you speak, is picking up. There is no doubt about that but there is a long way to go. That is my personal view.
- Ritu Mehta:** The next question is from Monit Vyas of Emkay Global.
- Monit Vyas:** How do you plan to expand your presence internationally? Can you provide some insights with respect to our strategy there?
- Uday Kumar Reddy:** Monit, see, as I mentioned in my presentation, we are pretty clear. Now we have built one platform strategy, which is Wisely. This platform is built along with Microsoft. Microsoft played three roles over there. They are our technology partners, meaning to say that they developed the platform for us. So, we own the IP, we own business, but they are the one – I mean we bring in tremendous domain knowledge, but Microsoft global team has helped build this platform for us. So, one is the technology partner. And two is the entire Wisely platform is hosted on Azure Stack. So, second, they are our cloud partner. And third one is they are our GTM partner.

So, there is a long way to go. We just launched this year. We see massive traction in Indian market. A lot of large banks are already on-boarded. In fact, we played one AU bank video. They are incredibly happy, and a lot of large banks are already on-boarded and who does not like data security, data privacy, right. Everybody likes data security, data privacy.

If you look at the international regulator, if you look at the international CPaaS players or any regulation, everybody is talking about data security and data privacy. We saw an opportunity almost a year ago, and we grabbed it. In fact, when we are launching Trubloq, we are busy developing Wisely because Trubloq has not really addressed data security, data privacy, it was addressing mainly spam and fraud. We were the first one to identify the opportunity. We developed along with Microsoft and all our enterprises are extremely happy. In fact, telcos are extremely happy.

So, we are pretty clear. In terms of global expansion, Wisely will be launched globally, very, very soon. We have tested this platform in India with the telcos both from the scalability and also from the user experience. We have been using for almost five months and the platform is really holding and it is really scaled. So, we have tested user experience, we have tested the scale now and we are all set to take this platform to the global. As you speak, in fact, we are setting up in the global environment. In fact, we are pretty excited and so 2021-2022 is a year of expansion for us, and we are going global with only one platform strategy.

So, we have Karix, Gamooga and Tanla, all three will be combined. They are going to be on this platform. In fact, the way we build the platform is Gamooga comes from the data point of view, Karix comes from the solutions point of view, and we are the platform providers. So, Karix is good at building the solutions for the enterprises, they have been building for last two decades. The Karix team and the solutions team will be building solutions on the Wisely platform. And Wisely platform has got two modules, one is AI module which is driven by the Gamooga team and the CPaaS platform which is driven by the Tanla core DNA.

So yes, to answer your question, we are pretty excited to look at \$47 billion opportunity by 2023. And we will be going to the international market probably from July onwards. So, we are all set to go live in Dubai. We are also looking at a couple of large markets. But as and when we decide, we will definitely inform the exchanges and all of you.

Ritu Mehta: The next question is from Balaji Subramanian of IIFL Securities.

Balaji Subramanian: What is the progress on Wisely rollout? And can you explain in detail the features about Wisely?

Uday Kumar Reddy: Balaji, I think I have already covered this point. But all I am saying is, now if look at any enterprise, they do not need to deploy different platforms. With one API, they have access to data channels, they have access to CPaaS channel. Whether it is the CPaaS, whether it is SMS, email, push notification, WhatsApp, any channel. So, one platform strategy, one API, many channels, and many suppliers. In fact, once they are onboard on Wisely, they get to see many suppliers.

When I launched Wisely sometime in January of this year, I made it clear, we are going to override this CPaaS market. Meaning to say that, on this platform, we will have both consumers, which are enterprises, then we have all the suppliers, including mobile carriers, email providers, or somebody who is providing push notification, and so on so forth. So, it is a different ballgame.

If you look at the enterprises, they just need to connect with Wisely, boom, they have access to the global market, they have access to all the channels, they can pick and choose any supplier they want. So, it is quite an amazing platform and Indian enterprises, they are very thrilled to use this platform. So, we got a fantastic feedback from our enterprise in India and so, we are pretty excited.

Ritu Mehta: The next question is from Manish Poddar of Nippon India.

Manish Poddar: What is the sustainable EBITDA margin for the business given integration and ramp up of revenues in different verticals?

Uday Kumar Reddy: Manish, I made it clear in my presentation. If you look at our financial discipline, we took the discussion to the next level. So, we are growing. We have demonstrated our growth numbers. We have demonstrated our margin expansions in the last four years. We are extremely cautious and conscious about not only growth but about margin expansions. And we are very conscious about the cash accruals.

So, in fact, Aravind is here, and his mandate is clear. We are extremely cautious and conscious about the numbers. While we are busy spending the money on the R&D, we are also extremely cautious about our numbers. Though I do not want to give you any forward-looking statement, but I am pretty confident that we are going to hold the margins. So, I do not see any challenge over there. If you look at our model, if you look at the one platform strategy, it is quite simple. So, we would like to be asset light. We do not want to spend too much money in terms of deployments. That is the reason we chose to move the entire – the CPaaS, mainly the Wisely platform onto the cloud. So, we do not want to really spend any money in terms of the capex, so whatever we are spending towards the development of the platform, that we capitalize it, that too when we pay to the third party. We normally expense it of our expenses, and we do not capitalize it. So, all I am trying to say is it is going to be very asset light model. I mean, I strongly believe that we can quickly ramp up the numbers, because it is a pretty scalable model, scalable platform. So, I am pretty excited.

Ritu Mehta: The next question is from Shaleen Kumar of UBS.

Shaleen Kumar: Can you gain market share from competition in enterprise segment and what are the levers for growth?

Uday Kumar Reddy: Shaleen, it is good question again. See, our strategy is quite simple. If you look at any enterprises, if you look at, for example, that is what Deepak explained couple of minutes ago, how good they are in terms of building the solutions. If you look at any enterprise, they are obsessed with solutioning. We cannot go and offer simple connectivity for SMS or voice, push notification, email, WhatsApp. They are all bearers, they are all simply

bearer, including WhatsApp. People are really excited about WhatsApp, but it is simply a bearer. It takes a communication from A to B, and B to A, that is it.

But what the enterprises are looking at, not only in India, but global market, mainly for the last probably 15, 16 months, right, they are looking for solutions. And we are the masters because our platform, the single platform strategy, our team can go and build the solutions on the fly and offer to our customers out. That is our biggest proposition. That is what I explained in my presentation. And this business model is pretty durable, so once we are integrated with our enterprises, once you build the solutions. So, our teams are busy building the solutions, but one by one, and wherever we have deployed our solutions, they have been there for more than 10, 12 years. So, the strategy is going to be solution-based on our platform. So that is the reason I have every reason to believe that we see a massive traction, though, I do not want to give you any forward-looking statements, but I am pretty excited about this one platform strategy.

Ritu Mehta: The next question is from Samir Rachh of Nippon India.

Samir Rachh: Which are the global customers you have, especially among the Fortune 500 companies? What is the nature of these relations? And what is the product penetration that you have with them?

Uday Kumar Reddy: Samir, an interesting question. In fact, I was just looking at my numbers before we got on to this call, 40% of our revenues, all are dollar revenues 2019-20, probably 39.5%-40% right, all these dollar revenues have come from the tech giants. You know who the tech giants are. I do not want to really drop the names. We have been serving these guys, serving these tech giants for probably close to one decade. So, we have been working with them for number of years, both from Tanla side as well as from the Karix side. So, when they have been happy, in fact, as you speak, we bring most of their communication to India on our ILD platform. That is what I kind of showcased in my presentation, and same tech giants have got a massive traffic outside India. That is where our one platform strategy and Karix expertise is going to come into picture. So, once they are happy in India, I do not see any reason why we cannot service them in the international market. They have been extremely happy with our quality services. We have been serving for more than one decade and more than probably Rs. 1000 crores come from six, seven large tech giants in the last one year, or probably little more than Rs. 1000 crores.

So, I am pretty excited. In fact, they have been inquiring, when my one platform strategy will be up and running. So, we are in constant touch with them. In fact, when we are developing Wisely, we have been constantly in touch with the tech giants. We have taken the inputs before we kind of worked on the features and the user experience. So, they know everything but Wisely. They have been just waiting for us to launch in the international market. So, I have every reason to believe that we are going to onboard them wherever we will launch our one platform going forward.

Ritu Mehta: The next question is from Ravi Kumar of Edelweiss Finance.

Ravi Kumar: Uday, in your opening remarks you had mentioned that TAM is likely to exceed USD 47 billion over the next few years. Can you give us some color on the new growth areas and how are we positioned to capture these growth opportunities?

Uday Kumar Reddy: Ravi, this number has not come from me. This has come from Gartner right. This is what we mentioned in the presentation. Even at \$ 23billion will become \$47 billion. They have released that CPaaS report probably a year ago. That is what the report says. So, one is like a lot of companies, mainly medium and large companies, they are moving to digitalization whenever the enterprises digitalize their process, they need to have the CPaaS integrated with their process, there is no doubt about that. So, whether it is medium or small enterprises, each and every company is going towards digitalization. Digitalization is the opportunity of this decade. It is what I mentioned in my speech. And the CPaaS rides on digitalization. So, I think irrespective of the channels, whether it is including video, including payments, including anything, the communication, the data, in fact, the \$47 billion does not include data, \$47 billion is only about the typical CPaaS market, communication market and if we combine data, it is probably more than \$100 billion.

So, yes, I see a lot of opportunity with mainly medium and large enterprises as they are moving towards digitalization, and they can use our APIs to push their communication with their users.

Ritu Mehta: The next question is from Abhishek Bhandari of Macquarie.

Abhishek Bhandari: You predominantly work in commodity SMS business. What are your plans to increase other communication modes? Peers have got huge funding and even global competition has entered India, so how are you looking at the competitive landscape?

Uday Kumar Reddy: Abhishek, yes, as you rightly said, this market has witnessed massive funding in the last probably six to eight months, at least four large players were acquired. We acquired Karix, which is the largest enterprise software company from Blackstone two years ago. And a couple of large CPaaS players in international market Twilio and Sinch, they have acquired second and third aggregators in India.

And yes, we are pretty excited in the sense like one is let me correct you we are not in commodity market. DLT is not commodity market. DLT is a blockchain, which is a complex platform, which took almost nearly two years for us to build this platform. So, the DLT platform is not only for SMS, but also for voice going forward. We do not know what all TRAI is going to bring in, as a channel on this platform. But as in today, they mandated telcos to use this platform for both SMS and voice. It is not a commodity market. Otherwise, we will not be serving the large enterprises, as Deepak mentioned that Karix has been serving ICICI bank from 2001; State Bank of India for more than one decade. Had it been a commodity market, they would have replaced us quite some time back, so it is more of solutioning.

So, as a told you earlier, all these are bearers, SMS, email, push notification, WhatsApp, they are all bearers, what really matters is solutioning. That is

what we have been doing for ages, but we have really scaled up in the last 16, 17 months or probably two years. Once the Karix and Tanla are tightly integrated, and we are pushing all the Karix solutions on our platforms, so that is where we see a lot of synergy between Karix and Tanla. So that is where we are excited.

Ritu Mehta: The next question is from Niral Gangar of Neev Investments & Management Advisors.

Niral Gangar: Considering we are huge cash flow positive, are we looking to buy companies to grow at a faster pace, as compared to competition?

Uday Kumar Reddy: Yes, as we speak, we have around Rs. 585 crores balance on 31st March and we are adding massive cash every month, every quarter. But as I told you earlier, we are cautious about financials. So, if you look at our last two years history, we acquired two companies, one from Blackstone and the other one is Gamooga from the founder. And that is where we kind of paid Rs. 250 crores towards acquisitions. And we used around Rs.185 crores towards a buyback and dividend.

So, we are good at the capital allocation. If you look at our history in the last couple of years, we are not here to acquire any company for numbers, we are pretty clear. This is what I told Aravind in the beginning itself, we do not want to acquire any company for numbers, we are clear about that. We would like to look at the bolt-on acquisitions, meaning to say that we will look at companies, which are predominantly strong on technology, which will complement our one platform strategy.

So, yes, we always look for opportunities, as and when we find interesting technology companies, which can go on to our platform. Our platform has got a clean and neat architecture. And I do not want anybody to meddle with our one platform strategy. So as and when we find any interesting company in terms of technology space, yes, we will definitely acquire those companies.

So yes, we have our own plans. We need money for expansions. So that is where we made a lot of cash. And third area is we are fully committed to one platform strategy that's where Microsoft and us have been working very closely on this platform, and we have a clear roadmap for the next one year for Wisely. So, we need the money to build the platforms & products, second one is expansion plans and third one is whenever we see a good acquisition, we are all for it.

Ritu Mehta: The next question is from Bhupendra Tiwari of ICICI Direct.

Bhupendra Tiwari: Can you talk about your global competitiveness, what separates you from them, especially Twilio?

Uday Kumar Reddy: We have a huge respect for Twilio. They are the industry leaders. I think they are probably \$65 billion company. They are predominantly offering APIs to app developers, whereas we are offering our APIs to enterprises. So, they are good at servicing app developers, and we are good at servicing enterprises. So, yes, we love to work with our, I do not want to use the word competitors but, yes, we would like to work with them. They would like to

work with us. We have been working with them. They have been working with us. So, sometimes we compete, sometimes we work together. So, I do not see any challenge out there. We have our own strengths. They have their own strengths. So, we are pretty excited about the global opportunity.

Ritu Mehta: The next question is from Darshan Engineer of SBICAP Securities.

Darshan Parekh: What is the government business like in terms of profitability and overall returns? And what is the share in our overall revenues? Does the business get bid out every year or at fixed intervals?

Uday Kumar Reddy: No, so, it is a transactional business. So, Karix have been serving Government of India through NIC for last 7 years. So, it is like a long-term contract. It is not a one-off contract. It is a long-term contract and it is not fixed fee. It is a transactional business. So, Karix do work with NIC on various channels, so we have the rate card, and I cannot really give you my margin percentage, but we are incredibly happy about our margins. We have been doing business for last six-seven years and we are extremely excited about the opportunity.

We are fortunate to work with different departments, opportunity to serve our citizens. So that is where we get a lot of kick out of the whole thing like we are the one who drove the vaccination and a couple of other large projects for the last six, seven years. We are happy about our engagement with the Government of India through NIC and I do not see any problem.

Ritu Mehta: The next question is from Amit Vora of PCS Securities.

Amit Vora: What is the opportunity size of Trubloq in the international market? Do we have any right to play in those markets?

Uday Kumar Reddy: So, Amit, it is a good question. In fact, I would like to call Trubloq our DLT platform as a GRC, governance and regulatory compliance platform, right, because this platform is completely driven by the Indian telecom regulator, TRAI, in India and, so as TRA in UAE market. I think the challenges that we have been facing in India are the same in UAE, spam & fraud and probably beyond that.

The challenges are the same in each and every country, probably in most advanced countries like US and most of the European countries have got the similar problem. If you go and Google it, we have the similar problems. So, if the regulator decides to implement the GRC platform, which is nothing but DLT platform, which is mainly on the blockchain and that is where we see a lot of opportunity, because now we have implemented in large market, very, very complicated market in terms of the size and then in terms of the transactions, in terms of enterprises, and so on so forth. We learned the art in the last two years. We have been working with the telcos, enterprises, and the regulators. As we speak, we have been deploying with Dubai.

So, I am not the one who is going to decide when the regulators are going to implement GRC platform. But if you ask me personally, that is what the whole world is moving. Who does not want data security, who does not want data privacy, who wants to receive spam and fraud? Nobody wants to receive

spam messages right. So, we are building on the platform, we have been enriching this platform for last one year. We have gained a massive expertise in the last 1, 1.5 year. So, I think we have a clear edge. As and when we see the opportunities with the global market, I think we see ourselves in a good position.

Ritu Mehta:

The next question is from Saurabh Jain of ICICI Securities

Saurabh Jain:

What has changed in last one year that has led to such a turnaround in business performance?

Uday Kumar Reddy:

Saurabh, like you know, this is not a question of last one year that is what our numbers demonstrated. If you look at our story for the last five years, nothing is accidental. Let us be clear here. It may appear as accidental; it is absolutely not right. So, we see the opportunity. In fact, for the last 20 years, we have been working with only telcos that is where we build our domain knowledge in terms of handling the platforms. But what we realized is, for us to offer our solutions to enterprises, we need to have a play in that space. That is how we ended up acquiring Karix, which is the largest aggregator in India. They have 30% plus market share. They have been in the market for the last two decades and they are the undisputed market leader.

So, we decided to acquire the company so our strategy is to close the loop from operator to mobile carrier to enterprises, that is the first thing that is where I end up acquiring this company. That is where we went outright. This is one of the most successful acquisitions that we saw in this space. So, the reason why it is remarkably successful acquisition is, Deepak's team, and our team, in the sense, Tanla's team, they have been working together for last probably 15 years. They know each other for the last 15 years. Karix have been using our platform for more than one and a half decade. So, we understand their culture, they understand our culture, and both the companies decided to work together. And that is the one trigger if you have to qualify, that's number one.

Number two, since now, we understand the enterprises' needs, right. Thanks to again, Karix team, they keep coming back and keep challenging our product team. So, they come out with a lot of solutions. Since we are in control of the platforms, that is how we could turned around the entire story. In the sense, we saw the DLT opportunity through Karix. We jumped it. We build the DLT platform, and we helped the Karix enterprises to comply with it.

So, acquisition, which is Karix, the two is innovation. Back-to-back, we launched two platforms. One is Trubloq, which is a massive success and Wisely, again, one more massive success in the last one year. So, innovation and acquisition. So, it is not accidental, let me repeat again. We have been judiciously following our strategy. We are implementing day in day out. In fact, if you look at our board members, we have strengthened our board in the last four or five years. We have massive guidance from the board. They are the industry leaders on the board. Then we strengthened our audit process. We brought in the best of the auditors in India. We have the internal auditors like the Deloitte and BDO and also KPMG are our three auditors.

So, we have been addressing on from all the angles, right from the governance to the innovation, to the customer success. So, it is not accidental. I am sorry, it is not one year, it was a five year relentless journey and we see the success. And if you look at our confidence, in terms of working with the large telcos, large enterprises, and the regulators, we are in a different ballgame now. So, it is not one year, it is probably more than five years.

Ritu Mehta: Then the next question is from Radha Krishna of Winfo Solutions.

Radha Krishna: How do you foresee the risk associated with telecom industry consolidation in India and they want to improve their revenues and they want to venture into vast areas directly?

Uday Kumar Reddy: Radha, this is a good question. In fact, most of time we partner with the telcos, we partner with each and every telco in India. Sometimes we end up competing with them, but most of the time we partner with the telcos. So, we have our own strength. The biggest strength is Karix. Karix has got a massive proposition with the enterprises. They have been serving for more than two decades. That is our biggest strength.

So, we have a very, very captive business with enterprises. For now, you just name any enterprise in India, they have been with Karix. So once Karix is on our side, right, we have the captive business. Again, we see telcos are our partners. They are more of our suppliers, rather than anything else. So, as long as we have the consumers on our side, it becomes relatively easy for me to work with any suppliers, including mobile carriers, or it could be WhatsApp suppliers, or it could be any channel suppliers, it could be email supplier, it does not really matter. So that is where our strength lies.

Ritu Mehta: The next question is from Abhishek Bhandari of Macquarie.

Abhishek Bhandari: Do you think there is a merit in going the developer API way like Twilio or you would want to prefer to remain in the enterprise segment? What are the advantages and disadvantages?

Uday Kumar Reddy: So, as I told you earlier, we have been serving enterprises that is where we built a massive domain knowledge. But we see a lot of opportunity within enterprises. I am not trying to say that we will not look at the developer space. But as on today, we are busy serving our customers. We see a massive opportunity with enterprises. Probably in future, we may, I do not know. As on today, but we are incredibly happy serving our customers. So, we have a massive opportunity, so I do not want to miss that opportunity.

Ritu Mehta: The next question is from Mithun Aswath of Kivah Advisors.

Mithun Aswath: How sustainable are the margins in this business? What are the entry barriers? Can telecom players themselves also enter this space?

Uday Kumar Reddy: See, we have been consistently demonstrating margin expansions quarter on quarter, probably for more than two years. The reason is quite simple, right. The way, I explained in my example. If you look at any transaction, you think about a banking transaction or you think about any food transaction,

right. From enterprises up to the time it reaches the mobile users, it will touch minimum four to five touchpoints. It starts with AI platform, which is developed by Gamooga, that is where the communication kick starts, that is the first the touch point. Then secondly, moves to the Karix, because Karix owns that account, again it will touch this Karix account. And the third one is it will touch our GRC platform, which is a DLT platform. That is the third touch point. And the fourth touch point is our SMSC or any other platform, whether it could be voice or it could be email, a push notification, any platform, right and also conversation platform.

If you look this particular notification, it touches more than three; sometimes three, sometimes four, sometimes five, also. In fact, more than 50% of the transactions that we handle, right, touch more than three times on our platform. So, whenever they touch our platform, that means we are bringing some value addition to our users, our enterprise.

So, if you look at the reason why our margins have expanded pretty well in the last couple of years, because we offer end to end, right. So once the Gamooga integrates with the enterprise; that means Karix integrates with the platform, the Karix APIs are integrated with our Tanla platform. So, it is kind of once we land in any account, we expand, we grow, that is what Deepak has explained in his presentation. That is the reason like because of this, our margins are expanding.

So, I am not pretty obsessed with the revenues, and I want to be clear today. What you need to understand here is whether you want to book the value of the transaction, which is around, assuming that like in this example, probably 13 paisa is one example, one transaction. Do you want to book that 13 paisa as your revenues or the revenue share on your 13 paisa? If you book 20%, 25% is your share, so you end up booking only 2.5 paisa, you do not book in 13 paisa. So that is the reason our margins are expanding in the last two years.

So, this model brings two things, one is stability across the ecosystem and stickiness with the customer. And third one is our opportunity to service, opportunity to add the value addition to the enterprises at the various levels. And that is where we make the money. Probably we make, if I am allowed to say in this forum, so we make probably four times on one single transaction, right. So probably our competitors make only once, but we make four times, so if that helps you to understand the flow.

Ritu Mehta:

The next question is from Swapnil Potdukhe of JM Financial.

Swapnil Potdukhe:

Can you help us understand the unit economics for Wisely and if there is any revenue share with Microsoft?

Uday Kumar Reddy:

Swapnil, it is a good question. We are pretty clear. So, the arrangement with Microsoft is they are our cloud partner. They are our technology partner. They are our GTM partner. So, when we go to the customer, right, so Tanla, as a platform owner, which is Wisely owner, we charge on per transactions. Sometimes we work on subscription model, sometimes we work on transaction model, which we are still figuring out in India before we launch in international market. So, that's number one.

But we do not share any revenue share with Microsoft. Let us be very clear about it right. But why Microsoft is interested to drive this product is quite simple because our platforms are hosted on the Azure Stack, which is the global stack. That is number one. That means we end up burning their cloud. So, it is going to be win-win situation. One is, whenever we transact, this is going to help them burn their cloud, number one. Number two is, they have an opportunity to onboard our client on their cloud, right. So, it is a win-win situation for both of us.

To answer your question, no, we do not share any revenue share with Microsoft and so they have their own agreement, and we have own agreement with the enterprises.

Ritu Mehta: The next question is from Karthi Keyan of Suyash Advisors.

Karthi Keyan: When do you expect RCS to be launched in India? Second question is price sensitivity of customers in context to SMS or WhatsApp.

Uday Kumar Reddy: In terms of RCS, I think I am not the right person. But having said that, I think the telcos are testing the platform. I mean, the biggest challenge I see with the RCS is the reach. They cannot reach each and every mobile handset in India. They can reach only the Android handsets, that's number one. Number two, they also reach only particular kinds of handset in India, they cannot reach all.

So, if you look at one of the telcos, which I do not want to drop the name here, I do not think they can reach more than 15 million user base in the network. But RCS is a phenomenal technology, and it brings a lot of fantastic experience to the users. But when it comes to revenues, I do not think it is going to generate more than probably 1% revenues of the CPaaS in the Indian market. So, it is going to be one more channel, but as and when we launch, we will be one of the first companies to use that channel in India and outside India.

Ritu Mehta: The next question is from Pranav Kshatriya of Edelweiss.

Pranav Parikh: What is the product roadmap and any areas where the company will require investment in acquisition?

Uday Kumar Reddy: Pranav, as I told you earlier, we are clear. We are a platforms company. We have a massive roadmap for them. In fact, our product team is busy launching the releases, every week we have a release. And this is never ending. We keep launching our products, our platforms, we will keep launching solutions. So, any platform company, they have to keep augmenting the capacities or the features. So, we have a massive roadmap, and we are working with Microsoft. We have defined our roadmap for the next at least for six months. I think probably our team is also lining up roadmap for the next one year. But I am more worried about my releases in the next couple of months.

So, yes, as in when we find any acquisitions, the acquisitions which can help us improve the capabilities on our one platform strategy, we are more than happy to look at any company in this space.

Ritu Mehta: The next question is for Deepak Goyal from Anil Sarin of Centrum Wealth Management.

Anil Sarin: How do you see rollout of similar business in Karix in a new global market? Which regions will you focus on entering once you decide to go international?

Deepak Goyal: So, as Uday mentioned, right, we will have one platform strategy for international markets and is going to be Wisely. So, we will be building our solutions on Wisely. So, whether it is Gamooga, whether it is Karix or it is Tanla, everything is going to be on Wisely. And as we mentioned earlier, Wisely is providing data privacy and data security. This is one of a kind platforms in the world, right, which no one has, and this is what everybody wants.

So, we are excited to enter global markets with this. And to start with, as we already won two contracts with Du and Etisalat in UAE for our Trubloq. So, it is very obvious that UAE is the market. We have already, in fact, started acquiring customers there. And UAE is the market where we are excited about in the near term, but you would hear more about the new geographies in next couple of months.

Anil Sarin: Aravind, how do you see that you would be maintaining the current margins going forward?

Aravind Viswanathan: So, I think Uday kind of talked about it in detail. But just to kind of talk about the key points here, I think one is clearly our platform strategy. We have seen that our platform business operates at significantly superior gross margins to the enterprise business and we kind of being consistently increasing our share of our platform business, platform business gross margins contributed about 20% of the overall gross margins in FY20, which moved to 24% in FY21. And the platform business gross margins grew by 80% yoy in the last year.

And I think, if you kind of looked at the entire conversation today, the big theme for us is to be much more of a platform company. And we are going across the globe with our one platform strategy. So that is going to be something which is going to be a huge lever for us, from a profitability perspective. Obviously, we maintain all our discipline in terms of driving solutioning with the enterprises, which is always a good means of driving profitability, but broadly within this, I think we have levers, given our scale, given the kind of innovation that we do to maintain our profitability.

Ritu Mehta: The next question is from Milind Karmarkar of Dalal & Broacha.

Milind Karmarkar: I do understand that India has a large opportunity, and it has yet to be exploited, but so is the global opportunity. With Wisely, what kind of opportunity do you see in the global front?

Uday Kumar Reddy: Milind, our path forward is clear. We are going ahead with one platform strategy, and we are not here to rip and replace our legacy vendors. We want to in fact reduce the competitive friction with our competitors. So, we are in Greenfield opportunity, and we are pretty excited. In fact, with one platform strategy, we would like to create our own opportunity in the global market.

So, we are pretty excited. So anyway, we are going to talk for a period of time. So, you will see how the one platform strategy, which is Wisely platform, is going to unfold in the coming months.

End of Q&A

Ritu Mehta: Thank you, everyone. That was the last question for the evening. In case we could not take your questions due to time constraints, please feel free to reach out to our Investor Relations team. I will now hand it over to Uday for closing remarks.

Uday Kumar Reddy: I really enjoyed engaging in the Q&A session. Thank you Ritu, Deepak, and Aravind. Thank you all for joining us today for this meet. Let me assure you, we are not here for quick wins. We want to build a great platform company. We want to build a long-lasting value. Thank you for your time and thank you for your trust in Tanla.

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