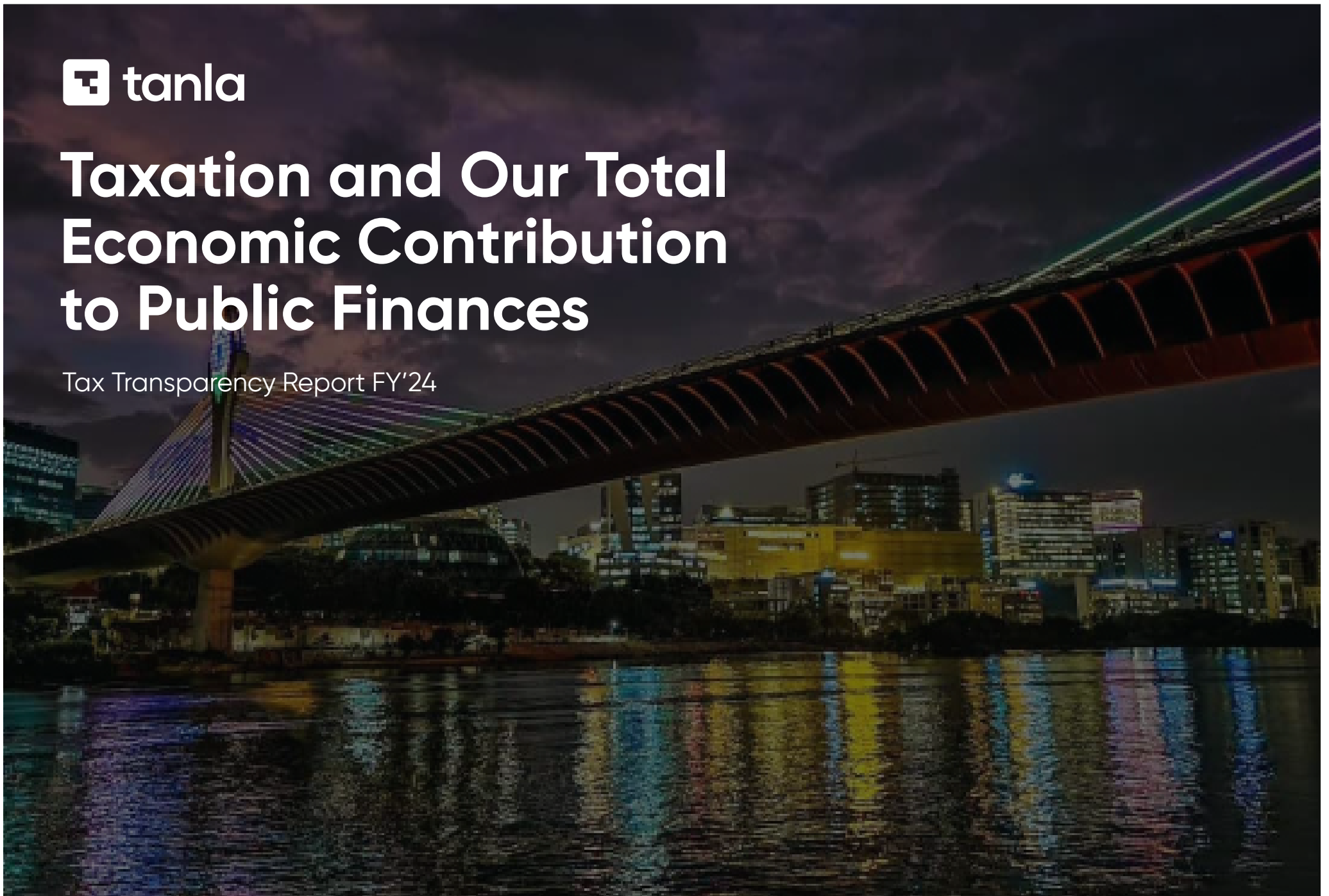




Taxation and Our Total Economic Contribution to Public Finances

Tax Transparency Report FY'24



Group Financial Performance

INR 39,278 Mn

Revenues

INR 6,834 Mn

Profit before tax

INR 5,483 Mn

Profit after tax

Total Economic Contribution

INR 1,536 Mn

Tax contribution

INR 7,966 Mn

Tax collection

INR 9,502 Mn

Total Tax contribution

Innovation & Recognition


Growth
Partner
of the YearEnterprise
Communication

Leading Mid-
Corporate
of India

S&P Global's 2024
Sustainability
YearbookGlobal HR
Excellence Award
'Industry Mover' inListed in: MSCI 






“



Tanla has not only established itself as a global leader in financial performance and shareholder value creation but also as a force for positive change in the world. What fills me with immense pride is our ability to make a meaningful impact on society. Our innovative business model is designed to protect digital citizens across India and beyond, while contributing approximately INR 9,502 million to global public finances through taxes and economic initiatives. Our promise to investors and stakeholders is clear: we will continue to lead with integrity, increasing our disclosures, and shaping a better, more secure world of digital interactions.

Uday Reddy

Founder Chairman and CEO

”

CFO'S Perspective



Abhishek Kumar Jain

Chief Financial Officer
Tanla Platforms Limited

As I wrap up my second month as CFO at Tanla, what really stands out to me is our relentless drive for innovation and our deep commitment to delivering amazing customer experiences – all while maintaining strong financial discipline.

Earlier this year, we launched our first Integrated Report for FY24, showcasing how we create value across various dimensions like financial, human, and intellectual capital. Today, I'm excited to take this a step further by sharing our Tax Transparency Report for FY24.

While our Quarterly Shareholder Report gives you a snapshot of our tax contributions and updates on assessments in India, this report offers a complete view of our tax contributions across all the regions where we operate.

In FY24, our total tax contribution grew by 14%, thanks in part to our acquisition of ValueFirst, India Business last year.

Our tax strategy is backed by a Board-approved policy that aligns with ESG principles on governance. This approach not only builds trust with our investors and stakeholders but also supports our commitment to long-term sustainability. Our guiding principles are:

- 100% compliance with all applicable laws, both in letter and spirit in the countries we operate in.
- Transparent tax payments that contribute to community development.
- Integrity and openness in all our communications with tax authorities.

As we continue to strengthen our financial transparency, we'd love to hear from you. Your feedback is crucial in helping us refine our practices. Feel free to share your thoughts or any questions with us at investorhelp@tanla.com.

Regards,

Abhishek Kumar Jain

About Tanla

Overview

Tanla transforms digital interactions by empowering users and enabling enterprises through an innovation-led Communications Platform as a Service (CPaaS) business (a specialized form of SaaS). Founded in 1999, Tanla is a pioneer in the world of mobile and digital communications. We are the preferred partner for 2,000+ enterprises and their users across industries in India including global tech majors.

Tanla is the industry leader in CPaaS with a market share of ~35% in India. We are predominantly focused on India (~95% of our business), being the player of choice across industry leaders with plans to expand to regions in the Middle East and Southeast Asia.

Headquartered in Hyderabad, India, Tanla is listed on India's national exchanges, the National Stock Exchange of India (NSE) and Bombay Stock Exchange Limited (BSE), and is included in prestigious global indices such as the Nifty 500, BSE 500, Nifty Digital Index, FTSE Russell, and MSCI.

Our Mission, Purpose and Values

Mission: Our mission is to build a trustworthy and transparent

ecosystem with a suite of products and solutions that set new benchmarks in the industry.

Purpose: We adhere to a philosophy of mutual prosperity – to Empower Consumers and Enable Companies– encapsulated in our mission of shaping a world of trusted digital experiences.

Values: Our purpose is rooted in the values of no scam, no spam, data privacy, data security, ubiquitous accessibility, 100% transparency, and purposeful collaboration, which guide all our thoughts, actions, partnerships, innovations, and strategies.

What do we do?

We reshape the path that businesses and users take for their digital interactions by creating synergy between digital platforms and enterprise communications.

How do we do it?

Born from an ethos of innovation, disruption, and constant evolution, we aim to leverage greenfield technologies that open up opportunities for our enterprises and their users. We have built a single intelligent platform that integrates products and solutions across the spectrum of digital interactions.

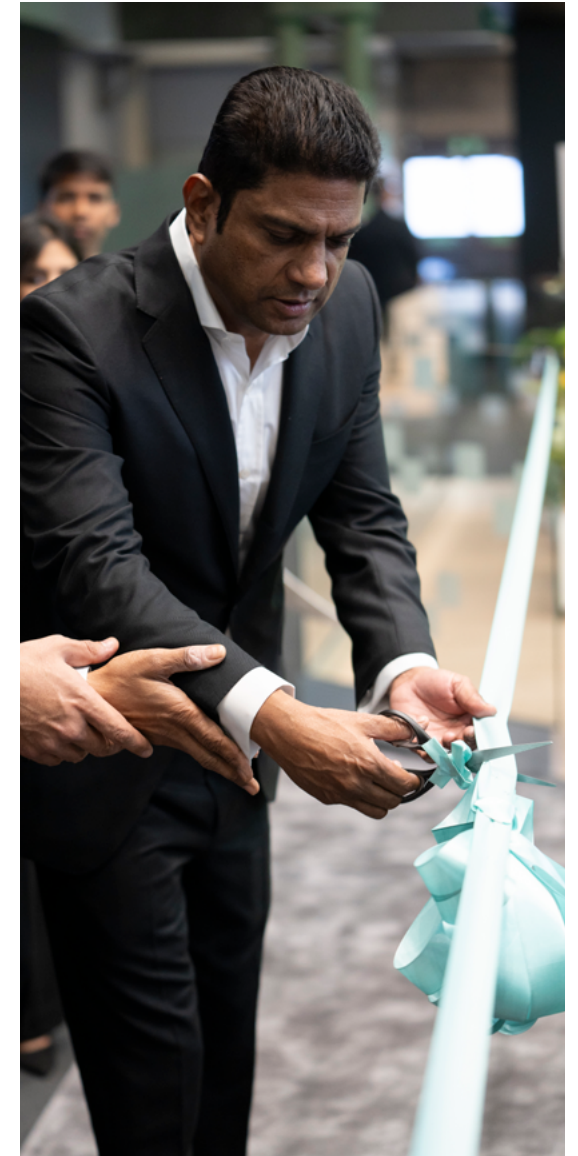
Who shares our vision and values?

Over the decades, we have forged profound partnerships with global innovators to jointly tackle the challenges of digital communication. This global network of telcos, and technological powerhouses, enables us to offer solutions that exceed expectations.

Who do we do it for?

Customers who place their faith in us. We're the preferred partner for over 2,000 enterprises and their users across industries in India, commanding more than 35% of the CPaaS market share in the country. This trust extends beyond borders to regions in the Middle East, Southeast Asia, Europe, and North America, where we serve global tech giants and marquee players.

Note: The market size data presented is based on our internal analysis. This assessment is indicative and should be considered as a general reference.



Creating impact

Tanla is at the forefront of revolutionizing trusted digital experiences, dedicated to empowering consumers and enabling companies worldwide. Our mission extends beyond innovation to delivering tangible benefits that contribute to economic growth, societal well-being, and environmental sustainability.

As a publicly traded company headquartered in Hyderabad, India, and listed on both the NSE and BSE under the ticker symbols NSE: TANLA and BSE: 532790, we are committed to maintaining the highest standards of transparency, governance, and ethical business practices. Our inclusion in prestigious indices such as the Nifty 500, BSE 500, FTSE Russell, and MSCI highlights our strong market presence and sustained growth.

Tanla has acquired ValueFirst India from Twilio for \$42 million. This acquisition enhances Tanla's leadership in the Indian CPaaS market, increasing its market share to 35% and strengthening its presence in international markets like Saudi Arabia, UAE, and Indonesia. ValueFirst, with significant revenues and a strong customer base, will operate as an independent subsidiary.

At the heart of our pioneering efforts is Trubloq, the world's first blockchain-enabled compliance platform. Trubloq has a profound impact on the daily lives of over a billion users by ensuring secure, transparent communications. This

initiative aligns with our broader mission of enhancing digital trust and establishing a safer digital environment for all.

Building on our expertise in digital communications, we have developed Wisely ATP—an anti-phishing technology platform that leverages cutting-edge AI/ML technologies to detect and prevent phishing attacks in under 50 milliseconds, protecting users from over 6 million monthly phishing attempts and 71,000+ scam sender IDs.

Our RCS platform enriches customer engagement with interactive, media-rich messaging, holding a 60% market share in India and processing over 1.5 billion messages monthly. We've also launched Messaging as a Platform (MaaP), enhancing Google's Rich Business Messaging with secure, omnichannel interactions, in collaboration with major telecoms like Vodafone Idea.

Our flagship Wisely Platform integrates Generative AI for seamless digital communications across SMS, voice, email, WhatsApp, and RCS, optimizing processes, boosting compliance, and enhancing data security. Powered by Wise Albert, it ensures personalized, scalable, and secure customer interactions.

In addition to transforming the digital landscape, we recognize our responsibility towards contributing to the economy and society. Our efforts in fostering innovation are not just confined to products and

services but extend to creating jobs, investing in sustainable practices, and building strong relationships with our stakeholders. We proudly collaborate with governments, enterprises, and communities to drive positive change.

As part of this commitment, our technology platform serves the National Informatics Centre Services Inc. (NICSI). The technology platform has created a positive contribution to society by enabling critical messaging services for key government bodies such as the Income Tax Department, the Goods and Services Tax (GST) department, the Employees' Provident Fund Office (EPFO), and UIDAI (Aadhaar authentication). Through these collaborations, we empower public services to operate efficiently, contributing to the nation's digital infrastructure and improving the lives of millions.

The real impact is measured not just by technological advancements but also by our role in contributing to a sustainable future. We are committed to achieving Net Carbon Neutrality through strategic investments in renewable energy, energy-efficient technologies, and carbon offset initiatives. Our aim is to ensure that our operations contribute positively to the environment while setting benchmarks in corporate sustainability.



Tanla and its ESG Initiatives

The sustained prosperity of Tanla is attributable to the strong relationships cultivated with our customers, partners, and communities. By nurturing our bond with all our stakeholders, we create a resilient and supportive business environment that is conducive to achieving our strategic objectives.

Our Corporate Social Responsibility (CSR) initiatives focus on uplifting education and employment in rural areas of India. Through these efforts,we adopt ecofriendly supply chain practices, advocate recycling and circular economy principles, and invest in green technologies. By nurturing a culture of environmental responsibility and collaborating with stakeholders, we are dedicated to preserve the planet for future generations to come.

We harness the power of our Corporate Social Responsibility (CSR) programs to create a positive impact on our communities while enhancing opportunities for the underserved and making meaningful contributions to the society by building a sustainable future for all. Our CSR initiatives are integrated into our core business practices and are designed to facilitate social welfare, environmental stewardship, and community development. We aim to enhance community welfare by:

- Enacting our social responsibility with integrity through effective CSR Governance

- Dovetailing innovation and technology to enhance efficiency and delivery of CSR interventions
- Creating a credible and sustainable impact through programs that explore solutions to the most relevant problem statements for our communities

Tanla's CSR strategy has been developed in line with the requirements of Schedule VII, Section 135 of the Companies Act, 2013. A dedicated CSR committee steers our community engagements, provides oversight of the implementation of activities, monitors ongoing progress, ensures compliance with regulatory norms, and maximizes impact for beneficiaries. In FY24, Tanla spent INR 2.28 Crores on CSR activities impacting 7,690 beneficiaries.

Our CSR strategy calls for working collaboratively with the community, ascertaining and addressing their specific needs. To better cater to community needs, we undertake several proactive steps, including:

- Community Needs Assessment:** Constant interaction with end beneficiaries to understand their evolving needs to tailor initiatives accordingly.
- Building Local Capacity:** Empowering locals to take ownership of projects to ensure long-term sustainability.
- Partnerships:** Working with NGOs, government agencies, and other

stakeholders to combine resources and expertise for a broad-reaching impact, while ensuring local involvement for inclusive ownership of these programs.

By taking a multifaceted approach that addresses not just education but also the underlying social and economic factors, Tanla is fostering a brighter future for rural areas in India.

Tanla Foundation's Scholarship Program

Tanla Foundation prioritizes building a strong community. In line with this commitment, we partnered with IIT Madras to launch a scholarship program to support five exceptional students every year from economically disadvantaged backgrounds to pursue higher education in computer science engineering (CSE). Students are meticulously chosen based on both academic merit and financial need. These scholarships provide comprehensive support, covering tuition, hostel fees, and other educational expenses. By removing financial burden, the program empowers students to focus on academics and achieve excellence. Our eligibility criteria ensures that the scholarships reach the most deserving students. We prioritize those who demonstrate academic excellence in their chosen field and have a genuine financial need. We are confident that our scholarship support will play a vital role in fostering the future generation of well-rounded computer science engineering (CSE) professionals. We are in the second

year of extending this support and have been able to help ten students so far.

Focus on Infrastructure and Accessibility as a Holistic Solution for Rural Development

Building infrastructure for accessibility and safety is crucial for rural development, ensuring no hindrance to the fundamental right to education. Our initiatives extend beyond school maintenance and ensure a safe and conducive learning environment. We provide water and sanitation facilities, essential for student health and well-being, thereby enhancing attendance and focus in the classroom. This also creates awareness around the benefits of access to clean water and sanitation, playing a vital role in the overall health of the rural areas we support. Road improvement projects, which involve laying new roads or repairing existing ones, ensure smoother and safer journeys not just to the schools that we support but for the rural area at large, making commutes easier to cities and towns and improving access to the import and export of goods. Moreover, the installation of streetlights throughout the rural areas that we support, creates a well-lit environment, deterring crime and making night-time commutes safe for everyone.

Tax as a part of ESG

Tax transparency is not just about revealing how much tax a company pays. It also involves actively demonstrating such company's behaviour regarding tax matters. Tax transparency is intrinsically linked to the governance element of ESG reporting.

Under ESG frameworks that include tax transparency build trust among investors and other stakeholders, highlighting the company's commitment to integrity and longterm sustainability.

Environmental: Transparent tax practices ensure that a fair share of company profits is allocated to public resources, which can fund environmental protection and sustainability projects.

Social: Transparent tax payments contribute to community development by funding public services such as education, healthcare, and infrastructure.

Governance: Transparent tax reporting holds companies accountable to shareholders, regulators, and the public, ensuring responsible corporate behaviour. Clear and honest tax practices reduce the risk of statutory penalties and reputational damage associated with tax evasion or avoidance.



Approach to Tax



At Tanla, we have a defining purpose: Empower Consumers and Enable Companies. Our business model transcends financial objectives, delivered substantial social and ethical outcomes. This philosophy also guides our approach to taxation. We recognize that a responsible stance on taxation is a fundamental aspect of our ESG journey. By adhering to this principle, we ensure that our business contributes positively to society and upholds our commitment to ethical practices.

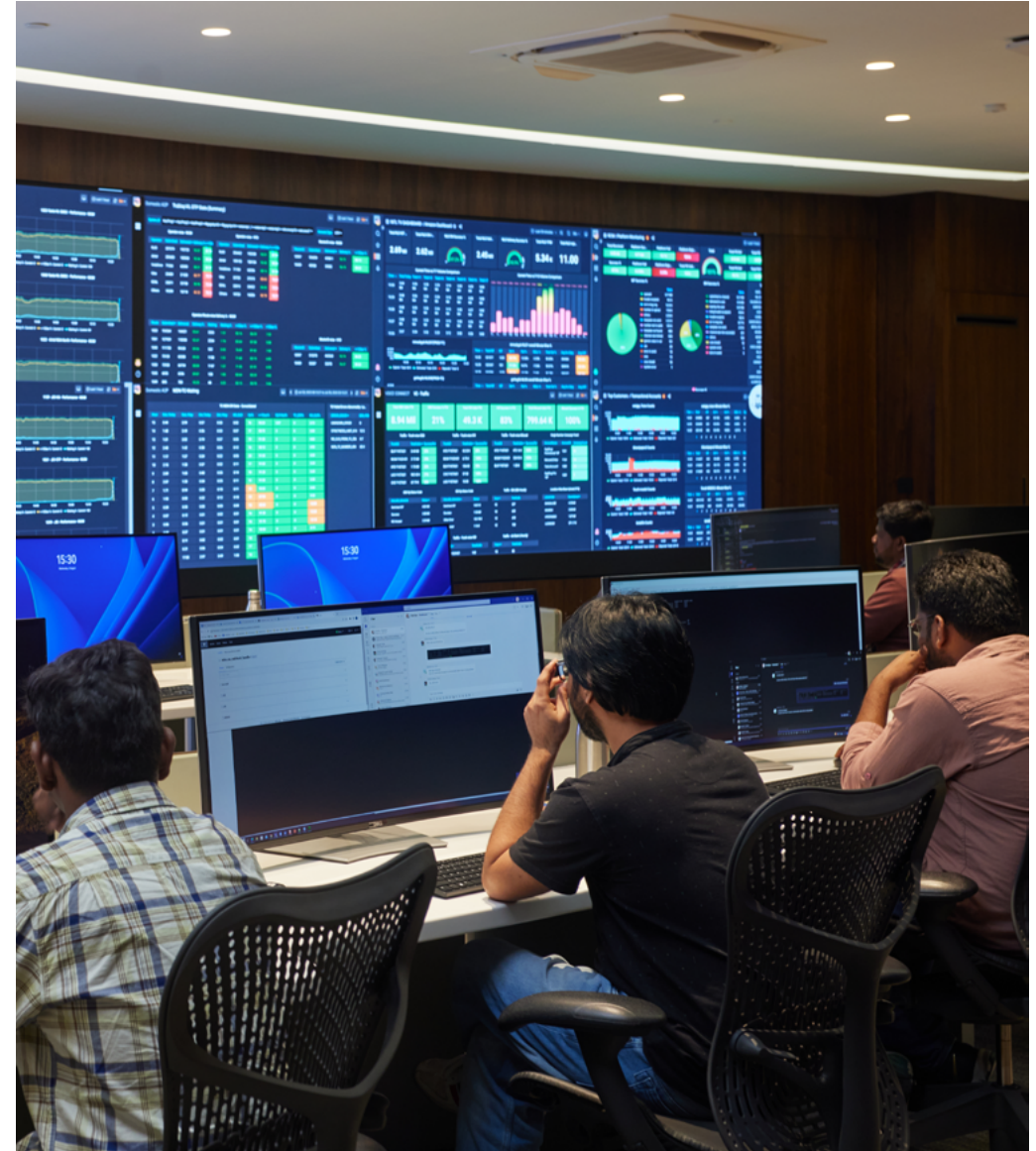
Our business model is influenced by multiple factors - access to customers, availability of talent, strong legal system for IP protection, data localization and data privacy regulations to name a few. Tax implications is a consequence of the business model. We maintain a consistent approach to taxation across all jurisdictions we operate in, ensuring alignment with our overall business strategy and adherence to local regulations.

Our approach to tax is guided by the following aspects:

- 100% compliance with tax regulations and reporting requirements.
- Taxation is aligned with the underlying economic activities and value creation.
- Contemporaneous and detailed documentation is maintained.

- Robust tax risk management and governance is in place.
- Strong code of conduct to implement the best business, commercial and legal practices.
- Nurture the ecosystem we operate in to be tax compliant – be it our employees, partners, vendors, customers or other stakeholders.

Our approach to tax demonstrates our commitment to act transparently and responsibly on all tax matters across the geographies we operate in. We engage with local tax authorities in a transparent and constructive manner and ensure we pay our fair share of taxes.



Approach to Tax

Stakeholder Engagement



GRI 207-2-b,
207-3

We aim to foster open and constructive dialogue with our stakeholders, which include relevant tax authorities/regulators, shareholders, customers, business partners, employees, governments, non-governmental organizations, and the communities where we operate. Our goal is to build relationships with tax authorities/regulators founded on mutual respect, transparency, and trust. We actively participate in compliance initiatives with these authorities.

Additionally, we strive for upfront certainty regarding the interpretation of regulations, seeking clarification from tax experts whenever appropriate.

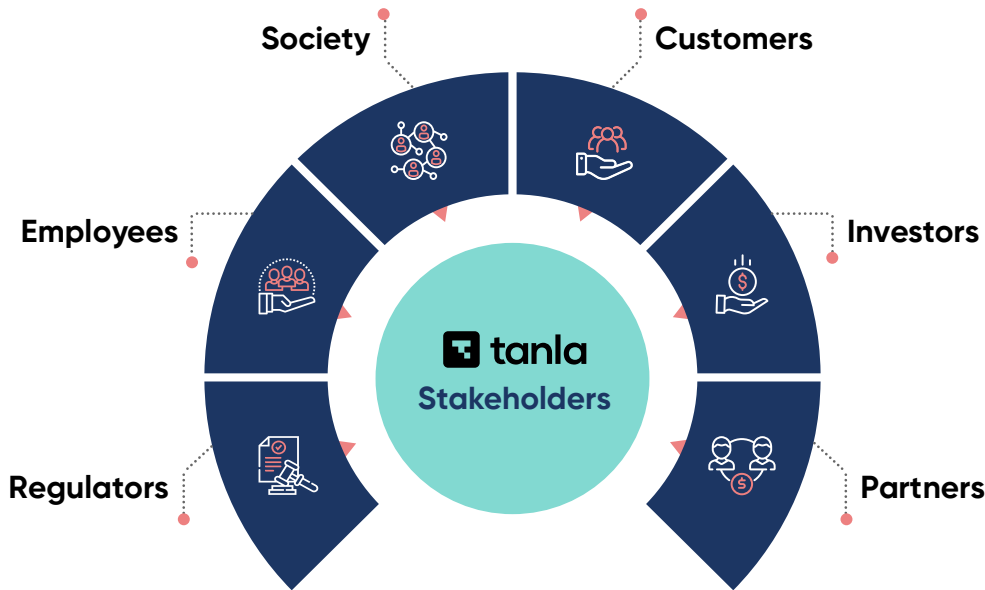
In our activities, we gain substantial value from engaging with, listening to, and learning from our diverse stakeholders. We are committed to deepening our stakeholder dialogues to ensure our tax approach consistently aligns with their expectations.

SMS and Email Communication: Tanla prioritizes direct communication with its shareholders and investors through SMS and Email updates. This ensures that investors receive timely and relevant information directly from the company on a quarterly basis.

Dedicated Investor Support: We have established a dedicated email address, investorhelp@tanla.com, to provide investors with easy access to support and information. This initiative enhances accessibility and ensures that queries are addressed promptly.

Quarterly Shareholder Letter: Another notable initiative is the Quarterly Shareholder Letter, which significantly enhances transparency and builds trust. This letter provides shareholders with timely updates on corporate and business developments, ensuring that all important information is communicated clearly and consistently.

Social Media Engagement: We also actively utilize our social media channels for corporate announcements and product-related updates. This innovative approach promotes transparency and allows for real-time engagement with stakeholders and the broader public.



Tax Governance, Compliance and Risk Management



Tax governance

The Group's tax policy is intricately aligned with its core values, corporate governance standards, and integrated with the enterprise risk management framework applicable across all jurisdictions. This alignment ensures that our tax practices uphold the highest standards of ethical conduct and transparency, supporting our commitment to responsible corporate citizenship. By embedding tax strategy into our broader governance and risk management framework, we aim to enhance compliance, mitigate risks, and promote sustainable financial practices in every region we operate.

Governance

The Board of Directors of Tanla provides the strategic direction to the Company while upholding the highest standards of corporate governance. Our tax policy is approved by our Board of Directors on period basis. On a quarterly basis, key developments on both direct and indirect taxes are presented to the audit committee by the management team/ external tax consultants. Tanla has a professionally qualified internal tax function which undergoes regular trainings on tax developments and the team is supported by external tax specialists on a need-be basis. We also have periodic review by Internal auditors on the tax processes.

Tax Planning

We acknowledge our duty to fulfil our tax obligations in every jurisdiction where we conduct our business. Our commitment is to operate in such a manner that is efficient and fully compliant with the laws. It is our strong conviction to avoid any form of tax evasion, and we refrain from engaging in aggressive tax planning. Moreover, we strictly prohibit any promotion or facilitation of tax evasion by any individual or entity associated with us.

Free Trade Zones

The jurisdictions we operate is based solely on business requirements. We thoroughly evaluate the establishment of operations in special economic zones, free trade zones, or other notified areas that offer tax benefits. Such tax benefits in the special economic zones are contingent on delivering targeted outcomes like foreign exchange generation, etc. Our decision to set up business in these zones is determined on the business' ability to deliver the expected outcomes.

Accounting Policies and Standard Operating Procedures

The Group has put in place well defined policies and standard operating procedures that encompass critical aspects, including Revenue Recognition, Procurement, Capitalization, Depreciation

& Amortization, Investments and Dividend. Such policies are crafted to achieve consistency and ensure accurate accounting practices, which are in line with the well established financial reporting framework.

The policy for recognizing IP includes salaries, wages and professional consultancy charges attributable to platform development. Costs for platform upgrades/ enhancements which modify existing software to enable new capabilities are capitalized, as such upgrades/ enhancements result in added functionality, improved efficiency or extend the useful life. Depreciation/ amortization on the platform/ IP costs are claimed over the estimated useful life and at the applicable rates in both accounting and tax records respectively.

Additionally, the Group has implemented governance policies that include the Employee Code of Conduct, Supplier code of conduct, Whistle Blower Policy, Code for Insider Trading, Risk management and Related Party Transaction policy. These governance policies are crucial in promoting ethical conduct, transparency, and effective risk management within the organization.



Tax Governance, Compliance and Risk Management



Related Party Transactions and Transfer Pricing

The purpose of our Transfer Pricing ("TP") policy ("the Policy") is to outline the guidelines, methodology and accountability for inter-company transactions within the Group. When entering into inter-company transactions, we carefully consider the following aspects:

- **Related party transactions meeting Arm's Length Pricing:** Before entering into the inter-company transactions, identifying the related party transactions, performing detailed analysis for the requirement of such related party transactions, pricing of the transactions, and secure necessary approvals, such as from the Audit Committee or the Board in complying the regulations for greater governance and transparency.
- **Prioritizing operational efficiency:** Entering into the inter-company transactions by considering the requirements of the business and leveraging the operational efficiency of the group entities.
- **Complying with the regulatory aspects:** Secure necessary approvals, such as from the Audit Committee or the Board in complying the regulations for greater governance and transparency.

Maintaining accuracy, fairness, and

consistency across all entities involved.

- **Transfer Pricing Regulations and Guidelines:** The Indian Transfer Pricing Regulations prescribe that income arising from international transactions or specified domestic transactions between associated enterprises shall be calculated based on Arm's Length Price (ALP). Additionally, the Transfer Pricing regulations necessitate that any allowance for expenditure, interest, or allocation of cost arising from such transactions should also be determined in accordance with the Arm's Length Principle.

At Tanla, we are committed to ensuring strict adherence to these policies by all entities within the Group. We commit to not transferring value created to low-tax jurisdictions for the purpose of tax avoidance. We take care to ensure that arrangements within the Group are aligned in letter and spirit with applicable Transfer Pricing regulations/the guidelines provided by the Organization for Economic Cooperation and Development (OECD). This approach reflects our dedication to maintaining transparency and ensuring compliance in our international transactions and specified domestic transactions.

We specifically ensure the following:

- **Intercompany Pricing Policy:** We carefully assess inter-company transactions to determine the contributions made by each Group entity. We set appropriate prices for these transactions in line with Transfer Pricing requirements.
- **Benchmarking inter-company transactions:** We conduct a thorough identification and benchmarking process for inter-company transactions to ensure their adherence to the arm's length principle. This involves considering transaction-specific information that impacts inter-company pricing, as well as external information related to these transactions. To comply with Transfer Pricing regulations in the respective countries, we seek guidance from Transfer Pricing experts to identify the most suitable Transfer Pricing methodology for such inter-company transactions. We conduct a benchmarking study to evaluate the approach to transfer pricing.
- **Maintenance of Contemporaneous Transfer Pricing Documentation:** In accordance with the local Transfer Pricing regulations, all entities within the Group diligently adhere to documentation requirements. Our comprehensive Transfer Pricing

documentation encompasses essential details, including:

- Detailed information about the Group entities and their respective operations.
- Detailed descriptions of all inter-company transactions.
- Assessment of contributions made by each Group entity to the specific transactions, including functions performed, assets deployed and risks assumed.
- Categorization of Group entities involved in the inter-company transactions.
- Evaluation of Transfer Pricing methodologies employed.
- Thorough benchmarking and testing of the inter-company transactions from a Transfer Pricing perspective.

Tax Governance, Compliance and Risk Management

Tax, Intellectual Property Rights and Data Localization

The purpose of our Intellectual Property Rights and Data Localization policy is to define and implement the guidelines, methodologies and responsibilities for developing, registering, maintaining, leveraging/exploitation, and disclosing our intellectual property rights. This policy also aims to safeguard our intellectual property from any unauthorized exploitation or infringement by external parties.

- **IP Management:** Robust systems for IP development, enhancement, maintenance, protection and exploitation.
- **Jurisdiction Evaluation:** Careful selection of jurisdictions for IP development and registration is based on strong legal protection and business rationale. The choice of jurisdiction for 'putting to use' the registered Intellectual Property Rights is determined by considering the commercial and business rationale. Our approach is to align the outcomes based on the best international practices i.e., where the value is getting created. Further, we avoid using tax structures that are devoid of commercial substance and do not resort to use of tax havens.
- **Data Safeguards:** Measures to ensure compliance with data protection requirements.

This policy ensures comprehensive protection and strategic use of our intellectual property.

For instance, Tanla has registered its platform in India as an IP, where the value is created. Since the IP is registered in India, the revenue from such IP flows to India, including foreign exchange inflows into the country.



Tax Governance, Compliance and Risk Management

Compliance, Risk and Management



Tax Compliance: We are committed to compliance with all regulatory requirements across all jurisdictions where we operate, and taxation is a major component of our compliances. We diligently adhere to tax filing, reporting, and payment obligations for all applicable taxes.

We seek the assistance of external tax advisors as needed to ensure compliance with the applicable tax regulations in every country that we operate. To maintain robust compliance practices, the Company has implemented a comprehensive system of checks and balances. This system is reviewed periodically and updated to align with changes in the regulatory environment in which we operate.

Tax Automation: Tanla leverages advanced systems and cutting-edge technology to optimize our tax functions. By harnessing data-driven insights and analytics, we enhance both the efficiency and accuracy of our operations. Our use of digital platforms streamlines compliance, facilitating seamless reporting and timely submissions. We are committed to ongoing innovation and staying current with evolving tax requirements and industry best practices.

Internal Code of Conduct: At Tanla, our internal code of conduct serves as the bedrock of our organizational culture, fostering a positive and respectful work

environment for all employees. We place significant emphasis on upholding values like integrity, honesty, and accountability in every action and decision we make.

We maintain a zero-tolerance policy towards any violations of our Code of Conduct and Code of Ethics, without exception, regardless of an individual's position within the hierarchy.

To further reinforce this commitment, we actively encourage our employees to speak up and report any concern or potential violation of our Code of Conduct and Code of Ethics through an internal platform known as speakup@tanla.com. This platform provides a safe and confidential space for employees to voice their views or blow the whistle, promoting transparency in the overall conduct of our operations, including tax-related workflows.

We have put in place a Whistleblower policy to provide employees with a mechanism to report any cases of unethical behaviour, suspected or actual fraud, or violations of the Company's code of conduct. In cases where the Protected Disclosures pertain to financial or accounting matters, the employees are directed to address them directly to the Chairman of the Audit Committee of the Company.

Tax Risk Management: Tanla Group is largely exposed to a variety of tax

risks and have low tolerance to such risks. Our enterprise risk management framework encompasses practices related to identification, analysis, evaluation, treatment, mitigation, monitoring of strategic, operational, legal and compliance risks.

Our risks in taxation could arise, inter alia, from incorrect calculation, differences in interpretation and changes in regulations. The tax function takes the lead role in identifying, managing, and monitoring tax risks within the business with regular reviews across geographies in which we operate. When facing significant uncertainty or complexity related to tax matters, we proactively seek external advice for clarity and risk mitigation.

To enhance transparency in tax matters, we proactively engage with tax authorities to initiate discussions and find resolutions for any issues, or uncertain tax positions. This includes seeking advance tax rulings or obtaining lower tax deduction certificates.

Engagement with Tax Authorities: At Tanla, we engage with tax authorities in a constructive and transparent manner. Our approach is rooted in the spirit of co-operative compliance, where we proactively collaborate with tax authorities to ensure compliance and transparency in all tax matters. We are committed to promptly disclose relevant information and to foster open and

transparent communication with the respective tax authorities.

Dispute Resolution: In case of any disagreement with the tax authorities, Tanla takes proactive steps to resolve the matter swiftly and amicably through constructive dialogue. We explore various options for resolution provided under the law, including appeals, alternate dispute resolution mechanisms. In situations where the matters are before higher appellate authorities or involve high complexity and materiality, we seek the guidance and expertise of senior counsels to ensure a well-informed and comprehensive approach to the resolution process.

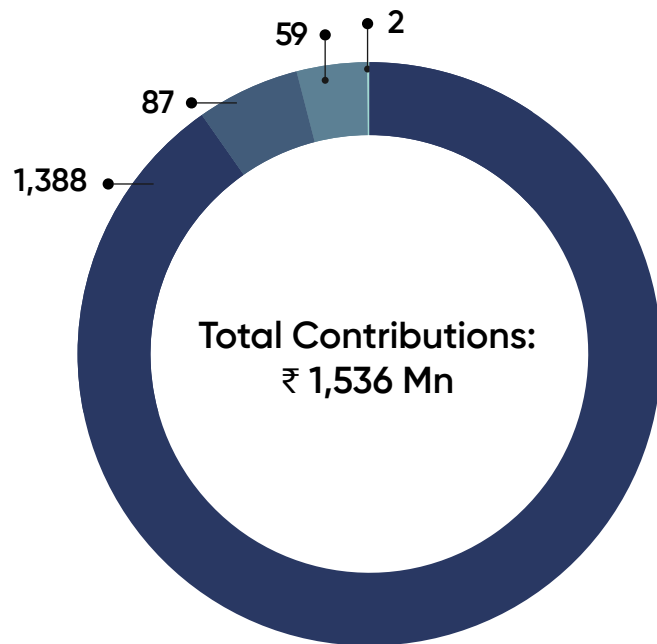
Tax Advocacy: The dynamic and everchanging nature of tax laws introduces increasing complexities in interpretation and implementation, affecting taxes globally. To navigate these challenges, it becomes essential to make appropriate representations and collaborate with the industry bodies to seek clarifications from lawmakers and adopt best tax practices. In line with this, Tanla is committed to playing an active role as part of the industry in which we operate. Our approach is forward-looking, seeking to strike a balance between legitimate fiscal interests and the broader interests of Industry and the Group for sustainable economic results.

Tax Reporting

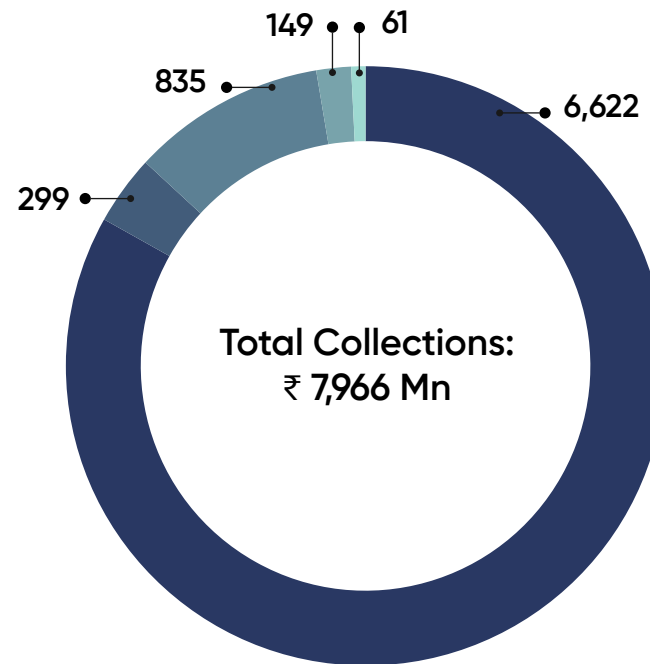


Global tax and other contributions refers to taxes paid directly by Tanla to the governments on the profits of the Group and other contributions including social security made by Tanla in the respective jurisdictions.

Global tax and other collections refer to the taxes that are collected by Tanla from vendors, employees, etc. on behalf of the governments in respective jurisdictions and the same are deposited with the governments.



- Other Taxes
- Social Security Contributions
- Indirect Tax
- Corporate Tax



- Social Security Contributions
- Withholding tax - Shareholders
- Withholding tax - Vendors
- Withholding tax - Payroll taxes
- Indirect Tax

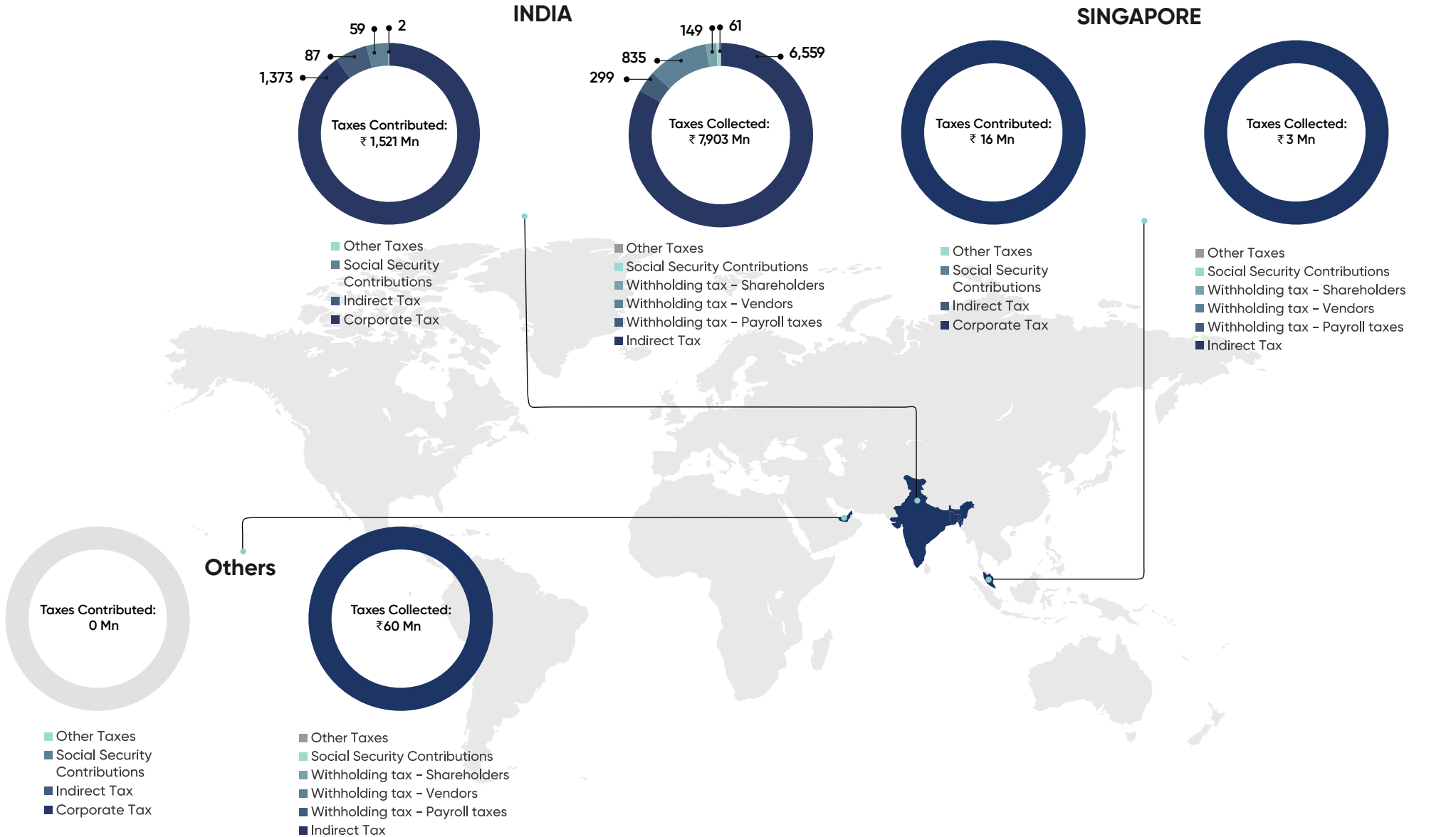
Tanla has enabled Telcos to contribute INR 2,292 Mn towards Wireless Planning & Coordination (WPC) charges regulated under Department of Telecommunication (DOT). Out of which INR 110 Mn is paid by Tanla as an adjustment to Tanla's revenue share.

Tanla has incurred Corporate Social Responsibility (CSR) expenses to promote education, including sponsorships to underprivileged students, skill development especially among children, women, elderly & the differently abled and rural development. CSR spent during FY 2023-24 is INR 23 Mn.

Total Tax and Other Contribution by Jurisdiction

GRI 207-4

Mn - Million



Effective Tax Rate



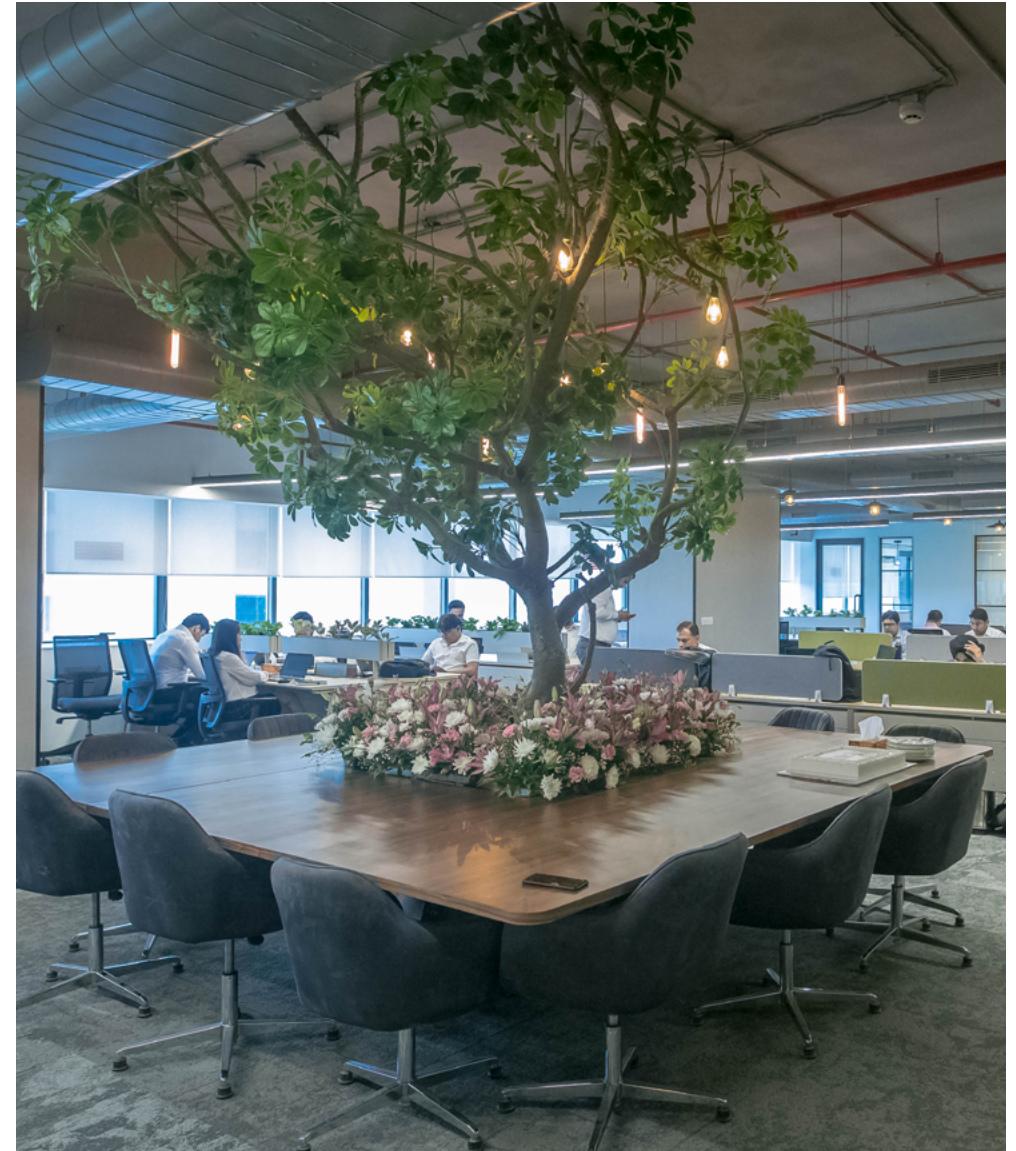
Each jurisdiction has its unique tax regulations, along with specific tax rates that apply to businesses operating within its borders. The effective tax rate, commonly known as ETR, represents the tax expense as a percentage of the profits earned in a particular jurisdiction.

We consider ETR to be a critical parameter for our transparency and disclosures, particularly in the context of OECD Pillar II. The OECD Pillar II, part of the Base Erosion and Profit Shifting (BEPS)

initiative, aimed at ensuring that MNEs pay a minimum level of tax on income arising in each jurisdiction where they operate. Pillar II introduces the Global Anti-Base Erosion (GloBE) rules, which set a minimum tax of 15% on the profits of MNEs. By disclosing ETR as part of these transparency disclosures, we demonstrate our commitment to fair taxation and transparency.

Below is a snapshot of our ETR at both the jurisdiction and group level.

Country	Total Revenue	Profit Before Tax	Taxes	Effective Income Tax Rate%	Group Effective Income Tax Rate%
FY 24					
India	38,999	6,637	1333	20.1%	19.7%
Singapore	6,356	273	18	6.6%	
Others	7,846	1048			
Total	53,201	6,833	1,351		
FY 23					
India	32,054	5,194	1173	22.6%	21.0%
Singapore	7,680	93	15.8	17.0%	
Others	6,255	410	-		
Total	45,989	5,665	1,189		



Update on Tax Litigation, Assessment and Refund Status

As we manage our taxes efficiently by complying with the tax legislations in different jurisdictions and the same has reflected in our past tax assessments. However, due to dynamic tax regulations, tax authorities have picked up the assessments for some of the recent years. The jurisdiction wise summary of assessments along with authorities before which the assessments are pending are captured as below:

Tax Litigation Status:

Jurisdiction	Tax Law	Assessment Year (AY)	Authority	Amount Involved (INR in Mn)	Remarks
India	Income Tax	AY 13-14	Madras High Court	9	We have received favourable orders from the lower tax authorities. Tax department has preferred appeal before High Court.
	Income Tax	AY 14-15	Delhi High Court	26	We have received favourable orders from the lower tax authorities. Tax department has preferred appeal before High Court.
	Service Tax	FY 2007-08 to 2010-11	CESTAT	33	Based on the strength of the case, we are of the view that the probability of the case being settled against the Company is remote.
	Goods and Service Tax	FY 2017-18	AO	31	We have filed writ petition in Madras High Court and confident that the case will be settled in our favour.
Singapore				Nil	
UAE				Nil	

Ongoing Tax Assessments and Tax Refund Status:

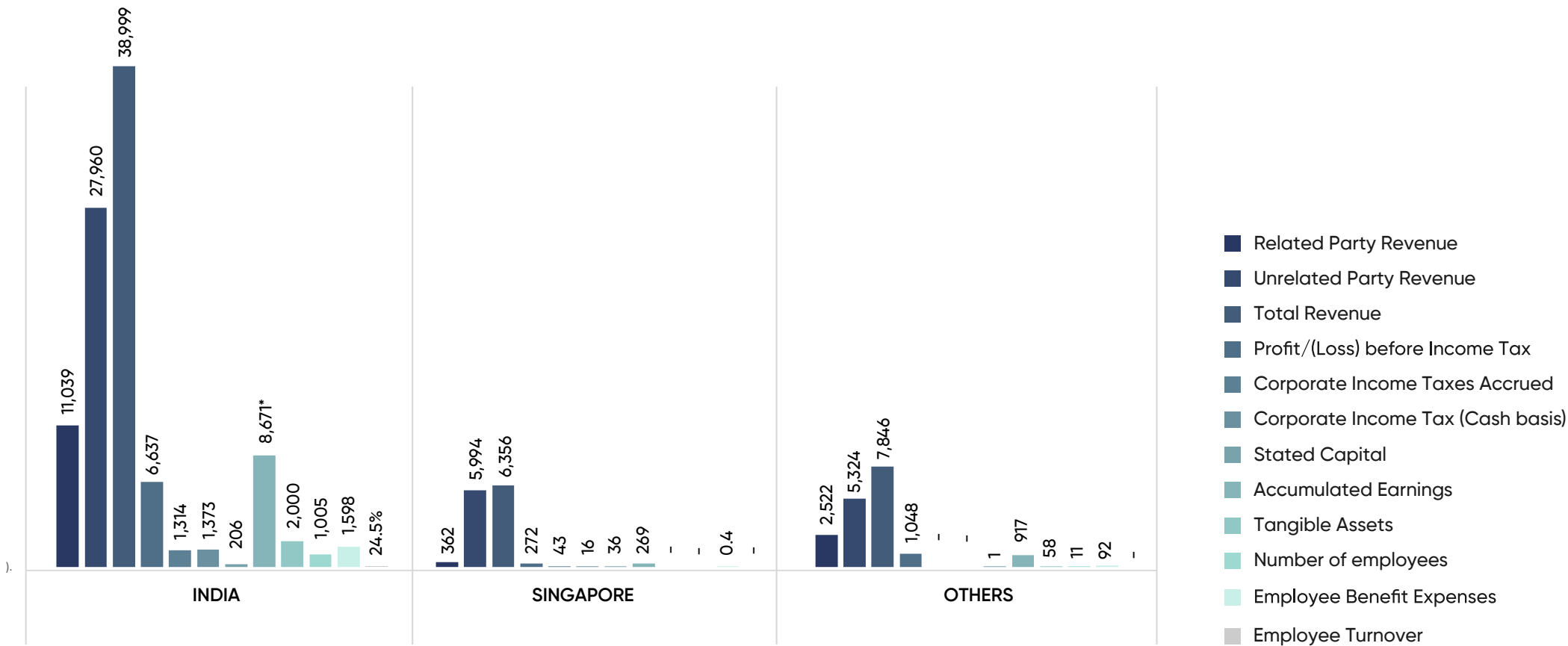
Income tax assessments across the Group have been completed till AY 2021-22 and tax refund of INR 220.9 Mn out of total tax refund INR 320.1 Mn across the Group is pending and expected during FY25.

Income tax assessment for the Group entities for AY 2022-23 is under process and is expected to be completed during FY25.

Key Financial Information



In the following graph, we have summarized jurisdiction wise key financial information covering related party revenue, unrelated party revenue, profit/(loss) before tax, taxes accrued and paid along with stated capital, accumulated earnings, tangible assets and number of employees.



***UAE branch accumulated**
Note: To be read along with the basis of preparation

Basis of Preparation

This basis of preparation section provides the scope and methodology for the collection and reporting of data on the Global Tax & Other Contributions made directly or indirectly to the government. Such data is reported in the section "Tax Reporting".

The data reported is for the period April 01, 2023, to March 31, 2024 and is based on the data used in preparation of the Annual Report.

We have reported Global Tax & Other Contributions under cash basis.

We have categorized the Global Tax and Other Contributions into two parts:

- Taxes Contributed (tax contributed by Tanla directly)
- Taxes Collected (tax collected by Tanla on behalf of and paid to governments)

In addition to the above, we have also provided the "Key Financial Information" for better understanding of our tax contributions and our scale of operations in each region. Further, the tax related contributions to the governments, we have also incurred social expenditures in the form of Corporate Social Responsibility (CSR) related contributions, etc., which are not considered under this report.

Each type of tax and other contributions are provided in detail below:

1. Taxes Contributed

- a. Corporate Tax:** This represents the actual taxes paid directly on the taxable profits of the group operations during the year after elimination of taxes withheld by group companies, buyback tax (if any), including the amounts of taxes withheld by third parties while making payment to Tanla i.e., taxes withheld by customers/collected by third party vendors. Refund of taxes are not reduced from taxes paid during the year. Regular Assessment taxes paid through adjustment of refunds are considered as paid during the year.

Since these are reported on cash basis, it may also include the tax paid on account of assessment by the jurisdictional government for the previous years or self-assessment, depending on the tax laws of the respective countries.

- b. Indirect Taxes:** This includes any customs duties paid by Tanla on import of goods across border, if any & tax demand paid under Service Tax and GST.
- c. Social security contributions:** Social security contributions are compulsory payments to the government that entitle employees to receive a future social benefit such as Provident Fund, Employee Pension Scheme, National Pension Scheme, Labour Welfare

Fund, Employee State Insurance/ National Insurance, Medicare, etc. which are solely for the benefit of employees. The social security contributions forming part of "Taxes Contributed" reflect the employer's contribution to social security funds for the benefit of the employees.

- d. Other taxes:** Includes property tax, municipal tax, stamp duty or any other taxes paid by Tanla for its operations.

2. Taxes Collected

- a. Indirect Taxes:** Goods and Service Tax (GST) is a consumption tax that is levied on the added value. Output GST represents the tax billed & collected by Tanla from customers and eventually, paid to the respective jurisdictional governments. This excludes the GST billed by us on our invoices relating to internal branch transfers. We also incur GST when procuring certain goods and services. In most countries where we operate, the VAT/ GST collected are offset against the VAT/ GST incurred with the net being paid to the government. We have shown only VAT/ GST collected amounts in our disclosures. We have not shown the Input VAT/ GST separately since those are largely creditable and used for making the payment of VAT/ GST collected.

b. Withholding Taxes:

- i. Payroll Taxes:** This represents professional taxes and taxes withheld on salary payments to employees and deposited by Tanla with the government.
- ii. Vendors:** This represents taxes withheld by Tanla on payments made to suppliers and deposited with the government.
- iii. Dividends:** This represents the taxes withheld on the dividends distributed to the shareholders and deposited with the government.
- c. Social security contribution:** The social security contributions forming part of "Taxes Collected" represent employees' individual contribution to social security funds.
- d. Other taxes:** Includes taxes collected at source and any other taxes collected on behalf of others and paid to the governments.

The amounts reported as tax contribution and collections are based on the periodic forms or returns or challans or any other documents filed with the government authorities. The group of taxes under the heads of "taxes contributed" and "taxes collected" is based on our understanding of nature of taxes and its payment mechanism.

Basis of Preparation

Payment of taxes of Valuefirst Group (newly acquired entity) are considered from date of acquisition i.e., payments made after 1st July 2023.

An effort has been made to report all types of taxes, duties and levies. Any omission or exclusion, other than that specifically mentioned, is unintentional and not expected to have any material impact on the disclosures.

3. Key Financial Information

- a. Revenue:** Revenue is split between unrelated and related party. Unrelated revenue consists of all forms of revenue flowing from entities which are not controlled by Tanla Limited. Related-party revenues include revenues from dealing with the related entities which are in other tax jurisdictions. Further, revenues on account of transactions between our group entities in the same tax jurisdiction and inter-company dividends are excluded.
- b. PBT:** The profit or loss before taxes in respective country is calculated based on the figures used for preparing consolidated financial statements.

- c. Corporate income taxes accrued:** The amount of corporate income tax accrued on the business operations during the reporting period is as per the books of accounts. It may or may not be the same as corporate income taxes paid in the relevant reporting period. These exclude the amount of deferred tax in accordance with the guidance provided under GRI 207.
- d. Stated capital:** This refers to the amount of capital invested in the Group entities.
- e. Accumulated earnings:** Accumulated earnings report the sum of the total of profit and loss balance and general reserves (reserves freely available) and excludes capital reserves, security premium, revaluation reserves, or reserves of like nature which are not freely available for distribution of dividends, as at the end of the year.
- f. Tangible assets:** This represents the gross value of tangible assets as reported in consolidated financial statements.
- g. Employees:** The number of employees indicates the number of employees employed with Tanla as at the year ended March 31, 2024, based on the normal work jurisdiction of the employee.

- h. Employee Benefit Expenses:** Total emoluments paid to employees who are working on the payroll of Tanla.
- i. Employee Turnover:** Employee turnover is the measurement of number of employees who left the organization during the FY 2023-24.

The tax and other contributions disclosed in this report are in INR and are shown up to 2 decimals nearest to millions. The results and financial position of foreign operations that have functional currency different from INR is translated as follows:

- Assets and liabilities are translated at the closing rate at the date of balance sheet.
- Income and expenses are translated at average exchange rates.

Independent Reasonable Assurance Report

To

The Board of Tanla Platforms Limited,
Tanla Technology Centre
Madhapur, Hyderabad,
India - 500081

Report on the audit of the Tax Schedule included in the Tax Transparency Report 2023-24

We have verified the accompanying "Tax Schedule" for the year ended 31 March 2024, included in the Tax Transparency Report 2023-24 of Tanla Group headquartered in Hyderabad, India.

Management's Responsibility

The Management is responsible for the preparation and presentation of the Tax Transparency Report 2023-24 in accordance with the "Basis of Preparation" and for such internal control as management determines is necessary to enable the preparation of the Tax Transparency Report 2023-24 that is free from material misstatement, whether due to fraud or error.

In preparing the Tax Transparency Report 2023-24, management is responsible for assessing the Group's ability to continue as a going concern, disclosing as applicable, matters relating to going concern and using going concern basis of accounting unless management either intends to liquidate the Group company or to cease operations, or has no realistic

alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent Auditor's Responsibility

Our responsibility is to express an opinion on the Tax Schedule based on our verification. We have taken into account ISA 805 which requires us to obtain reasonable assurance about whether the Tax Transparency Report 2023-24 is free from material misstatement, whether due to fraud or error.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Tax Transparency Report 2023-24.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Tax Schedule.

Our Opinion

In our opinion, the financial information - Tax Schedule (on page no's 15 & 16) contained in the Tax Transparency

Report 2023-24 is prepared, in all material respects, in accordance with the "Basis of Preparation".

This report is not issued under any statute/ law.

Restriction on Use

This report has been issued at the request of Tanla Platforms Limited and should not be used by any other person. We are appointed to only verify the Tax Schedule in accordance with the Basis of Preparation shared with us. M/s BDO India LLP shall not be liable to Tanla Platforms Limited or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or whose hands it may come without our prior consent in writing.

For BDO India LLP

Partner

Place: Ahmedabad

Date: 30/09/2024

List of Taxes Covered

S No	Particulars
1	Corporate Income Tax (Including Surcharge & Cess)
2	Goods & Services Tax (borne)
3	Property Tax
4	Stamp duty
5	Trade License fee
6	Withholding tax collected on salaries
7	Withholding tax collected on vendor payments
8	Withholding tax collected on Dividend payments to Share holders
9	Goods & Services Tax (collected & paid)
10	Professional Tax
11	Employer's and Employee's contribution to Provident fund
12	Employer's and Employee's contribution to Employee State Insurance
13	Employee's contribution to National Pension Scheme

List of Entities Covered

S No	Name of the Entity
1	Tanla Platforms Limited
2	Karix Mobile Private Limited
3	Tanla Digital Labs Private Limited
4	Gamooga Softtech Private Limited
5	Tanla Digital (India) Private Limited
6	Valuefirst Digital Media Private Limited
7	Valuefirst Connect Private Limited
8	Transcendent Communications Private Limited
9	Communique Technology Private Limited
10	Instacamp Marketing Private Limited
11	Octane Marketing Private Limited
12	Unimobile Messaging Solutions LLP
13	Navin Communications LLP
14	Supertech Communications LLP
15	Srinand Communications LLP

S No	Name of the Entity
16	Mobtel Services LLP
17	Ontime Communications LLP
18	Eyespot Technologies LLP
19	Tanla Digital Labs FZ-LLC
20	Tanla Platforms Limited (DMCC Branch)
21	Tanla Digital Labs UK Private Limited
22	Tanla Mobile Asia Pacific Pte Ltd
23	Valuefirst Digital Media Pte Ltd
24	Valuefirst US

Abbreviations

Abbreviation	Full form
AO	Assessing Officer
AY	Assessment Year
CESTAT	Customs, Excise & Service Tax Appellate Tribunal
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIT(A)	Commissioner of Income Tax (Appeals)
CSR	Corporate Social Responsibility
DOT	Department of Telecommunication
ETR	Effective Tax Rate
FY	Financial Year
GRI	Global Reporting Initiative
GST	Goods and Services Tax
INR	Indian Rupee
IPR	Intellectual Property Rights
OECD	Organization for Economic Co-operation and Development

Abbreviation	Full form
PAT	Profit after Taxes
PBIT	Profit before Interest and Tax
PBT	Profit before Tax
SEZ	Special Economic Zone
TDS	Tax Deducted at Source
TP	Transfer Pricing
VAT	Value-Added Tax
WHT	Withholding Tax
WPC	Wireless Planning & Co-ordination

Disclaimer

Safe Harbour

This document might contain statements that are forward looking in nature. statements other than statements of historical fact could be deemed as forward-looking in nature. Such statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. By receiving this document, you acknowledge that you will be solely responsible for your own assessment of the market and our market position and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of our business.

No duty to update

Tana assumes no obligation to update any information or forward-looking statement contained herein, save for any information we are required to disclose by law.

We welcome your views

We warmly invite all our stakeholders to provide feedback and comments on our Tax Transparency Report: investorhelp@tanla.com

Our reporting ecosystem

We pay special attention on transparency and making content easy to find.

This report is part of a broader reporting ecosystem which covers other topics relevant to Tanla Group. The publications include among others

[Integrated Annual Report FY24](#)

[Shareholder Report Q1 FY25](#)

[Investor Update Q1 FY25](#)

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Disclosures as per
GRI standards



Assurance Report



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