

Tanla Platforms Limited

April 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	5.00	CARE A+; Stable	Reaffirmed
Short-term bank facilities	15.25	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Tanla Platforms Limited (Tanla) continue to be driven by its established market position in providing Communication Platform as a Service (CPaaS), the company's experienced promoters, a qualified management team, and continuous innovation in the digital platforms segment. Ratings are further supported by a healthy financial risk profile, characterised by nil reliance on external debt and a strong net worth base of ~₹2,223 crore as on December 31, 2024, driven by an improved scale of operations and sustained healthy profitability margins of ~18%.

The company's revenue base is expected to grow and remain above ₹4,000 crore in FY25, supported by innovations in the digital platforms segment and improvements in the enterprise communication segment through strategic collaborations. Tanla also maintains superior liquidity, as reflected in its strong gross cash accruals (GCA) of ~₹634 crore in FY24 and free cash and cash equivalents of ~₹921 crore as of December 31, 2024.

However, ratings are constrained by risks related to technological obsolescence, cybersecurity, regulatory changes, and increasing competition in the CPaaS space.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Total operating income (TOI) growing 10% to 15%, while maintaining operating margins at over 18% on a sustained basis.

Negative factors

- Significant fall in revenue or profitability by over 20% year-over-year (y-o-y).
- Significant increase in debt levels resulting in moderation of solvency position.
- Notable deterioration in the liquidity position.

Analytical approach: Consolidated

CARE Ratings Limited (CARE Ratings) in its analysis has considered the consolidated business and financial risk profiles of Tanla and its subsidiaries, as the entities are linked through a parent-subsidiary relationship. The list of entities consolidated with Tanla according to its audited results for FY24 has been placed in **Annexure-6**.

Outlook: Stable

CARE Ratings believes the entity will continue to benefit from its established presence as the CPaaS leader in India and continuous innovation in the digital platforms segment.

Detailed description of key rating drivers:

Key strengths

Improvement in the scale of operations with sustained healthy profitability margins

Revenue from operations increased by 17%, rising from ₹3,355 crore in FY23 to ₹3,928 crore in FY24, with the profit before interest, lease rentals, depreciation and taxation (PBILDT) margin improving from 17.60% in FY23 to 18.72% in FY24. Tanla witnessed growth across its business segments including digital platforms and enterprise communications.

Revenue from the digital platforms segment grew 21.8% y-o-y, reaching ₹369 crore, primarily driven by Trubloq and Wisely OTT. Tanla also achieved its first commercial success with Wisely ATP, a greenfield anti-phishing platform. Meanwhile, revenue from the enterprise communications segment increased 16.6% y-o-y to ₹3,559 crore, fuelled by the ValueFirst acquisition and significant expansion in OTT channels, particularly WhatsApp. Notably, WhatsApp revenue grew by 3.4x in FY24.

In FY24, Tanla completed 100% acquisition of ValueFirst, previously owned by Twilio Inc., a leading CPaaS provider in the U.S. ValueFirst's strong market presence in the mid-market customer segment is expected to enhance Tanla's enterprise

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

communication portfolio, contributing to greater diversification. Considering the sustained growth in the enterprise communication segment and the ValueFirst acquisition, revenue is projected to exceed ₹4,100 crore in FY25. For 9MFY25, the TOI stood at ₹3,003 crore, with a PBILDT margin of ~17.56%.

Development of robust platforms over the years

As a leading CPaaS provider, Tanla commands ~35% market share in India and serves over 2,000 leading enterprises across the country. In 2021, Tanla, in collaboration with Microsoft, developed Wisely, a unified platform for digital interactions featuring end-to-end encryption built on blockchain technology. Wisely caters the diverse needs of multiple C-suite executives across all key aspects of digital interaction. In FY23, the company further expanded its platform offerings with Wisely ATP, an AI-based anti-phishing platform boasting 99% accuracy and capable of processing up to one trillion transactions annually. Wisely ATP leverages artificial intelligence and machine learning to proactively identify, prevent, and eliminate phishing attacks.

Comfortable financial risk metrics and strong liquidity

Tanla maintains a strong financial position, supported by a net worth of ~₹2,223 crore as on December 31, 2024. The company continues to remain term debt-free, with only financial lease liabilities. The overall gearing ratio stood at a comfortable 0.04x as of March 31, 2024 (PY: 0.05x). Fund-based working capital utilisation has remained nil for the last 12 months, ending February 2025, while non-fund-based utilisation has been minimal. Tanla also maintains a significant cash balance throughout, with cash and liquid investments totalling ~₹921 crore as of December 31, 2024.

Experienced promoters and professional management with long track record of operations

Tanla has been promoted under the leadership of Uday Kumar Reddy, the company's chairman and CEO. He is a management graduate with over two decades' experience in the information technology and telecom sectors. As a CEO, he plays a pivotal role in driving the company's vision, strategy, and growth. He is supported by a team of experienced directors and a strong management team. The company's board consists of seven members, including four independent directors, ensuring a balanced and diverse leadership structure.

Key weaknesses

Technological obsolescence risk and cyber security risks

Technological obsolescence risk is a significant concern for Tanla operating in a rapidly evolving digital landscape. With advancements in communication technologies and shifting market dynamics, there exists a tangible threat that current CPaaS solutions may become less competitive over time. However, Tanla actively mitigates this risk by continuously innovating in the digital platforms segment, ensuring its offerings remain relevant and competitive in the market. Tanla faces the risk of system breaches and potential loss of confidential customer data due to cyberattacks, which could adversely affect the company's brand image and customer relationships. However, Information Security Policy implemented at Tanla ensures managing information security effectively, safeguarding both the company's and customers' information assets against threats from external and internal sources.

Susceptibility to regulatory risks

Telecom Regulatory Authority of India (TRAI) regulates all promotional and transactional messaging services in India. Tanla derives a significant portion of its income from bulk messaging services and hence is susceptible to change in regulatory policy impacting its operational revenue from that segment. CARE Ratings observes, Tanla has been consistently diversifying its product portfolio reducing the risk of revenue concentration from a particular segment.

Liquidity: Strong

Tanla's strong liquidity position is supported by cash and liquid investments amounting to ~₹921 crore as on December 31, 2024. The company also reported a healthy GCA of ~₹460 crore for the first nine months of FY25 (9MFY25), which is sufficient to meet its operational requirements and fund ongoing research and development expenses. The company's financial stability is reinforced by the complete non-utilisation of its working capital limits and the absence of outstanding term debt obligations, indicating a robust balance sheet.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks:

Environmental	Potential carbon footprint from data centres, network infrastructure, and other operational activities could result in increased environmental impact and regulatory scrutiny. However,
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	the company is working towards achieving carbon neutrality by 2025 by adopting “RRR” strategy – Reduce, Review and Restore to combat climate change.
Social	Launched a flagship project called Project for Improvement of Learning Levels through Academic & Other Support in Rural Schools (PILLARS) to provide a holistic learning engagement and enhance educational outcomes of students in rural India. Skill development training for youth in business development.
Governance	The company has established independent committees to ensure effective governance practices, minimising governance risks related to governance structures, board independence, diversity, and oversight of corporate policies and practices.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Information Technology	Information Technology	IT - Services	IT Enabled Services

Tanla Platforms Limited (Tanla) was founded by Uday Reddy in 1999. Tanla was the first company to develop and deploy A2P (Application to Person) SMSC (Short Message Service Centre) in India and now is the leading CPaaS provider in India. Tanla facilitates seamless communication between enterprises and their customers through multiple channels, including SMS, Voice, email, RCS, OTTs, such as WhatsApp, FB messenger, and push notifications. Tanla acquired Karix Mobile Private Limited (Karix) in 2019 and currently Karix is a wholly owned subsidiary of Tanla. Over 50% consolidated revenue of Tanla is from Karix. In 2021, Tanla, in collaboration with Microsoft, developed Wisely, a unified platform for digital interactions featuring end-to-end encryption built on blockchain technology. In FY24, Tanla had acquired 100% stake in ValueFirst Digital Media Private Limited for ~₹374 crore from Twilio Inc. a leading cloud communications company based in California, US.

Brief Financials (₹ crore) - Consolidated	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	3354.55	3927.79	3003.36
PBILDT	590.44	735.17	527.38
PAT	447.65	548.32	389.95
Overall gearing (times)	0.05	0.04	0.03
Interest coverage (times)	167.80	84.22	116.12

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	5.00	CARE A+; Stable
Non-fund-based - ST-Bank Guarantee	-	-	-	-	15.25	CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	5.00	CARE A+; Stable	1)CARE A+; Stable (02-Apr-24)	1)CARE A+; Stable (06-Apr-23)	1)CARE A+; Stable (01-Apr-22)	1)CARE A; Positive (06-Apr-21)
2	Non-fund-based - ST-Bank Guarantee	ST	15.25	CARE A1+	1)CARE A1+ (02-Apr-24)	1)CARE A1+ (06-Apr-23)	1)CARE A1+ (01-Apr-22)	1)CARE A1 (06-Apr-21)

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Karix Mobile Private Limited	Full	Subsidiary
2	Tanla Mobile Asia Pacific Pte Limited, Singapore	Full	Subsidiary
3	Tanla Digital Labs Private Limited	Full	Subsidiary
4	Gamooga Softech Private Limited	Full	Subsidiary
5	Tanla Foundation	Full	Subsidiary
6	Value First Digital Media Private Limited	Full	Subsidiary
7	Tanla Digital (India) Private Limited	Full	Subsidiary
8	Tanla Digital Labs FZ-LLC, UAE	Full	Subsidiary
9	Tanla Digital Labs Private Limited, UK	Full	Subsidiary
10	Tanla Mobile Middle East LLC, Saudi Arabia	Full	Subsidiary
11	Instacamp Marketing Private Limited	Full	Subsidiary
12	Value First Connect Private Limited	Full	Subsidiary
13	Transcendent Communications Private Limited	Full	Subsidiary
14	Octane Marketing Private Limited	Full	Subsidiary
15	Communique Technology Solutions Private Limited	Full	Subsidiary
16	Value First Digital Media Pte Limited, Singapore	Full	Subsidiary
17	Supertech Communications LLP	Full	Subsidiary
18	Mobtel Services LLP	Full	Subsidiary
19	Navin Communications LLP	Full	Subsidiary
20	Ontime Communications LLP	Full	Subsidiary
21	Unimobile Messaging Solutions LLP	Full	Subsidiary
22	Srinand Communications LLP	Full	Subsidiary

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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