

## Tanla Platforms Limited

April 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	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) continues to be driven by comfortable financial risk metrics with strong liquidity, development of robust products on ongoing basis, stable operations with high customer retention and existence of experienced promoters with long proven track record of operations. The company is a leading Communication Platform as a service Provider (CPaaS) and the management has nearly two decades of experience in this field. Revenue from operations was largely stable with marginal improvement of 2.5% to ₹ 4028 crore in FY25 with profit before interest depreciation and tax (PBILDT) margins of 17%. Half the company's revenue is derived from long-tenured clients (5+ years), reflecting strong client relationships. The company continues to remain debt free with negligible finance lease liabilities, compared to cash and bank balance of ~₹ 859 crore as on December 31, 2025. The company has been proactively developing products, enabling a strategic shift toward high-growth revenue channels, mitigating the risk of technological obsolescence to a certain extent.

However, ratings remain constrained by the pricing pressure, higher contribution of revenue from the enterprise communication segment. Tanla's margins are constrained due to high dependence on telecom operators and over-the-top (OTT) vendors, limiting its pricing power in enterprise communication segment. The company also remains exposed to technology shifts, cybersecurity threats, and regulatory changes by Telecom Regulatory Authority of India (TRAI), which could impact its operational and financial performance.

### 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.
- Revenue contribution from digital platforms to contribute over 25% of overall revenues.

#### Negative factors

- Significant fall in revenue or profitability by over 20% year-over-year (y-o-y).
- The company going for significant external term debt resulting in moderation of solvency position.
- Notable deterioration in the liquidity position with cash and bank balance falling by over 50% compared to December 2025 levels.

### Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) in its analysis has considered consolidated business and financial risk profiles of Tanla and its subsidiaries, as these entities are linked through a parent-subsidiary relationship. Entities consolidated with Tanla according to its audited results for FY25, have been listed under Annexure-6.

### Outlook: Stable

CareEdge 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

##### Development of robust platforms over the years

As a leading CPaaS provider, Tanla serves over 2,000 established 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 to diverse needs of multiple C-suite executives across all key aspects of digital interaction. In FY23, the

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

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. In Q1FY26, Tanla launched its Messaging-as-a-Platform (MaaP) initiative to accelerate the adoption and effectiveness of Google Rich Business Messaging (RBM), transforming enterprise-to-customer communication. These efforts have been increasing the share of OTT revenues (9MFY26: 31% against 9MFY25: 21%).

#### **Comfortable financial risk metrics and strong liquidity**

Tanla maintains a strong financial position, supported by a net worth of ~₹2,331 crore as on December 31, 2025. The company continues to remain term debt-free, with only minimal financial lease liabilities amounting to ₹ 55 crore as on December 31, 2025. Overall gearing stood comfortable at 0.02x as of December 31, 2025, from 0.03x as on March 31, 2025. Fund-based working capital utilisation has remained negligible, while performance-based bank guarantees have been utilised to the extent of 70–80%. Tanla also maintains a significant cash balance throughout the year, with cash and bank balance totalling ~₹859 crore as of December 31, 2025.

#### **Stable operations with high customer retention**

Revenue from operations was largely stable with marginal improvement of 2.5% to ₹ 4028 crore in FY25 with PBILDT margins of 17%. Growth in revenue was driven by the Enterprise Communication business considering exponential growth in OTT channels (other than traditional SMS). In 9MFY26, revenues grew by ~8%, supported by new product introductions and an expanded customer base. However, PBILDT margins declined further to 16.4% considering continued pricing pressures. Contribution of sales from the OTT channels increased from 15% in FY24 to 23% of total FY25 revenues (31% in 9MFY26). Half the company's revenue is derived from long-tenured clients (5+ years), reflecting durable relationships. Given that Application to Person (A2P) messaging forms a core part of enterprise communication infrastructure, switching platforms entails higher costs and increased operational and compliance complexity. Although the revenue base is concentrated, with 19 customers contributing 41% of revenues in FY25 (9MFY26 46%) high retention of long-tenured customers enhances predictability and cash flow stability. These customers are well-established players in the banking, financial services, and insurance (BFSI), eCommerce, healthcare, travel, and public services.

#### **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**

##### **High dependence on mobile carriers and other suppliers contributing to pricing pressures**

Business model of the enterprise communication segment (contributing ~91% of 9MFY26 revenues) of Tanla makes it dependant on mobile carriers and other suppliers for their network and data. Though the company has significant market share in the segments it operates, (~35% of market share in India's CPaaS segment by volume) its control on pricing is limited. Gross margin in this segment is also minimal at 18-20% owing to higher transaction fee paid by Tanla. Tanla's pricing power is structurally constrained by telecom operators, as SMS termination rates and route availability are largely set by telcos. Since a significant portion of revenue is pass-through in nature, change in telco pricing directly impacts Tanla's realisations and margins, limiting its ability to independently raise prices. Even The OTT segment continues to be exposed to pricing changes implemented by global platforms.

Of the FY25 revenues, ~68% (60% in 9MFY26) is from SMS services (digital communications revenue excluding OTT). Sales in this segment has been largely stable, though volumes seem to increase from expansion of customer base and increased SMS usage, owing to pricing pressure, overall sales growth seems to be muted.

#### **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 the company’s and customers’ information assets against threats from external and internal sources.

**Susceptibility to regulatory risks**

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. CareEdge Ratings observes, Tanla has been consistently diversifying its product portfolio reducing the risk of revenue concentration from a particular segment, though the same is yet to meaningfully materialize.

**Liquidity: Strong**

Tanla’s strong liquidity position is supported by cash and bank balance amounting to ~₹859 crore as on December 31, 2025. The company also reported a healthy gross cash accrual (GCA) of ~₹464 crore for 9MFY26, which is sufficient to meet its operational requirements and fund ongoing research and development expenses. The company’s financial stability is reinforced by almost nil utilisation of its fund based working capital limits and absence of outstanding term debt obligations, indicating a robust balance sheet. The company has no major capital expenditures planned and has not announced acquisitions. Investments in intangible assets under development is ~₹15-20 crore per quarter. Long-term debt represents finance lease liability amounting to ₹ 55 crore as on December 31, 2025, with minimal repayments of ~₹ 15-17 crore in the near term. On a consolidated basis, the company has Bank Guarantee limits of ₹ 250 crore, of which as on March 31, 2025, it had utilised ₹168 crore. These have been issued by banks on behalf of the group to mobile operators/banks/ public sector undertakings towards performance guarantee from the group.

**Environment, social, and governance (ESG) risks**

The company operates in communications platform as a service sector. Major ESG factor affecting this company is the social and governance aspects such as data privacy, cyber security tech opportunities, employee engagement and talent retention, business ethics and corporate governance. Strong data-privacy practices build trust, which is critical in long-term enterprise relationships, especially in messaging and digital platforms that handle sensitive user data. Even a single breach can permanently damage brand credibility, leading to customer churn, reduced willingness to scale volumes and higher penalty costs.

ESG Factor	Mitigating efforts
<b>Environment:</b> 1. Energy efficiency 2. Emission control	<ul style="list-style-type: none"> <li>Adopted energy-efficient lighting, HVAC systems, and power-saving office.</li> <li>Scaling green data centre capabilities; Achieved 35% decrease in Scope 1 emissions and 48% reduction in Energy Intensity in FY25.</li> </ul>
<b>Social:</b> 1. Customer privacy 2. Cyber security and utilising technology for common good 3. Labor practices, D&I, Employee engagement and talent retention	<ul style="list-style-type: none"> <li>Tanla ensures data security through a multi-layered approach combining encryption, blockchain, AI-based threat detection, strict access controls, regulatory compliance, and continuous audits. This architecture is designed to protect enterprises, telecom operators, and billions of end-users across global digital communication ecosystems.</li> <li>One of the products of Tanla, Wisely Ai, prevents and protects users from scam and spam. per company estimate, ~USD 500 billion of loss have been prevented.</li> <li>Gender diversity is evident across most levels, with 51 women in middle management (of the 303), and 88 women under 30 in junior and associate roles (of the 326). Attrition rates have reduced from 27% in FY24 to 25% in FY25, reflecting success of the company’s retention strategies.</li> </ul>
<b>Governance:</b> 1. Business ethics & Corporate governance 2. Identifying future opportunities for business sustainability	<ul style="list-style-type: none"> <li>Tanla Platforms emphasises robust governance &amp; ethics through a diverse board, transparent disclosures, strong internal controls, and a formal code of conduct to uphold integrity and accountability across its global operations</li> <li>₹63 crore spent on innovation in FY25. The company also developed products integrating new technologies including AI/ML, and blockchain among others, which are gaining traction.</li> </ul>

## Applicable criteria

- [Definition of Default](#)
- [Liquidity Analysis of Non-financial sector entities](#)
- [Rating Outlook and Rating Watch](#)
- [Service Sector Companies](#)
- [Consolidation](#)
- [Financial Ratios – Non financial Sector](#)
- [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 was founded by Uday Reddy in 1999. Tanla was the first company to develop and deploy Application to Person (A2P) Short Message Service Centre (SMSC) 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.

Consolidated Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	3927.79	4027.72	3240.16
PBILDT*	734.99	692.42	531.92
Profit after tax (PAT)	548.32	507.28	374.82
Overall gearing (x)	0.04	0.03	0.02
Interest coverage (x)	NM	NM	NM

A: Audited UA: Unaudited NM: Not meaningful; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**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 2025-2026	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
1	Fund-based - LT-Cash Credit	LT	5.00	CARE A+; Stable	1)CARE A+; Stable (07-Apr-25)	1)CARE A+; Stable (02-Apr-24)	1)CARE A+; Stable (06-Apr-23)	1)CARE A+; Stable (01-Apr-22)
2	Non-fund-based - ST-Bank Guarantee	ST	15.25	CARE A1+	1)CARE A1+ (07-Apr-25)	1)CARE A1+ (02-Apr-24)	1)CARE A1+ (06-Apr-23)	1)CARE A1+ (01-Apr-22)

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 details**To 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 Ltd	Full	Subsidiary
2	Tanla Mobile Asia Pacific Pte Ltd	Full	Subsidiary
3	ValueFirst Digital Media Private Limited	Full	Subsidiary
4	Tanla Digital Labs Private Limited	Full	Subsidiary
5	Tanla Foundation	Full	Subsidiary
6	Tanla Digital Labs FZ-LLC	Full	Step Down subsidiary
7	Tanla Digital (India) Private Limited	Full	Step Down subsidiary
8	Tanla Mobile Middle East LLC	Full	Step Down subsidiary
9	Gamooga Soft- tech Private Limited	Full	Step Down subsidiary (from, January 21, 2025)
10	ValueFirst Connect Private Limited*	Full	Step down Subsidiary
11	Communique Technology Solutions Private Limited*	Full	Step down Subsidiary
12	Transcendent Communications Private Limited*	Full	Step down Subsidiary
13	Octane Marketing Private Limited*	Full	Step down Subsidiary
14	Ontime Communications LLP*	Full	Step down Subsidiary
15	Unimobile Messaging Solutions LLP*	Full	Step down Subsidiary
16	Supertech Communications LLP*	Full	Step down Subsidiary

17	Instacamp Marketing Private Limited*	Full	Step down Subsidiary
18	ValueFirst Digital Media Pte Limited*	Full	Step down Subsidiary

\*The companies & LLPs are Subsidiary Companies of ValueFirst Digital Media Private Limited

1. Tanla Digital Labs UK Private Limited., London, U.K. dissolved on February 11, 2025, ValueFirst Subsidiary LLPs-Mobtel Services LLP, Navin Communications LLP and Srinand Communications LLP closed in FY25.

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

## Contact us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Saikat Roy Senior Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3404 E-mail: <a href="mailto:saikat.roy@careedge.in">saikat.roy@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Pulkit Agarwal Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3505 E-mail: <a href="mailto:pulkit.agarwal@careedge.in">pulkit.agarwal@careedge.in</a></p> <p>Pritesh Rathi Assistant Director <b>CARE Ratings Limited</b> Phone: +91-20-4000 9000 E-mail: <a href="mailto:Pritesh.Rathi@careedge.in">Pritesh.Rathi@careedge.in</a></p> <p>Samyuktha R Assistant Director <b>CARE Ratings Limited</b> Phone: +91 40-4010 2030 E-mail: <a href="mailto:Samyuktha.R@careedge.in">Samyuktha.R@careedge.in</a></p>
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