

# Tanla Platform Ltd.

## SELL

Sector: IT Software

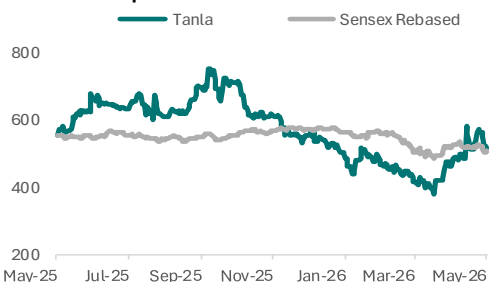
15<sup>th</sup> May, 2026

Key Changes	Target	Rating	Earnings	Target	Rs. 423		
Stock Type	Bloomberg Code	Sensex	NSE Code	BSE Code	Time Frame	<b>CMP</b>	<b>Rs. 498</b>
Small Cap	TANLA:IN	75,238	TANLA	532790	12 Months	<b>Return</b>	<b>-15%</b>

Data as of: 15-05-2026, 17:00 hrs

Company Data			
Market Cap (Rs. cr)	6,605		
52 Week High — Low (Rs.)	766 - 372		
Enterprise Value (Rs. cr)	5,724		
Outstanding Shares (Rs cr)	13.3		
Free Float (%)	49.5		
Dividend Yield (%)	2.4		
6m average volume (cr)	0.1		
Beta	1.2		
Face value (Rs)	1.0		
Shareholding (%)	Q2FY26	Q3FY26	Q4FY26
Promoters	45.5	46.2	46.2
FII's	7.3	9.1	7.6
MFs/Institutions	0.9	0.8	0.3
Public	46.3	44.0	45.9
Total	100.0	100.0	100.0
Promoter Pledge	Nil	Nil	Nil
Price Performance	3 Month	6 Month	1 Year
Absolute Return	7%	-16%	-8%
Absolute Sensex	-10%	-11%	-9%
Relative Return	17%	-5%	1%

**\*over or under performance to benchmark index**



Consolidated (Rs.cr)	FY26A	FY27E	FY28E
Sales	4,418	4,900	5,373
Growth (%)	10	11	10
EBITDA	724	781	823
Margin(%)	16	16	15
PAT Adj.	509	536	560
Growth (%)	0	5	4
Adjusted EPS	38	40	42
Growth (%)	2	6	4
P/E	13	12	12
P/B	3	2	2
EV/EBITDA	8	8	7
ROE (%)	21	20	19
Adj. D/E	0.0	0.0	0.0

## Execution Risks & Pricing Pressures Limit Upside

Tanla Platforms Ltd. is the largest Communication Platform as a Service (CPaaS) player in India. Tanla has two major businesses: Enterprise (91%) and Platform (9%), both using blockchain technology to reduce spam and fraud activities and make it easy to integrate with enterprise applications.

- In Q4FY26, the company's consolidated revenue grew 15% YoY to Rs.1,178 cr, primarily by organic expansion through increased wallet share from existing customers.
- Enterprise Communications (up 15% YoY) growth was led by OTT channels, while Digital Platforms (up 10% YoY) growth was driven by Wisely AI and the MaaS platform for RCS.
- EBITDA grew 17% YoY to Rs. 192 cr in Q4 FY26, with margins improving by 33 bps to 16.3%. PAT stood at Rs.134cr (up 14% YoY), supported by higher gross profit, partially offset by an increase in operating expenses.
- However, we have downgraded our FY26 earnings estimates by 15% to ₹560 crore, primarily due to continued pricing pressure in SMS and an adverse shift toward lower-yield OTT utility messaging.

## Outlook & Valuation

Tanla's outlook reflects moderate growth, with the company expected to outpace the CPaaS industry (8–10%) driven by OTT expansion, AI platforms, and deeper enterprise engagement, supported by rising wallet share, strong adoption of WhatsApp/RCS, and gradual scaling of ATP (anti-phishing platform). However, the overall growth profile remains weak, driven largely by volumes amid continued SMS pricing pressure and an adverse shift to lower-yield OTT utility messaging. Profitability remains under pressure due to continued investments in GTM & product investments, while a slower ramp-up of high-margin platforms limits operating leverage. This has led to moderating PAT growth, declining ROE, and elevated execution risks around AI monetization and platform scaling. **Hence, we downgrade our rating to SELL, based on 10x P/E on FY28E adj. EPS with a rolled-forward target price of Rs. 423.**

## Quarterly Financials Consol.

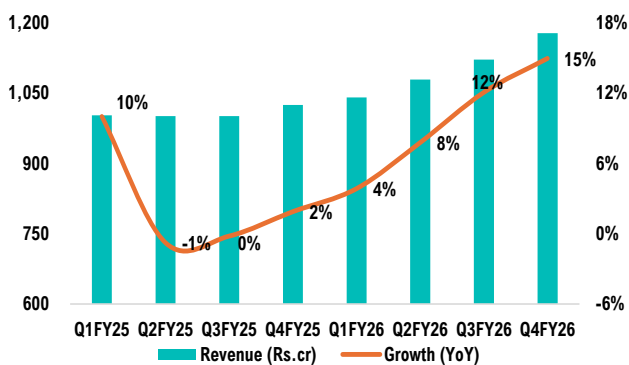
Rs.cr	Q4FY26	Q4FY25	YoY Growth (%)	Q3FY26	QoQ Growth (%)	FY26	FY25	YoY (%)
Sales	1,178	1,024	15.0	1,121	5.0	3,377	3,026	11.6
EBITDA	192	163	17.3	191	0.7	724	691	4.8
Margin (%)	16	16	33bps	17	-71bps	21	23	-140bps
EBIT	159	136	16.5	158	0.6	602	593	1.4
PBT	167	138	21.0	164	1.3	634	627	1.1
Rep. PAT	134	117	14.5	131	2.2	509	507	0.4
Adj. PAT	134	117	14.5	131	2.2	509	507	0.4
Adj. EPS (Rs)	10	9	16.8	10	2.3	38	38	1.8



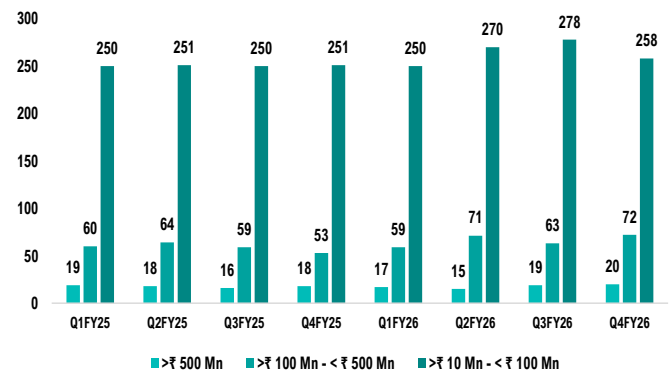
## Key concall highlights

- Management indicated the CPaaS industry is expected to grow at roughly 8–10%, while Tanla expects its own growth to be higher than industry growth, implying market share gains through OTT, AI, and platform-led offerings.
- Tanla signed its third ATP deal and added Bandhan Bank as the third banking customer. ATP revenues are based on a “per subscriber protected per month” model rather than message volumes, making it a high-visibility subscription business. Management clearly stated ATP revenue contribution will rise gradually over time.
- Management highlighted that promotional WhatsApp messages are nearly 10x costlier than utility messages. As Meta shifts traffic toward lower-priced utility messaging, Tanla is seeing strong OTT volume growth but weaker revenue realizations, keeping OTT revenue share broadly flat at 31–32%.
- Management highlighted that around Rs.300cr of revenue came from newly acquired clients during the year. Additionally, 23% of newly onboarded customers came through WhatsApp and RCS channels, indicating that newer communication formats are increasingly driving enterprise adoption.
- Management stated that any impact from the removal of mandatory UPI SMS alerts would be limited to a single-digit percentage of volumes. They also highlighted that sectors such as e-commerce still rely heavily on SMS and WhatsApp for delivery updates, OTPs, and authentication..

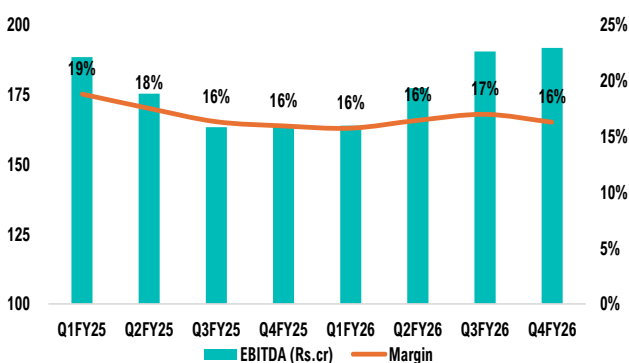
## Revenue



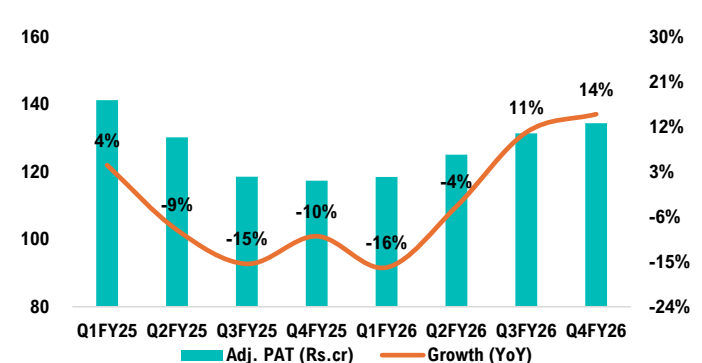
## Customer Cohorts



## EBITDA



## PAT



## Change in Estimates

Year / Rs cr	Old estimates		New estimates		Change (%)	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
Revenue	4,839	5,371	4,900	5,373	1.2	0.04
EBITDA	853	963	781	823	-8.4	-14.5
Margins (%)	17.6	17.9	15.9	15.3	-168bps	-261bps
Adj. PAT	598	665	536	560	-10.3	-15.8
EPS	45	50	40	42	-10.3	-15.8



## Consolidated Financials

### Profit & Loss

Y.E March (Rs.cr)	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Sales</b>	<b>3,928</b>	<b>4,028</b>	<b>4,418</b>	<b>4,900</b>	<b>5,373</b>
% change	17	3	10	11	10
<b>EBITDA</b>	<b>732</b>	<b>691</b>	<b>724</b>	<b>781</b>	<b>823</b>
% change	25	-6	5	8	5
Depreciation	85	98	122	138	143
<b>EBIT</b>	<b>647</b>	<b>593</b>	<b>602</b>	<b>643</b>	<b>680</b>
Interest	6	6	4	5	5
Other Income	43	40	37	43	47
<b>PBT</b>	<b>683</b>	<b>627</b>	<b>634</b>	<b>682</b>	<b>722</b>
% change	21	-8	1	7	6
Tax	135	120	125	146	162
Tax Rate (%)	20	19	20	21	23
<b>Reported PAT</b>	<b>548</b>	<b>507</b>	<b>509</b>	<b>536</b>	<b>560</b>
Adj.*	0	0	0	0	0
<b>Adj. PAT</b>	<b>548</b>	<b>507</b>	<b>509</b>	<b>536</b>	<b>560</b>
% change	22	-7	0	5	4
No. of shares (cr)	13.4	13.4	13.2	13.2	13.2
<b>Adj EPS (Rs)</b>	<b>41</b>	<b>38</b>	<b>38</b>	<b>40</b>	<b>42</b>
% change	23	-7	2	6	4
DPS (Rs)	12	12	13	14	15

### Cash Flow

Y.E March (Rs.cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Net inc. + Deprn.	775	731	761	682	722
Non-cash adj.	-22	-31	16	-16	-10
Changes in W.C	-163	-58	-203	-783	-106
<b>C.F. Operation</b>	<b>590</b>	<b>642</b>	<b>574</b>	<b>-117</b>	<b>606</b>
Capital exp.	-530	-128	-97	-148	-140
Change in inv.	15	-99	128	19	-106
Other invest.CF	-14	-373	17	0	0
<b>C.F - Investment</b>	<b>-528</b>	<b>-599</b>	<b>48</b>	<b>-122</b>	<b>-297</b>
Issue of equity	0	-30	-198	0	0
Issue/repay debt	-11	-6	-4	-5	-5
Dividends paid	-134	-161	-160	-185	-199
Other finance.CF	-5	-11	-13	-3	-3
<b>C.F - Finance</b>	<b>-151</b>	<b>-208</b>	<b>-375</b>	<b>-193</b>	<b>-206</b>
Chg. in cash	-89	-166	247	-432	103
<b>Closing cash</b>	<b>667</b>	<b>502</b>	<b>748</b>	<b>316</b>	<b>418</b>

### Balance Sheet

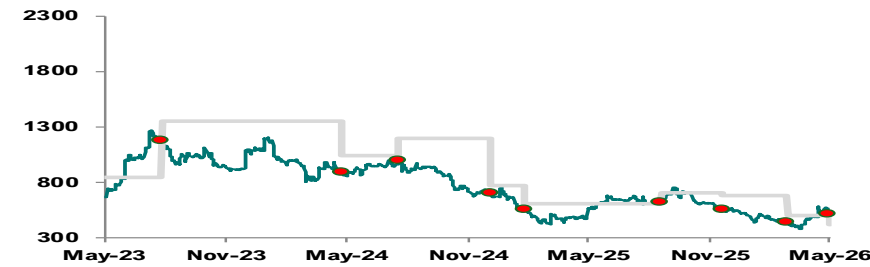
Y.E March (Rs.cr)	FY24A	FY25A	FY26A	FY27E	FY28E
Cash	667	881	1,064	631	734
Account Receivable	842	838	988	940	1,001
Inventories	-	-	-	-	-
Other Cur. Assets	528	505	667	727	794
Investments	2	122	27	22	18
<b>Gross Fixed Assets</b>	<b>342</b>	<b>404</b>	<b>404</b>	<b>529</b>	<b>669</b>
Net Fixed Assets	206	229	205	354	494
CWIP	23	5	0	0	0
Intangible Assets	573	593	603	614	677
Other Assets	167	166	175	153	138
<b>Total Assets</b>	<b>3,009</b>	<b>3,338</b>	<b>3,730</b>	<b>3,441</b>	<b>3,856</b>
Current Liabilities	998	1,003	1,177	539	594
Provisions	10	17	22	24	26
Debt Funds	0	0	0	0	0
Other Liabilities	60	49	44	40	37
Equity Capital	13	13	13	13	13
Reserves & Surplus	1,928	2,255	2,475	2,825	3,186
<b>Shareholder's Fund</b>	<b>1,942</b>	<b>2,268</b>	<b>2,488</b>	<b>2,839</b>	<b>3,200</b>
Minority Interest	-	-	-	-	-
<b>Total Liabilities</b>	<b>3,009</b>	<b>3,338</b>	<b>3,730</b>	<b>3,441</b>	<b>3,856</b>
BVPS	144	168	188	214	241

### Ratios

Y.E March	FY24A	FY25A	FY26A	FY27E	FY28E
<b>Profitab &amp; Return</b>					
EBITDA margin (%)	18.6	17.2	16.4	15.9	15.3
EBIT margin (%)	16.5	14.7	13.6	13.1	12.6
Net profit mgn.(%)	14.0	12.6	11.5	10.9	10.4
ROE (%)	31.7	24.1	21.4	20.1	18.5
ROCE (%)	29.9	22.8	20.3	19.0	17.4
<b>W.C &amp; Liquidity</b>					
Receivables (days)	65.6	76.1	75.4	71.8	65.9
Inventory (days)	-	-	-	-	-
Payables (days)	59.8	60.7	55.1	55.4	54.4
Current ratio (x)	2.0	2.3	2.3	4.2	4.1
Quick ratio (x)	2.0	2.2	2.3	4.1	4.1
<b>Turnover &amp; Leverage</b>					
Gross asset T.O (x)	7.7	10.8	10.9	10.5	9.0
Total asset T.O (x)	1.4	1.3	1.3	1.4	1.5
Int. covge. ratio (x)	104.3	99.2	137.0	139.5	149.9
Adj. debt/equity (x)	0.0	0.0	0.0	0.0	0.0
<b>Valuation</b>					
EV/Sales (x)	2.6	1.3	1.3	1.2	1.1
EV/EBITDA (x)	14.1	7.8	7.6	7.6	7.1
P/E (x)	20.1	12.4	13.0	12.3	11.8
P/BV (x)	5.7	2.8	2.7	2.3	2.1



## Recommendation Summary (last 3 years)



Dates	Rating	Target
09.May.23	Buy	848
08.Aug.23	Accumulate	1349
06.May.24	Accumulate	1,046
31.Jul.24	Buy	1,198
17.Dec.24	Hold	774
07.Feb.25	Hold	609
01.Sep.25	Accumulate	705
04.Dec.25	Buy	680
13.Mar.26	Accumulate	502
15.May.26	Sell	423

## Investment Rating Criteria

Ratings	Large caps	Midcaps	Small Caps
Buy	Upside is above 10%	Upside is above 15%	Upside is above 20%
Accumulate	-	Upside is between 10%-15%	Upside is between 10%-20%
Hold	Upside is between 0% - 10%	Upside is between 0%-10%	Upside is between 0%-10%
Reduce/sell	Downside is more than 0%	Downside is more than 0%	Downside is more than 0%

### Not rated/Neutral

#### Definition:

**Buy:** Acquire at Current Market Price (CMP), with the target mentioned in the research note; **Accumulate:** Partial buying or to accumulate as CMP dips in the future; **Hold:** Hold the stock with the expected target mentioned in the note.; **Reduce:** Reduce your exposure to the stock due to limited upside.; **Sell:** Exit from the stock; **Not rated/Neutral:** The analyst has no investment opinion on the stock.

#### Symbols definition:



Upgrade



No Change



Downgrade

To satisfy regulatory requirements, we attribute 'Accumulate' as Buy and 'Reduce' as Sell.

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