



Script – Tanla Solution

Recommendation – Hold

<i>Script</i>	<i>Recommendation</i>	<i>Sentiment</i>	<i>Last Close</i>	<i>Stop Loss</i>	<i>Target</i>
<i>Tanla Solution</i>	<i>Hold</i>		61.10	30.00	116.00+

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Tanla Solution – Overview [Q3 Result Update]

For the Quarter and nine months ended December 31, 2016

Tanla Solutions Limited (BSE:52790, NSE: TANLA), the largest provider of A2P Messaging in the world, announced its Q3 financial results according to Ind-AS for the quarter and nine months ended December 31, 2016.

"We have demonstrated strong top line growth in the third quarter driven partly by demonetization, which has led to a number of one off communications, as well as growth in our mobile payments business. Demonetization is set to have a positive impact on our A2P business, however, this will take time to fully materialize", commented Uday Reddy, CMD Tanla.

Financial Highlights:

Revenue grew to ` 169.3 Crores from ` 135.5 Crores in Q2 FY17, a growth of 25%. Business Revenue grew to ` 163.6 Crores from ` 129.9 Crores in Q2 FY17, a growth of 26%. EBIDTA grew to ` 15.6 Crores from ` 13.7 Crores in Q2 FY17, a growth of 13%.

- *PAT grew to ` 11.9 Crores from ` 9.7 Crores in Q2, growth of 22%.*
- *EPS grew to ` 1.17 from Re.0.96 in Q2, growth of 22%.*
- *PAT to Cash in Q3 is 96% compared to 85% in Q2*

Key Metrics and recent highlights:

Total volume processed on A2P domestic and international messaging hubs during Q3 is 20Bn. During Q3, Tanla A2P messaging platform handled a highest volume of 378 Mn in a day.

1st Phase of cloud communication has been launched and revenues are growing consistently.

SMSC has been deployed with a leading telecom operator in India with good traction and traffic. 26% of the increase in business revenue during Q3 is attributable to new deployments.

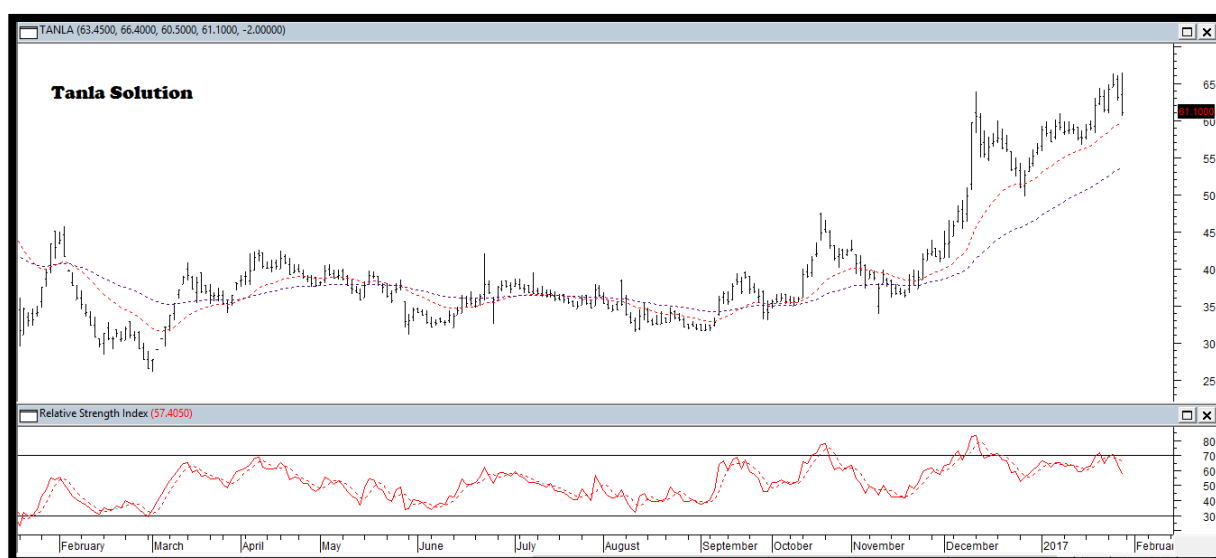
Revenue from mobile payments has increased from ` 6.5 crores in Q2 to ` 18.5 crores in Q3.

Key Metrics and Recent Highlights:

9,42,360 equity shares each of ` 1 /- face value, have been allotted in the Board Meeting, to employees who have exercised their options, under Tanla Solutions Limited Employee Stock Options Plan 2015-16. Staff cost includes a sum of Rs.55 Lakhs for Q3 towards Employee Compensation Cost on account of ESOPs granted to eligible employees.

Thursday, 26 January 2017

Technical View



As you all know that we are bullish in Tanla solution from 40 mark....in our special report of Tanla we recommended buying around 48--45 for the upside target of 116 recently it made high of 66.4 and weekly settled at 61.60.

Now what to expect??

Trend for Tanla is likely to remain positive in near term, any sharp fall will be a buying opportunity in it. Stock likely to take support at 50 and resistance at 65—67. Three consecutive close + weekly close above 67 will take it to 75—80—90 and then to 116+ mark in weeks to come.

On Daily chart, Tanla is trading above 21 and 55 days exponential moving average which is at 59.60 & 53.60 while MACD and RSI too showing positive diversion which indicate that upper side seems certain. Traders don't go for aggressive or positional selling at all because trend is positive and we will expect rally to remain continue till 116+ mark in coming months. For positional trade, stop loss seeing at 30. It will get positional weak only below 30 mark which is unlikely to breach in near terms.

Recommendation: Hold

We recommend to hold the stock ...add more on dips around 60--55 with stop loss below 30 on closing basis for upside target 116+ mark.

Thursday, 26 January 2017

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