



All Seasons India Opportunities Fund Whitepaper

November 2021





About All Seasons India Opportunities Fund



What is All Seasons India Opportunities Fund (the 'Fund')?

We launched the All Seasons India Opportunities Fund for one purpose: to help foreign investors gain access to India's equity growth story by investing the funds in undiscovered stocks that have high growth prospects.

Who is the Fund for? Who can invest?

Foreign citizens from eligible jurisdictions who are accredited or professional investors.

How is this Fund different from other India focussed equity funds?

The Fund is very unique in that it is hyper-concentrated in the highest conviction stocks. It is tactically managed and not a passive tracker fund. It is designed to outperform any comparable benchmarks or indices.

Who is behind the Fund? Why should I listen to you? What is your track record?

All Seasons Capital is the Investment Advisor to the Fund. Abraham George is the Chief Investment Officer of All Seasons Capital. He is personally invested in the stocks that he allocates for the Fund. In fact, a major portion of his liquid net worth is invested in the same stocks that the Fund will invest in. He 'eats his own cooking' and has substantial 'skin in the game'. Abraham George is active in investor conference calls and dialoguing with the senior management and post-fund launch will take an even involved role on behalf of fund investors.





Why now? Why invest in India now? Why invest in the Fund now? Why invest in Tanla now?

The best time to plant a tree was 20 years ago. The second best time is now. - a Chinese proverb

India has the biggest pool of software technologists and IT engineers that are held in high regard, domestically and internationally. The first wave of Indian IT companies were the outsourcing giants like TCS, Infosys, Wipro and HCL. A lot of wealth was created on the back of those stocks. The next wave of Indian IT success stories will originate from dark horses working on emerging technologies like blockchain, artificial intelligence and machine learning and has the potential to dwarf the fortunes created by the first wave leaders. Cost arbitrage that exists in India versus the rest of the world is expected to last for at least another 10 years. Abraham George shared his thesis, '[A Case for Investing in India](#)' at Breezy Briefings.



About Tanla Platforms



Business Description

Tanla Platforms (formerly, Tanla Solutions) is one of India's leading cloud communications providers. Founded in 1999, it was the first company to develop and deploy A2P SMSC in India. Today, as one of the world's largest CPaaS players, Tanla processes more than 800 billion interactions annually and about **62%** of India's **A2P SMS** traffic is processed through its distributed ledger platform - **Trublog**, making it one of the world's largest blockchain use cases. **Wisely**, its new patented enterprise-grade **platform** offers private, secure and trusted experiences for enterprises and mobile carriers. Tanla touches over a billion lives carrying mission-critical messages meeting the needs of the world's largest customers. Tanla Platforms is headquartered in Hyderabad, India and is expanding its presence globally.

It is a publicly-traded company listed on India's stock exchanges (**BSE CODE: 532790** and **NSE: TANLA**) and is also included in prestigious indices such as the Nifty 500 and BSE 500, Russell and MSCI.

Why are we bullish on Tanla Platforms?

Tanla Platforms is a zero-debt company and a high-growth company with a low but increasing market capitalization (a rare and explosive combination). It is a very innovative company in the digital space - the Twilio of India - and has more than 63% of the DLT volume market share (through Trubloq) in India's CPaaS market (Communication Platforms as a Service).

Tanla has a total addressable market (TAM) of **\$800 million** in India. According to Gartner, the CPaaS market is set to move from **\$8.8 billion** in 2021 to **\$23 billion** by 2025. Additionally, there are many other use-cases that are being added to CPaaS at a fast clip which makes the TAM for Tanla even higher - potentially reaching **\$47 billion** by 2023. Gartner has forecasted CPaaS market growth (CAGR) at 30% and that **90%** of enterprises globally will adopt CPaaS by 2023. Gartner has recognized Tanla as a Developer similar to global CPaaS leaders like Twilio and Sinch.

Tanla currently generates all of its revenues from India. It is collaborating with Microsoft to launch its products into the international markets without having to share its revenue with Microsoft (Tanla's products are hosted on MS Azure Stack). It has made very successful acquisitions - Karix (April 2019), a leader in the Indian CPaaS market by market share, and Gamooga (October 2019), a specialist AI-powered omnichannel marketing automation platform. It was the [second best-performing stock](#) in 2020. Abraham George had written about [Tanla in his regular column](#) at Breezy Briefings ([compilation available here](#)).

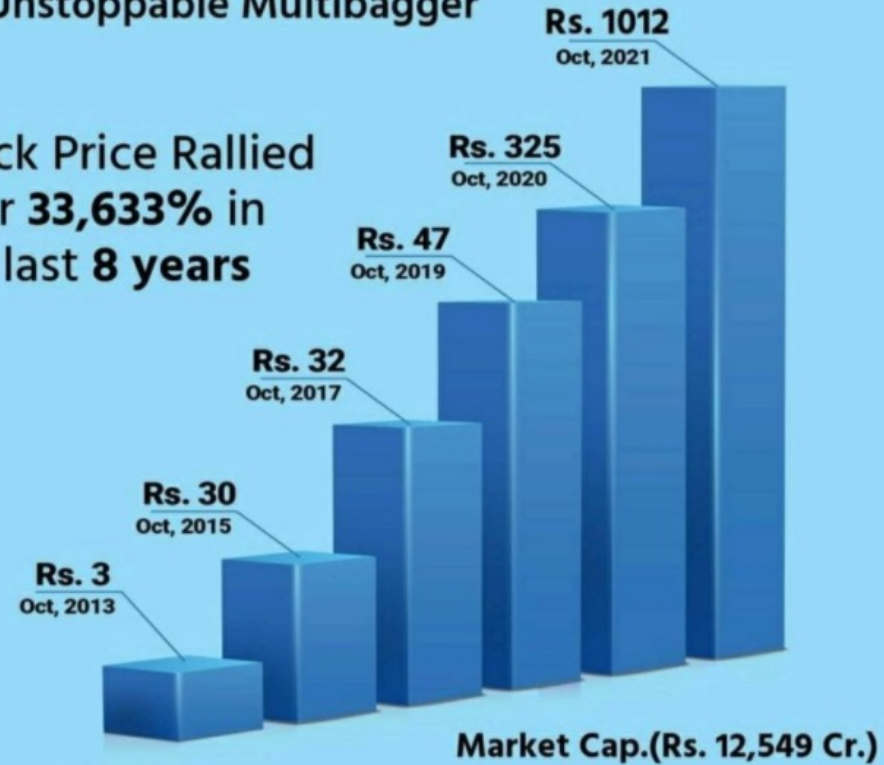


Stock Performance



An Unstoppable Multibagger

Stock Price Rallied over **33,633%** in the last **8 years**



Key Metrics 1

State of the business: leading innovation, growth and value creation

<p>High Growth Best in Class margins and free cash flow profile</p> <p>4x Revenues</p> <p>8x EBITDA</p> <p>9x PAT</p> <p>1004 Gross Margin% Basis points increase</p> <p>883 EBITDA% Basis points increase</p> <p>815 PAT% Basis points increase</p> <p><i>in 5 years from FY2017-21</i></p>	<p>Accelerated Innovation</p> <p>wisely</p> <ul style="list-style-type: none"> 3 patents awarded Co-sell partnership with Microsoft <p>TRUBLOQ</p> <ul style="list-style-type: none"> World's first block chain enabled CPaaS stack Trusted by over 44,000 enterprises 63% volume market share <p>CPaaS Market leader in India</p> <p>800B Interactions/year</p> <p>42% Revenue market share</p> <p>41% NLD volume market share</p> <p>63% DLT volume market share</p> <p>75% ILD volume market share</p>	<p>Enterprise segment market leader</p> <p>30%+ Market share in India</p> <p>Choice of leaders across industry</p> <p>9/10 Banking E-commerce</p> <p>8/10 Financial services Information Technology</p> <p>7/10 Healthcare Consumer goods Social Media Retail</p> <p>1300 Customers across segments</p> <p>60%+ of total revenues contributed by 50 of our top 100 customers, retained for more than 5 years</p> <p>Powering digital communications for the world's largest vaccination drive for covid-19 on CoWin platform through NIC & NHP, India with record-breaking performance of 30,000 TPS</p>
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Listed in Indices

MSCI Nifty500 Nifty Smallcap250 Nifty MidSmallcap400 Nifty Smallcap100 S&P BSE SENSEX FTSE Russell

dun & bradstreet
featured in Next top 100 companies in India

Gartner
recognizes Tanla in the latest CPaaS market guide as a key global solution provider in the developer market

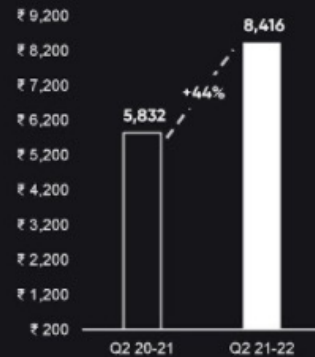
This indicative data on market size has been arrived at basis our internal analysis. This is our assessment and merely indicative in nature and should not be relied upon.

Key Metrics 2

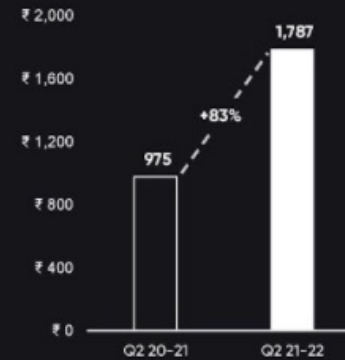
Acceleration across all dimensions

Key financial metrics

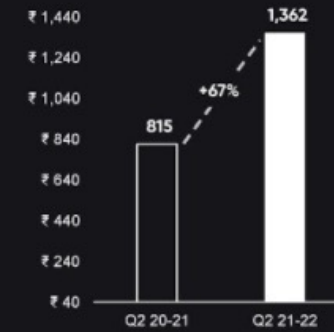
Revenue grew 44% year-over-year to ₹8,416 million.



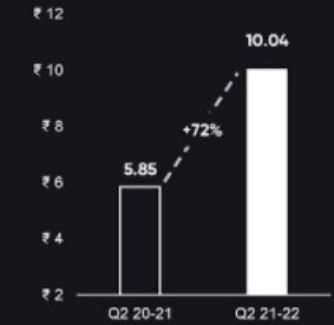
EBITDA grew 83% year-over-year to ₹1,787 million.



PAT grew 67% year-over-year to ₹1,362 million.



EPS grew 72% year-over-year to ₹10.04.



Key Metrics 3

Strong balance sheet

₹ 10,421 million
Strong equity and reserves

₹ 8,457 million
Robust build up of cash & cash equivalents

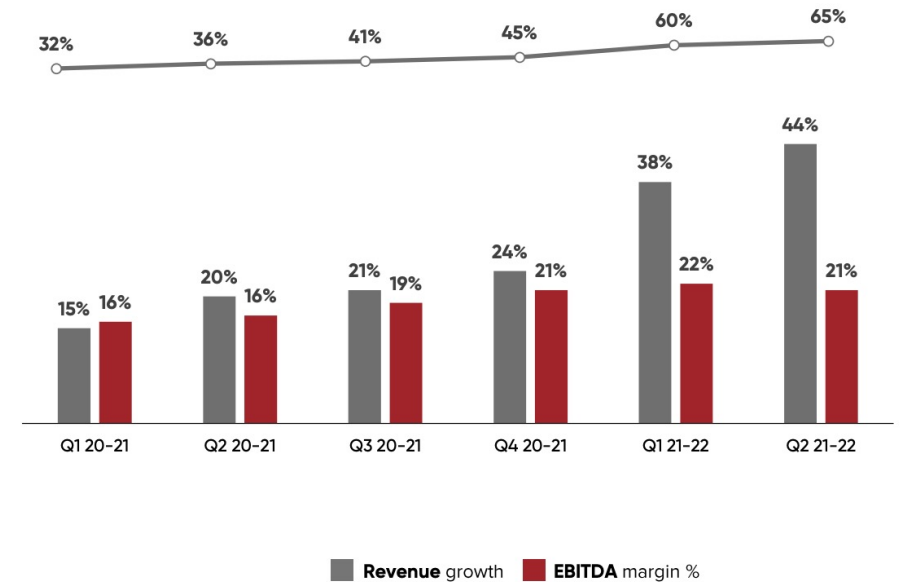
247%
ROCE (excluding cash & cash equivalents)

Debt free

Key Metrics 4

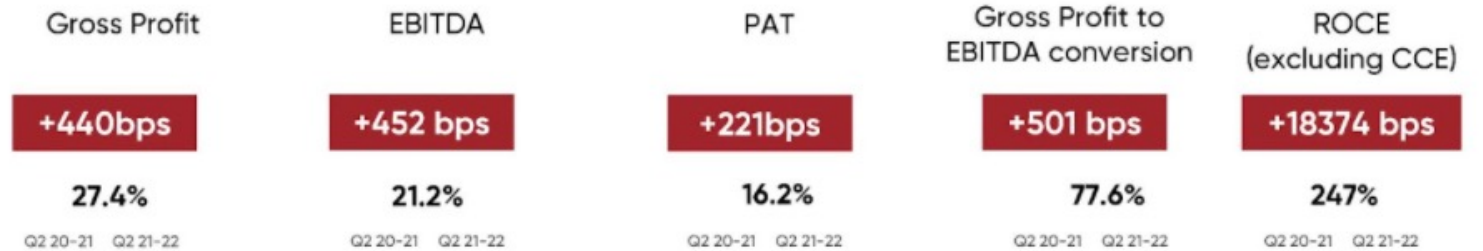
Operating above Rule of 40

- SaaS companies target to operate at Rule of 40 (revenue growth + EBITDA%)
- Operated at Rule of 60 for second consecutive quarter- 65%



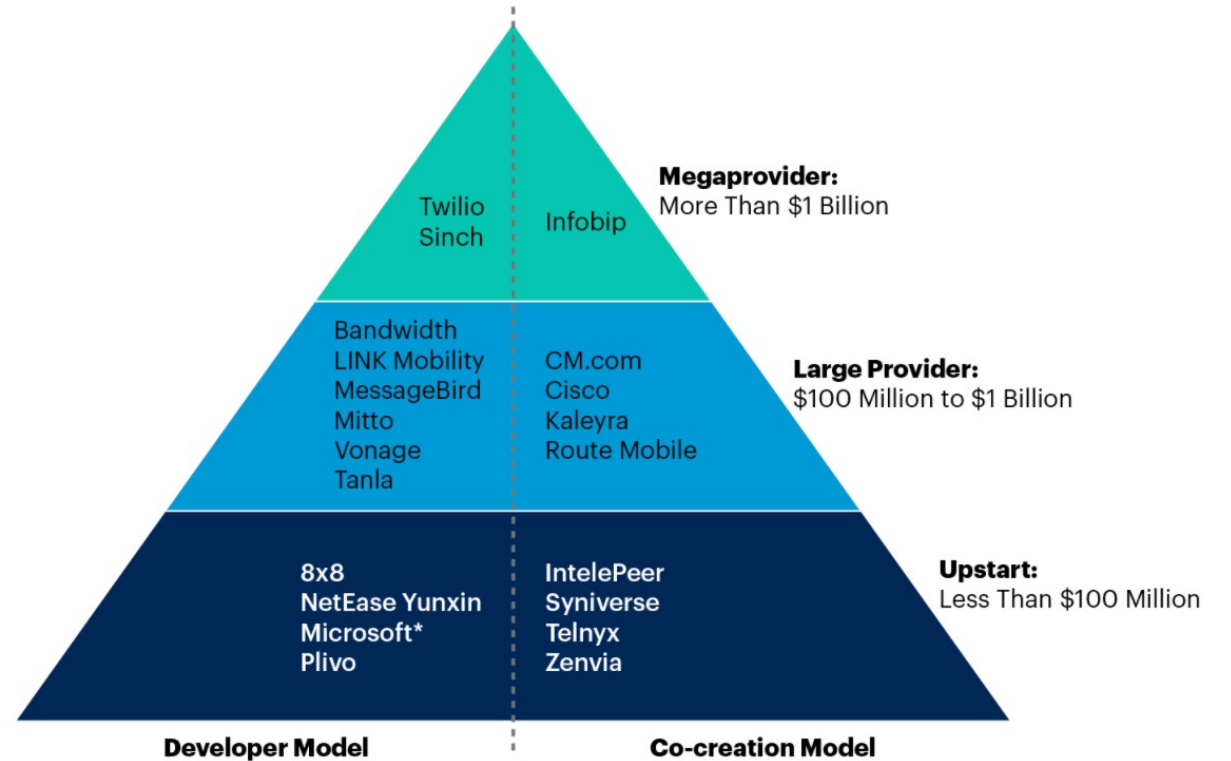
Key Metrics 5

Key metrics: Second quarter 21-22



Gartner Market Research

Major Vendors in CPaaS



Source: Gartner (November 2021)
* Gartner estimate based on launch in April 2021
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Gartner Market Research

Tanla

Product or Portfolio Overview

India-based provider Tanla was founded in 1999 as a bulk SMS provider, but has evolved into a full-fledged CPaaS player with its blockchain-based Wisely product. While A2P SMS remains the bulk of Tanla's business, it has added advanced messaging types like WhatsApp Business API, orchestration and integration into the enterprise value chain via its Karix acquisition. Tanla also added a marketing automation platform, CDP and recommendation engine via its Gamooga acquisition in 2019.

How Tanla Competes

- Having roots in Asia/Pacific and specifically India has led Tanla to strong success in that region, and the vendor is now expanding into the Middle East as well.
- Its Wisely product encrypts message content end to end between enterprises and telcos, ensuring it does not have access to any communications between customers and end users. This is an advantage for security-conscious customers, and also enables Tanla to publish all data on a public blockchain, which provides record-keeping transparency.
- Tanla offers vertical-specific CPaaS solutions for banking, e-commerce, automobile, retail and government.

The SMS support behind the 100-crore vaccine shots

Hyderabad-based Tanla Platforms used blockchain tech to deliver the messages

KV KURMANATH

Hyderabad, October 22

When you booked a vaccination slot on the CoWIN app or platform, you would have instantly received a message on your phone. Once the dose was administered again you would have got a message with a link to the vaccination certificate.

Hyderabad-based Tanla Platforms, a technology company that has built a Blockchain-based Communication Platform-as-a-Service (CPaaS), was the support service behind a few hundred crore messages disseminated by CoWIN, the application that handled the mammoth Covid-19 vaccination drive in the country.

Tanla delivered critical OTP messages for vaccine registration on the CoWIN platform through National Informatics Centre as well as

post vaccination communication by the National Health Portal. As the vaccination drive peaked, the technology platform responded with speed and agility to match the pace of transactions.

For example, at one point the Government agencies handled 30,000 vaccine transactions per second. "We facilitated the vaccina-

tion drive by delivering each SMS instantly," said Uday Reddy, Founder-Chairman and Chief Executive Officer of Tanla Platforms.

The firm's Blockchain-based platform is built to meet the requirements mandated by the Telecom Regulatory Authority of India (TRAI).

Communication powerhouse
Not just the CoWIN SMSes, the company handles about 65 per cent of the 40-billion odd communication dis-

seminated in the country every month. As mandated by TRAI, it authenticates the messages sent by various service providers, OTT players and tele-marketers to their respective customers.

The company, which reported a revenue of ₹841 crore in the second quarter this year, plans to set up a centre at a Special Economic Zone (SEZ) in Hyderabad.

"It is going to have a capacity to seat 600 employees. But we will start off with 300 employees. It will be an innovation and experience centre for our platform Wisely, focusing on Blockchain, artificial intelligence, machine learning and crypto technologies," said Reddy.

The firm has about 680 employees, including 150 working on Wisely, the blockchain-based CPaaS that targets global markets. "We see potential in the Middle-East, the UK, Indonesia and the Philippines," he said.



Tanla delivered OTP messages for vaccine registration on the CoWIN platform

National Press coverage

Tanla Platforms

Version 2.0

Tanla Platforms (Tanla) is a leading player in the fast-growing CPaaS market (22% CAGR), which is being led by increased online transactions. The company's business model has changed several times in the past two decades, but it has found success in the Application-to-Person (A2P) messaging and platform business, which grew at 46% CAGR over FY15-21. Tanla's enterprise messaging capabilities were strengthened by the acquisition of Karix (market leader in India CPaaS). It has emerged as an integrated CPaaS solutions provider with an asset-light business model in its new avatar (V2.0). Its enterprise segment processes ~169bn+ messages per year and has a market share of 40%. Tanla has tasted success with the launch of Trubloq, a blockchain based platform deployed with major telcos, and processes ~63% of India's A2P messaging traffic.

Tanla is expected to grow strongly, based on: (1) continued growth in enterprise messaging volumes; (2) increasing Trubloq platform volumes (higher margins); (3) scaling up of Wisely platform (developed by Tanla in partnership with Microsoft); and (4) up-selling and client addition. Over FY21-24E, we project revenue/EBITDA/EPS CAGRs of +26/30/27%. We initiate coverage on Tanla with a TP of INR 1,600, valuing it at 30x FY24E EPS, supported by its top quartile growth, higher RoE of 44%, excellent cash generation, and net cash of INR 8.5bn (~5% of market cap). The stock is trading at a P/E of 30/26x FY23/24E (~25% discount to listed peer).

- Karix provides a flip to enterprise business:** Tanla acquired Karix from Blackstone in Apr-19. Karix commands a market share of ~30% and has a long-standing relationship with clients in verticals like BFSI, ecommerce, healthcare, travel, social media, and government. The acquisition has been a turning point in Tanla's journey, growth in its enterprise business (~93% of revenue, nine quarter CQGR of 8.3%) is primarily led by Karix. Karix' revenue has grown at 20% CAGR over FY16-21. We expect enterprise CAGR of 25% over FY21-24E, with a gross margin of ~21%.
- Trubloq propels growth:** The Trubloq platform (launched in Sep-20) is built on distributed ledger technology (DLT) and is used to filter unsolicited and fraud messages, as mandated by TRAI. Trubloq processes ~20-25bn messages monthly, which is a market share of ~63%. Since its inception, the platform business (~7% of total revenue) has grown at a four quarter CQGR of 17.4%. We expect 40% revenue CAGR in the platform business over FY21-24E, with a gross margin of ~90%.
- Strong Q2 and improving cash conversion:** Enterprise revenue increased 36.5/41.5% QoQ/YoY to INR 7.8bn in Q2, led by higher volumes and an increase in ILD rates. Platform revenue increased 12.6/90.2% QoQ/YoY to INR 0.6bn. The gross margin for enterprise/platform stood at 22.1/92.6% in the quarter. The working capital management has improved, leading to a strong CF conversion (OCF/EBITDA at 129/119% in FY21/H1FY22).

Financial summary (consolidated)

YE March (INR mn)	FY18	FY19	FY20	FY21	FY22E	FY23E	FY24E
Net Sales	7,916	10,040	19,428	23,415	32,829	39,994	46,588
Gross Profit	961	1,433	3,911	5,777	8,937	10,743	12,346
EBITDA	652	967	1,850	4,335	6,931	8,228	9,486
APAT*	191	298	1,284	3,561	5,270	6,277	7,254
Diluted EPS (INR)	1.4	2.2	9.4	26.2	38.7	46.1	53.3
P/E (x)	NA	NA	147.5	53.2	35.9	30.2	26.1
EV / EBITDA (x)	NA	NA	101.3	42.4	25.9	21.2	17.7
RoE (%)	2.8	4.2	18.0	44.7	47.6	38.6	31.8

Source: Company, HSIE Research, *FY20 APAT is excluding accelerated depreciation

BUY

CMP (as on 17 Nov 2021)	INR 1,392
Target Price	INR 1,600
NIFTY	17,899

KEY STOCK DATA

Bloomberg code	TANLA IN
No. of Shares (mn)	136
MCap (INR bn) / (\$ mn)	189/2,545
6m avg traded value (INR mn)	225
52 Week high / low	INR 1,393/415

STOCK PERFORMANCE (%)

	3M	6M	12M
Absolute (%)	49.1	53.1	235.5
Relative (%)	41.6	32.0	199.0

SHAREHOLDING PATTERN (%)

	Jun-21	Sep-21
Promoter	42.29	42.51
FIs & Local MFs	12.90	13.35
FPIs	0.04	0.04
Public & Others	44.77	44.10
Pledged Shares	0.00	0.00

Source : BSE

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Brokerage/Analyst coverage

Brokerage/Analyst coverage

Tanla Platforms – BUY

25 October 2021

Result review



Optimistic commentary after strong 2Q

Tanla's 2QFY22 revenue/PAT grew 44%/67% YoY, better than estimates, and FCF generation remained strong. As per fresh disclosures, gross margin in the enterprise segment rose 340bps YoY despite rising competition. Management stated that Tanla has benefitted from new client additions, better account mining and market share gains. It expects to announce two large partnerships on the Wisely platform during 3Q and targets international launch of Wisely in 4QFY22. We upgrade FY22-24ii EPS by 7-9% on the 2Q beat. We forecast 24% EPS Cagr over FY21-24ii and the stock trades at a reasonable 25x 1YF P/E. The stock trades at 5% FY23ii FCF yield and ~16x EV/Ebitda compares favourably with high RoCE companies in IIFL universe. We roll forward to Dec-22 to arrive at TP of Rs1,253 (vs. Rs1,121 earlier), and maintain BUY.

Revenue growth drives strong 2Q: Tanla's 44%/83% YoY revenue/Ebitda growth in 2Q was better than our 24%/63% estimate. The 67% PAT growth trailed Ebitda due to higher tax rate. Tanla's cash balance rose QoQ to Rs8.5bn from Rs7.2bn, after paying out Rs136m dividend and incurring Rs819m on share buyback. We view Tanla's improved disclosures on revenue mix as positive.

Optimistic management commentary: Management alluded to market share gains and sees higher wallet share of existing customers and new customer acquisitions as growth drivers. Tanla's success in account mining can be seen in the number of accounts, with annualised revenue of Rs500m+ rising YoY to 19 from 10 and the revenue from this bucket growing 73% YoY. Channels other than SMS have grown faster than the overall business, with WhatsApp revenues doubling QoQ. Trubloq deployment with the two UAE telcos should go live in the next few months. Tanla intends to use its cash for international expansion, investments on the Wisely platform and bolt-on acquisitions.

We raise FY22-24ii EPS by 7-9%: Higher-than-expected benefit from doubling of ILD SMS termination rates and the 2Q beat drives a significant revenue upgrade. 2Q saw 45% YoY increase in employee costs, due to the company strengthening its developer team. With Tanla targeting international launch of Wisely in 4Q, we also build in higher employee costs and marketing expenses. Net-net, we raise FY22-24ii EPS by 7-9%.

Result update

CMP	Rs1063
12-mth TP (Rs)	1253 (18%)
Market cap (US\$m)	1,921
Enterprise value(US\$m)	1,809
Bloomberg	TANLA IN
Sector	CPaaS
Shareholding pattern (%)	
Promoters	42.5
Pledged (as % of promoter share)	0.0
FII	13.4
DII	1.6
52Wk High/Low (Rs)	1063/273
Shares o/s (m)	136
Daily volume (US\$ m)	1.6
Dividend yield FY23ii (%)	0.7
Free float (%)	57.5

Price performance (%)

	1M	3M	1Y
Absolute (Rs)	25.5	8.4	274.4
Absolute (US\$)	23.8	7.9	268.1
Rel. to BSE Midcap	23.9	(2.6)	202.7
Cagr (%)			
	3 yrs	5 yrs	
EPS	155.7	105.5	

Stock performance



Financial summary (Rs m)

Y/e 31 Mar, Consolidated	FY20A	FY21A	FY22ii	FY23ii	FY24ii
Revenues (Rs m)	19,428	23,415	32,098	39,319	46,525
Ebitda margins (%)	9.5	18.5	20.8	20.3	19.5
Pre-exceptional PAT (Rs m)	1,489	3,561	5,165	5,858	6,784
Reported PAT (Rs m)	(2,112)	3,561	5,165	5,858	6,784
Pre-exceptional EPS (Rs)	10.2	26.2	38.2	43.3	50.1
Growth (%)	295.4	156.7	45.8	13.4	15.8
IIFL vs consensus (%)			8.1	8.8	7.3
PER (x)	104.2	40.6	27.9	24.6	21.2
ROE (%)	20.9	44.7	46.7	37.6	32.6
Net debt/equity (x)	(0.3)	(0.7)	(0.9)	(1.0)	(1.1)
EV/Ebitda (x)	82.8	32.0	19.7	15.8	13.1
Price/book (x)	22.1	16.2	10.9	8.0	6.1
OCF/Ebitda (x)	1.3	1.3	1.1	0.9	0.9

Source: Company, IIFL Research. Priced as on 22 October 2021

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What about risks?

The Fund Advisor has deliberated and diligenced various manner of foreseeable risks e.g. competitive landscape, technology obsolescence, market and sectoral risks. Based on Tanla's cutting edge platforms, product offerings and a proven team forged over 20 years, the company's expected risk/reward calculus is highly appealing.

An investment in the Fund is highly speculative and entails significant risk. Past performance is not representative of future performance.



About All Seasons Capital

What is All Seasons Capital (the 'Advisor')?

All Seasons Capital is a boutique asset manager (fund advisor), co-founded by Abraham George and Jebin Sam Mathew. With decades of team experience in the financial markets, our expertise lies in global macro and systematic strategies.

We serve institutional investors such as sovereign wealth funds, family offices, allocators/consultants as well as professional, accredited investors. We offer tailored solutions via separately managed account mandates as well as commingled fund vehicles.



Who is behind All Seasons Capital? Tell me about the team.

Abraham George, Chief Investment Officer

Investment Manager and Multi-Asset Trader with more than 44 years of experience in trading & investment and portfolio management spanning diverse environments like banks, sovereign wealth fund, family office and hedge fund. Most recently the CEO and CIO of All Seasons PTL Investment Management, a Cayman-domiciled systematic hedge fund regulated by the Dubai Financial Services Authority (DFSA). It was seeded by Abu Dhabi Investment Council and had **USD 50 million** assets under management.

Prior to founding the hedge fund, managed the treasury department as the Chief Portfolio Manager of Al-Ain Capital, a royal family office based in Abu Dhabi. Managed a **US\$800 million** trading portfolio of currencies, commodities, indices and local equities. Investment committee member responsible for a **US\$200 million** private equity portfolio.

Prior to holding this position, Portfolio Manager/Trader in the Treasury Department of the Abu Dhabi Investment Authority (ADIA) from November 1990 to December 2006. Significant achievements at ADIA include (i) from 1996 to 2000, profitably handling a significantly large portfolio trading in G7 currencies and relevant crosses, and (ii) from 2000 to 2006 trading on the subjective overlay portfolio. ADIA Treasury Department's best performer for three consecutive years (1996-1998) and managed a portfolio in excess of US\$3 billion.

Prior to joining ADIA, worked for the respective treasury departments of the Abu Dhabi Commercial Bank, Federal Commercial Bank and the HSBC Group between 1975 and 1990. Chartered Market Technician fully conversant with classical and contemporary analytical studies.

Jebin Sam Mathew, Chief Operating Officer

Investment and Operations Manager as well as Multi-Asset Trader with 15 years of experience. Accomplishments include launching and managing startup operations and creating, deploying and automating scalable operational systems and processes.

Skilled in FX and derivatives trading, project management, operations analysis, strategic business development. Full trading lifecycle experience in multi-asset trading across Front, Middle and Back Office: Pre-Trade, On-Trade & Post-Trade Functions.

Working knowledge of Bloomberg EMSX (for trade execution) and Eze Software (Tradar) PMS (for position keeping) Proficient in technical analysis, trading strategy development. Familiar with strategy back-testing, quant modelling, algorithms

Educated as a mechanical engineer (member of Singapore Institution of Engineers). Completed training in Corporate Strategy, Investment Banking, Private Equity & Venture Capital and Investment Management.

I'm interested. I'd like to invest in the Fund. What should I do next?

Please send an email with the subject:

[Interested in ASI OF](mailto:ir@allseasonsptl.com) to ir@allseasonsptl.com for pre-qualification.

Fund applications are subject to KYC due diligence and approval by the fund administrator's (Apex Fund Services) compliance team.





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OPPORTUNITIES
FUND