

Limited Review Report on the Statement of unaudited Standalone financial results of TAKE Solutions Limited for the quarter and half year ended September 30, 2023 pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of **TAKE Solutions Limited**

Introduction

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **TAKE Solutions Limited** ("the Company") for the quarter and half year ended 30th September 2023 (the "Statement") together with notes thereon, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulation, 2015"), which we have initialed for identification purposes only.
2. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 8th November 2023 and has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("the Listing Regulation, 2015"). Our responsibility is to issue a report on the Statement based on our review.

Scope of Review

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the

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Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

4. The business carried on by Navitas LLP is severely impacted for the factors as stated in Note No. 4 to the statement. Further as stated in Note No 6(a) to the statement, in accordance with Ind AS 109, the Company has not assessed the changes in risk/expected cash shortfall to determine expected credit loss allowance to be recognised in respect of the financial guarantees given to lenders of Navitas LLP for the loans availed by Navitas LLP and the balance outstanding loan in the books of said LLP as on September 30, 2023 is ₹ 82.59 million and has not tested for impairment other advances recoverable from said LLP to an extent of INR 9.83 million. Hence, we are unable to comment on the consequential impact, if any, on the standalone financial results for the quarter and half year ended September 30, 2023.
5. As stated in Note No 6(b) to the statement, tax assets appearing in the financial statements of the Company to an extent of ₹ 90.70 million pertain to the financial period ending upto March 31, 2020. In the absence of sufficient appropriate evidence to corroborate management's assessment of recoverability of these balances we are unable to comment on the carrying value of above receivables and the shortfall, if any, on the amount that would be ultimately realizable from the tax authorities.

Material Uncertainty Relating to Going Concern

6. We draw your attention to Note No 4 to the Statement, which indicates that the enforced sale of erstwhile Wholly Owned Subsidiary TAKE Solutions Global Holdings Pte Ltd ("TAKE Ghpte") during the year ended March 31, 2023 has significantly impacted the revenue and business operations of TAKE and its remaining subsidiaries. Further, during the previous year ended March 31, 2023, significant number of employees of Ecron Acunova Limited (EAL) and Navitas LLP (LLP) have resigned which has affected the business operations and cash flows of EAL and LLP and the said entities have exposure to banks which have been guaranteed by the Company. Furthermore, the Company has significant unpaid statutory dues. Also, the Revenue of the Company for the quarter and half year ended September 30, 2023 has fallen significantly as performance obligations under a major business contract have been completed and the contract has not been renewed before the end of the reporting period. These indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Company is exploring various funding options for expansion and also expects improvement in the overall level of operations in the Generics Development Capabilities vertical as evidenced by capex and other expansion plans undertaken during the reporting period in the said business vertical by EAL. In view thereof and expecting favourable market conditions in future, the Standalone Financial Results for the quarter half year ended September 30, 2023 have been prepared on a "going concern basis" and no adjustment has been made to the carrying value of assets and liabilities.

Our Conclusion on the Statement is not modified in respect of the above matter.

Emphasis of Matters

7. We draw your attention to Note 5 to Statement, regarding outstanding purchase consideration of ₹ 83.19 million which according to the management is fully recoverable

and accordingly, no adjustment has been made in the Standalone Financials Results for the quarter and half year ended September 30, 2023.

Our Conclusion on the Statement is not modified in respect of the above matter.

Qualified Conclusion

8. Based on our review conducted as stated above, ***except for the effects/possible effects of the matters stated under Basis for Qualified Conclusion Section above***, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Sundar Sridhar & Sridhar
Chartered Accountants

Firm Registration No: 004201S


V Vijay Krishna
Partner



Membership No: 216910

UDIN: 23216910BGXQNT4072

Place: Chennai

Date: November 08, 2023



TAKE SOLUTIONS LTD

CIN: L63090TN2000PLC046338

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www.takesolutions.com

Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2023

(₹ In Million except per share data)

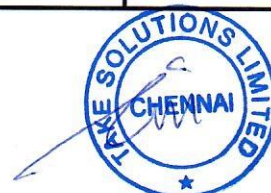
Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		Sep 30, 2023	Jun 30, 2023	Sep 30, 2022	Sep 30, 2023	Sep 30, 2022	Mar 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	Revenue from operations	-	54.21	159.32	54.21	286.82	562.25
	Other Income	1.33	0.22	7.17	1.55	19.56	90.65
	Total Income	1.33	54.43	166.49	55.76	306.38	652.90
2	Expenses						
	Cost of revenue	-	31.50	114.90	31.50	229.66	459.35
	Employee benefit expenses	4.82	6.26	6.76	11.08	21.53	27.75
	Finance cost	1.88	2.05	0.45	3.93	1.00	6.15
	Depreciation and amortisation	2.99	2.99	2.75	5.98	5.60	11.11
	Other expenses	6.07	6.39	21.10	12.46	43.83	47.15
	Total Expenses	15.76	49.19	145.96	64.95	301.62	551.51
3	Profit/(Loss) before exceptional items and tax (1-2)	(14.43)	5.24	20.53	(9.19)	4.76	101.39
4	Exceptional items						
	Loss on impairment	-	(3.62)	-	(3.62)	-	(54.42)
	Profit/(Loss) before tax (3+4)	(14.43)	1.62	20.53	(12.81)	4.76	46.97
5	Tax expense / (Reversal)						
	Current tax	(1.59)	1.59	3.89	-	3.89	9.23
	Shortfall / (excess) provision of earlier years	-	-	-	-	-	0.08
	Deferred tax	(1.89)	0.22	-	(1.67)	-	(5.19)
6	Profit/(Loss) for the period (4-5)	(10.95)	(0.19)	16.64	(11.14)	0.87	42.85
7	Other Comprehensive Income						
	a) i) Items that will not be reclassified to profit or loss	(0.05)	(1.58)	(1.80)	(1.63)	(1.71)	(0.59)
	ii) Income tax on items that will not be reclassified to profit or loss	0.01	0.40	-	0.41	-	0.15
	b) i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	ii) Income tax on items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income	(0.04)	(1.18)	(1.80)	(1.22)	(1.71)	(0.44)
8	Total Comprehensive Income (6+7)	(10.99)	(1.37)	14.84	(12.36)	(0.84)	42.41
9	Paid-up equity share capital (Face value ₹ 1/- each)	147.93	147.93	147.93	147.93	147.93	147.93
10	Earnings per share (of ₹ 1/- each) (not annualised)						
	(a) Basic (in ₹)	(0.07)	(0.00)	0.11	(0.07)	0.01	0.29
	(b) Diluted (in ₹)	(0.07)	(0.00)	0.11	(0.07)	0.01	0.29



Notes:

1. Statement of Standalone Assets and Liabilities

Particulars		₹ In Mn	
		As at Sep 30, 2023	As at Mar 31, 2023
		(Unaudited)	(Audited)
ASSETS			
Non-current assets			
(a) Property, plant and equipment		7.99	9.55
(b) Right-of-use assets		7.27	11.63
(c) Other intangible assets		0.21	0.01
(d) Investment in subsidiaries		2,422.01	2,425.62
(e) Financial Assets			
Other financial asset		7.42	7.22
(f) Deferred tax assets (net)		7.42	5.34
(g) Income tax assets (net)		139.61	136.11
Total Non-Current Assets		2,591.93	2,595.48
Current assets			
(a) Financial assets			
(i) Trade receivables		-	-
(ii) Cash and cash equivalents		4.46	62.23
(iii) Bank balances other than (ii) above		2.96	3.10
(iv) Other financial assets		446.07	463.42
(b) Other current assets		64.29	62.75
Total Current Assets		517.78	591.50
Total Assets		3,109.71	3,186.98
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital		147.93	147.93
(b) Other equity		2,867.46	2,879.82
Total Equity		3,015.39	3,027.75
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		-	3.76
(ii) Other financial liabilities		0.23	0.45
(b) Provisions		1.23	1.45
Total Non-Current Liabilities		1.46	5.66
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities		17.80	14.39
(ii) Trade Payables			
Total outstanding dues of Micro Enterprises and Small Enterprises		2.50	0.93
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises		3.15	44.59
(iii) Other financial liabilities		25.21	48.54
(b) Other current liabilities		41.87	44.68
(c) Provisions		2.33	0.44
Total Current Liabilities		92.86	153.57
Total Equity and Liabilities		3,109.71	3,186.98



2. Statement of unaudited Standalone Cash flows

Particulars	(₹ In Mn)	
	Half Year ended	
	September 30, 2023	September 30, 2022
	(Unaudited)	(Unaudited)
A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/ (LOSS) BEFORE TAX (Continuing and Discontinued operations)	(12.81)	4.76
Adjustments for		
Depreciation	5.98	5.60
Finance Cost	3.93	1.00
Interest income	(0.20)	(13.44)
Unwinding of liability for financial guarantee contracts	(0.23)	(1.46)
Loss on impairment	3.62	-
Provision for gratuity, compensated absences	-	(0.84)
Bad debts and provision for expected credit losses	-	10.81
Foreign exchange adjustments-loss/(gain)	-	(2.98)
Operating Profit before working Capital Changes	0.29	3.45
(Increase)/Decrease in loans & advances and other assets	15.79	180.67
Increase/ (Decrease) in liabilities and provisions	(65.83)	27.58
Cash flow from/ (used in) Operations	(49.75)	211.70
Direct taxes paid, net	(6.82)	(25.59)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	(56.57)	186.11
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(0.24)	-
Proceeds from sale of investments in a subsidiary	-	295.43
Reduction/(increase) of other bank balances	0.14	-
Loans to related parties	-	(449.18)
NET CASH FROM /(USED IN) INVESTING ACTIVITIES	(0.10)	(153.75)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability including interest	(0.96)	(5.68)
Dividend of earlier years paid/transferred	(0.14)	-
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	(1.10)	(5.68)
Net Increase/(Decrease) in Cash & Cash equivalents	(57.77)	26.68
Add: Cash and Cash equivalents as at the beginning of the period	62.23	25.36
Cash & Cash equivalents as at the end of the period	4.46	52.04



- 3 The Standalone Financial Results have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Standalone Financial Results for the quarter and half year ended September 30, 2023 have been reviewed and recommended by the Audit Committee and approved by the Board of Directors of the company in their respective meetings held on November 08, 2023. The statutory auditors of the company have carried out limited review of the standalone financial results for the quarter and half year ended September 30, 2023 and have issued a modified conclusion.
- 4 The enforced sale of erstwhile Wholly Owned Subsidiary TAKE Solutions Global Holdings Pte Ltd ("TAKE Ghpte") during the year ended March 31, 2023 has significantly impacted the revenue and business operations of TAKE and its remaining subsidiaries. Further, during the previous year ended March 31, 2023, significant number of employees of Ecron Acunova Limited (EAL) and Navitas LLP (LLP) have resigned which has affected the business operations and cash flows of EAL and LLP and the said entities have exposure to banks which have been guaranteed by the Company. Furthermore, the Company has significant unpaid statutory dues. Also, the Revenue of the Company for the quarter and half year ended September 30, 2023 has fallen significantly as performance obligations under a major business contract have been completed and the contract has not been renewed before the end of the period. These indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Company is exploring various funding options for expansion and also expects improvement in the overall level of operations in the Generics Development Capabilities vertical as evidenced by capex and other expansion plans undertaken during the reporting period in the said business vertical by EAL. In view thereof and expecting favourable market conditions in future, the Standalone Financial Results for the quarter and half year ended September 30, 2023 have been prepared on a "going concern basis" and no adjustment has been made to the carrying value of assets and liabilities.
- 5 As at the end of the quarter ended September 30, 2023, out of net purchase consideration of ₹ 380 Mn accrued to the Company on account of enforced sale of TAKE Ghpte, a sum of ₹ 83.19 Mn is yet to be realised. No impairment loss is recognised against the receivable since the management is confident of recovering the balance amount.
- 6 (a) The Company has given Financial Guarantee to the lenders of Navitas LLP on which no expected credit loss is determined in accordance with Ind AS 109 as the management of LLP is exploring various business opportunities and EAL, the major stakeholder in Navitas LLP is expecting a better operating metrics in Generics Development Capabilities and exploring various funding options for expansion and also expects improvement in the overall level of operations in the Generics Development Capabilities vertical which would result in strong cash flows and that there is no default risk. Further, advances recoverable from said LLP to an extent of INR 9.83 million is considered good and there is no default risk.
(b) According to the management, Tax Assets to an extent of ₹ 90.70 Mn recognised in the standalone financial statements pertain to the financial period ending upto March 31, 2020, are fully recoverable upon completion of the assessment / disposal of the appeals pending in various forums. The refunds are withheld/under process on account of disputes pending before various forums and no impairment is considered necessary.
- 7 Exceptional items for the year ended March 31, 2023 and for the quarter ended June 30, 2023 represent impairment loss recognised on certain deemed investments recognised in accordance with Ind AS 102 and Ind AS 109.
- 8 The company on a standalone basis operates in the business segment of promotion of services related to Life Sciences and hence there is only one business segment. The company on a standalone basis is primarily operating in India, which is considered as single geographical segment. Accordingly, segment information has not been separately disclosed.
- 9 During the quarter ended September 30, 2023, employees have not exercised any equity share options under Employee Stock Option Scheme of the Company.
- 10 The Standalone Financial Results for the quarter and half year ended September 30, 2023 are available on the Company's website (www.takesolutions.com) and the website of BSE (www.bseindia.com) and NSE (www.nseindia.com)
- 11 Previous period figures have been regrouped /reclassified, wherever necessary to conform to current period's classification.

For and on behalf of the Board of Directors

Srinivasan H.R.

Srinivasan H.R.

Chairman for the meeting dated November 08, 2023

Place : Chennai
Date : November 08, 2023

