

Limited Review Report on the Statement of unaudited Consolidated financial results of TAKE Solutions Limited for the quarter and nine months ended December 31, 2022 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**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **TAKE Solutions Limited** ("the Company" or "the Holding Company") and its subsidiaries (the Holding Company and its wholly owned subsidiaries together hereinafter referred to as the "Group") (refer paragraph 4 below) for the quarter and nine months ended 31st December, 2022 (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 14th February 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 express a conclusion on the Statement based on our 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 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 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



4. The Statement includes the financial information of the following entities:

Parent

TAKE Solutions Limited

Subsidiaries

(a) Ecron Acunova Limited - Subsidiary

(b) Navitas LLP - Subsidiary

(c) TAKE Solutions Limited ESOP Trust

(d) TAKE Consultancy Services Inc, USA – Subsidiary

(e) Acunova Life Sciences Inc, USA – Step-down Subsidiary

(f) Navitas Life Sciences Company Limited, Thailand – Step-down Subsidiary

(g) TAKE Solutions Global Holdings Pte Ltd and its subsidiaries – Upto the date of disposal – Refer Note No 2 to the Statement

Basis for Qualified Conclusion

5. No impairment assessment on tangible assets whose net carrying value is ₹ 325 lakhs and certain other financial assets whose net carrying value is ₹ 1062 lakhs have been carried out by the Navitas LLP as stated in Note No 3(a) as at 31st December 2022 as the business operations are severely impacted as stated in Note No 2 to the Statement. In the absence of sufficient appropriate evidence, we are unable to comment on consequential adjustments if any, that may be required to be made in the carrying value of property, plant and equipment and other financial assets.
6. As stated in Note No: 3(b) no impairment assessment was carried out on the goodwill arising on consolidation as at December 31, 2022 on account of change in business model caused by the factors as explained in Note No 2. Therefore, we are unable to comment on consequential adjustments, if any, that may be required to be made in the carrying value of goodwill on consolidation.
7. As stated in Note No: 3(c), tax assets appearing in the financial statements of TAKE Solutions Limited to an extent of ₹ 907 lakhs 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 Related to Going Concern

8. We draw your attention to Note No 2 to the Statement, which indicates that the company has incurred huge loss for the year ended March 31, 2022 on account of recognition of impairment loss on certain financial assets consequent to the enforced sale during May, 2022 of 100% shareholding held in erstwhile subsidiary TAKE Solutions Global Holdings Pte Ltd by the receivers duly appointed by the lenders of the said subsidiary. The said transaction has significantly impacted the revenue and business



operations of TAKE Solutions Limited and its subsidiaries. Further, during the nine months ended December 31, 2022, significant number of employees of Ecron Acunova Limited (EAL) and Navitas LLP (LLP) have resigned which could affect the future 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 Group has significant unpaid statutory dues. These indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However, the Group 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. In view thereof and expecting favourable market conditions in future, the Unaudited Consolidated Financial Results 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

9. We draw your attention to Note No 2 to Statement, regarding outstanding purchase consideration of ₹ 828 lakhs which according to the management is fully recoverable and accordingly, no adjustment has been made in the Consolidated Financial Results.
10. We draw your attention to Note No 7 to Statement, regarding the Annual operating plans and budgets as required by Regulation 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended have not yet been placed before and approved by the Board of Directors.

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

Other Matters

11. We did not review the interim financial results of subsidiaries included in the consolidated unaudited financial results, whose interim financial results reflect total assets of ₹ 3611 Lakhs as at 31st December, 2022 and total revenues of ₹ 289 Lakhs, total net profit/(loss) after tax of ₹ 53 Lakhs and total comprehensive income / (loss) of ₹ 56 Lakhs, for the quarter ended December 31, 2022 as considered in the consolidated unaudited financial results.

These interim financial results have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the certified reports of the Management and the procedures performed by us as stated in paragraph 3 above.

12. The consolidated financial statements of the Company for the year ended March 31, 2022 were audited by the predecessor auditors who expressed an unmodified opinion on those financial statements on May 27, 2022. The unaudited financial results for the quarters ending June 30, 2022 and September 30, 2022 were reviewed by the predecessor auditors and have expressed a modified conclusion on the consolidated financial results for the said quarters.



13. The consolidated financial results for the period ending December 31, 2022 is arrived at by adding the consolidated financial results for the quarter ending December 31, 2022 with the consolidated financial results for the period ending September 30, 2022 which were reviewed by the predecessor auditors.

Our conclusion on the Statement is not modified in respect of the above matters.

Qualified Conclusion

14. Based on our review conducted as stated above, ***except for the effects/possible effects of our observation stated under Basis for Qualified Conclusion Section above***, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Sundar Srinivasan & Sridhar
Chartered Accountants**

Firm Registration No: 004201S



V. Vijay Krishna

Partner

Membership No: 216910

UDIN: 23216910BGXQLB1337

Place: Chennai

Date: February 14, 2023



Statement of Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2022

(₹ In Lakhs except per share data)

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	Mar 31, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A	CONTINUING OPERATIONS						
1	Revenue from operations	5,360.32	4,488.48	20,739.67	15,639.86	61,397.38	65,519.26
2	Other income	136.27	402.39	868.23	1,002.31	1,349.58	1,656.66
3	Total Income	5,496.59	4,890.87	21,607.90	16,642.17	62,746.96	67,175.92
4	Expenses						
	Cost of revenue	2,129.99	2,218.25	6,140.89	6,524.89	17,375.64	19,405.83
	Employee benefit expenses	602.09	1,422.47	9,939.77	4,615.29	28,762.40	30,943.56
	Finance cost	128.98	133.33	910.65	449.72	2,747.25	2,934.22
	Depreciation and amortisation	480.90	495.91	2,278.39	1,559.63	7,352.81	7,980.49
	Other expenses	2,907.94	3,524.36	6,412.36	7,753.42	11,555.71	14,442.63
	Total Expenses	6,249.90	7,794.32	25,682.06	20,902.95	67,793.81	75,706.73
5	Profit/(Loss) before exceptional items and tax (3-4)	(753.31)	(2,903.45)	(4,074.16)	(4,260.78)	(5,046.85)	(8,530.81)
6	Exceptional items	-	-	-	-	-	-
7	Profit/(Loss) before tax (5+6)	(753.31)	(2,903.45)	(4,074.16)	(4,260.78)	(5,046.85)	(8,530.81)
8	Tax expense						
	Current tax	(6.85)	(18.84)	150.94	52.40	753.84	640.92
	Shortfall / (excess) provision of earlier years	-	-	-	-	(110.40)	(168.99)
	Deferred tax	238.73	15.93	(40.69)	125.95	(300.96)	(110.32)
9	Profit/(Loss) for the period from continuing operations (7-8)	(985.19)	(2,900.54)	(4,184.41)	(4,439.13)	(5,389.33)	(8,892.42)
B	DISCONTINUED OPERATIONS						
10	Profit/(Loss) from discontinued operations before tax	-	2,073.40	-	-	-	(68,571.08)
11	Less: Tax expense on discontinued operations	-	(8.17)	-	-	-	766.01
12	Profit/(Loss) for the period from discontinued operations (10-11)	-	2,081.57	-	-	-	(69,337.09)
13	Total Profit/(Loss) for the period (9+12)	(985.19)	(818.97)	(4,184.41)	(4,439.13)	(5,389.33)	(78,229.51)
14	Profit/(Loss) for the period from continuing operations (9)						
	Attributable to:						
	Shareholders of the company	(1,016.61)	(2,887.83)	(4,181.80)	(4,448.07)	(5,390.15)	(8,888.33)
	Non-controlling interest	31.42	(12.71)	(2.61)	8.94	0.82	(4.09)
		(985.19)	(2,900.54)	(4,184.41)	(4,439.13)	(5,389.33)	(8,892.42)
15	Profit/(Loss) for the period from discontinued operations (12)						
	Attributable to:						
	Shareholders of the company	-	2,081.57	-	-	-	(69,337.09)
	Non-controlling interest	-	-	-	-	-	-
		-	2,081.57	-	-	-	(69,337.09)
16	Other Comprehensive Income from continuing operations						
a) i	Items that will not be reclassified to profit or (loss)	29.54	281.42	16.54	272.81	22.39	66.38
	ii) Income tax provision / (reversal) relating to the items that will not be reclassified to profit or (loss)	-	94.67	5.08	82.16	7.64	18.75
b) i	Items that will be reclassified to profit or (loss)	(13.74)	13.65	980.39	(49.39)	1,303.46	(16,769.26)
	ii) Income tax provision / (reversal) relating to the items that will be reclassified to profit or (loss)	-	-	3.94	-	7.95	1.33
	Total Other Comprehensive Income from continuing operations	15.80	200.40	987.91	141.26	1,310.26	(16,722.96)
17	Other Comprehensive Income from discontinued operations						
	Items that will not be reclassified to profit or (loss)	-	589.44	-	-	-	522.20
	Income tax provision / (reversal) relating to the items that will not be reclassified to profit or (loss)	-	-	-	-	-	-
	Total Other Comprehensive Income from discontinued operations	-	589.44	-	-	-	522.20
18	Total Other Comprehensive Income	15.80	789.84	987.91	141.26	1,310.26	(16,200.76)



Continued

Sl. No.	Particulars	Quarter Ended			Nine Months Ended		Year Ended
		Dec 31, 2022 (Unaudited)	Sep 30, 2022 (Unaudited)	Dec 31, 2021 (Unaudited)	Dec 31, 2022 (Unaudited)	Dec 31, 2021 (Unaudited)	Mar 31, 2022 (Audited)
19	Other Comprehensive Income from continuing operations (16)						
	Attributable to:						
	Shareholders of the company	25.87	196.71	989.64	147.59	1,321.75	(16,725.68)
	Non-controlling interest	(10.07)	3.69	(1.73)	(6.33)	(11.49)	2.72
		15.80	200.40	987.91	141.26	1,310.26	(16,722.96)
20	Total Other Comprehensive Income from discontinued operations (17)						
	Attributable to:						
	Shareholders of the company	-	589.44	-	-	-	522.20
	Non-controlling interest	-	-	-	-	-	-
			589.44				522.20
21	Total Comprehensive Income for the period (13+18)	(969.39)	(29.13)	(3,196.50)	(4,297.87)	(4,079.07)	(94,430.27)
22	Total Comprehensive Income from Continuing operations (14+19)						
	Attributable to:						
	Shareholders of the company	(990.74)	(2,691.12)	(3,192.16)	(4,300.48)	(4,068.40)	(25,614.01)
	Non-controlling interest	21.35	(9.02)	(4.34)	2.61	(10.67)	(1.37)
		(969.39)	(2,700.14)	(3,196.50)	(4,297.87)	(4,079.07)	(25,615.38)
23	Total Comprehensive Income from Discontinued operations (15+20)						
	Attributable to:						
	Shareholders of the company	-	2,671.01	-	-	-	(68,814.89)
	Non-controlling interest	-	-	-	-	-	-
			2,671.01				(68,814.89)
24	Paid-up equity share capital (Face value ₹ 1/- each)	1,462.25	1,462.25	1,462.25	1,462.25	1,462.25	1,462.25
25	Earnings per share (of ₹ 1/- each not annualised)						
	(a) Basic						
	(i) Continuing operations	(0.70)	(1.97)	(2.86)	(3.04)	(3.69)	(6.08)
	(ii) Discontinued operations	-	1.42	-	-	-	(47.42)
	Total Operations	(0.70)	(0.55)	(2.86)	(3.04)	(3.69)	(53.50)
	(b) Diluted						
	(i) Continuing operations	(0.70)	(1.97)	(2.86)	(3.04)	(3.69)	(6.08)
	(ii) Discontinued operations	-	1.42	-	-	-	(47.42)
	Total Operations	(0.70)	(0.55)	(2.86)	(3.04)	(3.69)	(53.50)



Note :

1

The Consolidated 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 Consolidated Financial Results for the quarter and nine months ended December 31, 2022 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 February 14, 2023. The statutory auditors of the company have carried out limited review of the results for the quarter and nine months ended December 31, 2022 and have issued a modified review report dated February 14, 2023.

2 (a) During FY 2021-22, the lender banks of one of the subsidiaries viz. TAKE Solutions Global Holdings Pte. Ltd. Singapore (TAKE Ghpte) cancelled and recalled the credit facilities of ₹ 46300 lakhs (approx.) in TAKE Ghpte and had initiated disposal of equity share investments in TAKE Ghpte held and pledged by the company to recover their dues by appointing the receivers. Subsequently, during May 2022 the receivers have sold the equity shares to a special purpose vehicle H.I.G Capital Partners LLC (the SPV) for a total purchase consideration of USD 80.00 Million. Out of the consideration of USD 80 million, the USD 65 million has been appropriated towards settling secured liabilities and after deducting the consideration towards enforcement cost and other requirements, only a sum of USD 5.01 million (Approx Rs. 3800 lakhs) is due to TAKE Solutions Limited which is lower than net assets carrying amount of ₹ 38000 lakhs. The resultant impairment loss of ₹ 34200 lakhs has been fully provided for in the books of account during FY 2021-22. In addition to above, the company has also fully impaired the loans and other advances aggregating to ₹ 13200 lakhs receivable from TAKE Ghpte during FY 2021-22. During the quarter ended September 30, 2022, the group has reviewed the terms and conditions of the transfer of shares and believes that the group is not liable for any losses incurred after April 1, 2022 till the date of disposal. Accordingly, the net loss from discontinuing operations of ₹ 21 Crores recognised in quarter ended June 30, 2022 has been reversed during the quarter ended September 30, 2022.

(b) During the nine months ended December 31, 2022, out of net purchase consideration of ₹ 3800 lakhs accrued to the company, a sum of ₹ 828 lakhs is yet to be realised and since the management is confident of recovering the balance amount, no provision is required against the same.

(c) The above sale has significantly impacted the revenue and business operations of the company and its subsidiaries. Further, during the nine months ended December 31, 2022, significant number of employees of Ecron Acunova Limited (EAL) and Navitas LLP (LLP) have resigned which could affect the future 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 Group has significant unpaid statutory dues. These indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. However, the Group 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. In view thereof and expecting favourable market conditions in future, the Unaudited Consolidated Financial Results have been prepared on a "going concern basis" and no adjustment has been made to the carrying value of assets and liabilities.

3 The consolidated financial results include:

(a) Tangible assets whose net carrying value is ₹ 325 lakhs and certain other financial assets whose net carrying value is ₹ 1062 lakhs held by Navitas LLP on which no additional impairment is required as the management feels adequate impairment provision has already been recognised.

(b) Goodwill arising on consolidation of ₹ 5385 lakhs on which no impairment is recognised as the management is expecting a better operating metrics in Generics Development Capabilities carried out by the subsidiary and exploring various funding options for expansion and also expects improvement in the overall level of operations in this vertical.

(c) Tax Assets of ₹ 1389 lakhs held by the Company which according to the management is fully recoverable upon completion of the assessment of respective assessment years. The refunds are withheld/under process on account of disputes pending before various forums and no impairment is considered necessary.

4 Since the Group operates in a single segment viz. Life Sciences and Support Services, disclosures under Ind AS 108, 'Segment Reporting' are not required.

5 The Consolidated and Standalone financial results for the quarter and nine months ended December 31, 2022 are available on the Company's website (www.takesolutions.com) and the website of BSE (www.bseindia.com) and NSE (www.nseindia.com)

6 During the quarter ended December 31, 2022, employees have not exercised any equity shares under Employee Stock Option Scheme of the Company.

7 The Annual operating plans and budgets as required by Regulation 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended have not yet been placed before and approved by the Board of Directors.

8 The financial results of TAKE Solutions Limited (Standalone information) - Amount in ₹ Lakhs

Particulars	Quarter Ended			Nine Months Ended		Year Ended (Audited)
	Dec 31, 2022	Sep 30, 2022	Dec 31, 2021	Dec 31, 2022	Dec 31, 2021	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	
Total income	1,398.47	1,664.98	1,233.76	4,462.26	2,346.17	3,527.26
Net profit/(loss) before tax from continuing operations	21.09	205.31	(48.62)	68.70	348.49	(275.31)
Net profit/(loss) before tax from discontinued operations	-	-	-	-	-	(47,169.40)
Net profit/(loss) for the period	7.56	166.44	(50.09)	16.30	381.33	(47,716.80)
Total comprehensive income	15.44	148.45	(47.68)	7.03	387.29	(47,707.71)

9 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

HARIKESANALLUR
RAMANI SRINIVASAN

Digitally signed by HARIKESANALLUR
RAMANI SRINIVASAN
Date: 2023.02.14 19:22:38 +05'30'

Place : Chennai
Date : February 14, 2023

Srinivasan H.R.
Chairman for the meeting dated Feb 14, 2023

