

Limited Review Report on the Statement of unaudited Standalone 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 Standalone Financial Results of **TAKE Solutions Limited** ("the Company") 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 issue a report 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 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. As mentioned in Note No 3(a) &(b) to the Statement, no impairment assessment of investments held in and other receivables from subsidiaries as at December 31, 2022 is made on account of change in business model caused by the factors as explained in Note No 2. Investments in and other receivables from subsidiaries stand at ₹ 24,814 lakhs and ₹ 3,118 lakhs respectively as at December 31, 2022. Therefore, we are unable to comment on consequential adjustments, if any, that may be required to be



made in the carrying value of above investments and other receivables.

5. Standalone financial statements show tax assets to an extent of ₹ 907 lakhs pertaining 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

6. 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 Company has significant unpaid statutory dues. 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. In view thereof and expecting favourable market conditions in future, the Unaudited Standalone 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

7. We draw your attention to Note 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 Standalone Financials Results.
8. We draw your attention to Note 6 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

9. The standalone 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 standalone financial results for the said quarters.

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

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

Qualified Conclusion

11. Based on our review conducted as stated above, ***except for the effects/possible effects of our observation stated in paragraphs 4 & 5 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 Srini & Sridhar

Chartered Accountants

Firm Registration No: 004201S



V Vijay Krishna

Partner

Membership No: 216910

UDIN: 23216910BGXQLA7018

Place: Chennai

Date: February 14, 2023





TAKE SOLUTIONS LTD

CIN: L63090TN2000PLC046338

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Statement of Unaudited Standalone 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	Income						
	(a) Revenue from operations						
	Interest income	125.99	77.71	208.22	260.35	627.55	669.51
	Fees and Commission Income	7.31	7.31	60.08	21.93	180.23	187.55
	Others-						
	Income from Software Services and Products	1,275.00	1,593.24	900.00	4,143.24	900.00	1,800.00
	Share of Profit/(Loss) in Navitas LLP	(0.23)	(0.24)	0.01	(0.50)	382.19	382.08
	Total Revenue from operations	1,408.07	1,678.02	1,168.31	4,425.02	2,089.97	3,039.14
	(b) Other income	(9.60)	(13.04)	65.45	37.24	256.20	488.12
	Total Income	1,398.47	1,664.98	1,233.76	4,462.26	2,346.17	3,527.26
2	Expenses						
	(a) Finance costs	4.06	4.52	6.89	14.11	22.17	28.51
	(b) Impairment of financial instruments	77.91	53.74	44.29	186.03	129.21	171.75
	(c) Employee benefits expense	37.96	67.60	112.26	253.28	327.09	447.09
	(d) Depreciation, amortization and impairment	27.51	27.51	29.01	83.48	93.80	122.87
	(e) Other expenses	1,229.94	1,306.30	1,089.93	3,856.66	1,425.41	2,518.19
	Total expenses	1,377.38	1,459.67	1,282.38	4,393.56	1,997.68	3,288.41
3	Profit/(loss) before tax and exceptional item for the period from continuing operations (1-2)	21.09	205.31	(48.62)	68.70	348.49	238.85
4	Exceptional items						
	Loss on impairment	-	-	-	-	-	(514.16)
	Profit/(loss) before tax for the period from continuing operations (3+4)	21.09	205.31	(48.62)	68.70	348.49	(275.31)
5	Tax expense/ (Reversal)						
	(a) Current Tax	13.53	38.87	(0.77)	52.40	-	-
	(b) Deferred tax	-	-	2.24	-	(32.84)	236.56
	Total tax expense	13.53	38.87	1.47	52.40	(32.84)	236.56
6	Profit/(loss) after tax for the period from continuing operations (4-5)	7.56	166.44	(50.09)	16.30	381.33	(511.87)
8	DISCONTINUED OPEARATIONS						
	Profit/(Loss) from discontinued operations before tax (Refer Note No. 2)	-	-	-	-	-	(47,169.40)
	Less: Tax expense on discontinued operations	-	-	-	-	-	35.52
7	Profit/(Loss) for the period from discontinued operations after tax	-	-	-	-	-	(47,204.92)
8	Profit/(Loss) for the period (6+7)	7.56	166.44	(50.09)	16.30	381.33	(47,716.80)
9	Other comprehensive Income						
	A (i) Items that will not be reclassified to profit or loss	7.88	(17.99)	3.22	(9.27)	7.97	9.09
	(ii) Tax impact on above	-	-	0.81	-	2.01	-
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Tax impact on above	-	-	-	-	-	-
	Total other comprehensive income, net of tax	7.88	(17.99)	2.41	(9.27)	5.96	9.09
10	Total Comprehensive Income	15.44	148.45	(47.68)	7.03	387.29	(47,707.71)
11	Paid-up Equity Share Capital (Face Value of ₹ 1)	1,479.34	1,479.34	1,479.34	1,479.34	1,479.34	1,479.34
12	Earnings per share						
	Continuing Operations						
	Basic (₹)	0.01	0.12	(0.03)	0.02	0.26	(0.35)
	Diluted (₹)	0.01	0.12	(0.03)	0.02	0.26	(0.35)
	Discontinued Operations						
	Basic (₹)	-	-	-	-	-	(31.91)
	Diluted (₹)	-	-	-	-	-	(31.91)
	Total of Continuing and Discontinued Operations						
	Basic (₹)	0.01	0.12	(0.03)	0.02	0.26	(32.26)
	Diluted (₹)	0.01	0.12	(0.03)	0.02	0.26	(32.26)



Note:

1

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 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.

(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 Company has significant unpaid statutory dues. 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. In view thereof and expecting favourable market conditions in future, the Unaudited Standalone 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 Standalone financial results include:

(a) Investments held in subsidiaries on which no impairment is considered necessary as the management is expecting a better operating matrix 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.

(b) Receivables of ₹ 3118 lakhs from Navitas LLP, subsidiary. The management is confident of recovering the same despite the challenges faced by the LLP on account of resignation of employees and changes in business model.

(c) Tax Assets of Rs. 1389 lakhs 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 The company on a standalone basis operates in the business segment of investments in 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.

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

6 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.

7 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 19:23:56 +05'30'

Srinivasan H.R.

Chairman for the meeting dated Feb 14, 2023

Place : Chennai

Date : February 14, 2023

