

Limited Review Report on the Statement of unaudited Consolidated 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 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 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 express a conclusion 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 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 results of the following entities:

Parent

TAKE Solutions Limited

Subsidiaries

- (a) Ecron Acunova Limited
- (b) Navitas LLP
- (c) TAKE Solutions Limited ESOP Trust
- (d) TAKE Consultancy Services Inc, USA

Basis for Qualified Conclusion

5. As stated in Note No 6(a) to the Statement, tax assets appearing in the financial statements of the Group to an extent of ₹ 110.42 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.
6. As stated in Note No 6(b) to the Statement, Contract Assets of ₹ 239.92 million and deferred revenue to an extent of ₹ 274.45 million include amounts pertaining to businesses which were novated needs to be reconciled as on September 30, 2023. In the absence of such reconciliation statement, we are unable to comment on the impact on the consolidated financial results for the quarter and half year ended September 30, 2023.
7. No impairment assessment on trade receivables whose net carrying value is ₹ 126.90 million have been carried out by the Navitas LLP as the business operations are severely impacted as stated in Note No 6(c) read with Note 4 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 the trade receivables. Further, considering the business operations of the said LLP are severely impacted, we are unable to comment on the usage/recoverability of indirect tax credit/receivables, advance to suppliers and security deposits of ₹ 35.65 million and ₹ 7.12 million and ₹ 5.76 million respectively. Further, material uncertainty regarding LLP's ability to continue as a going concern exist and may require adjustments to the carrying value of its assets and liabilities which could not be quantified in the absence of requisite information.

Material Uncertainty Relating to Going Concern

8. 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 Group has significant unpaid statutory dues and unpaid overdue trade payables. 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 by EAL. In view thereof and expecting favourable market conditions in future, the Consolidated 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.

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 5 to Statement, regarding outstanding purchase consideration of ₹83.19 Mn which according to the management is fully recoverable and accordingly, no adjustment has been made in the Consolidated Financial 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.

Other Matter

10. The consolidated unaudited financial results include the interim financial information of one subsidiary, which has not been reviewed by their auditors, whose interim financial information reflects total revenue of ₹ Nil and ₹ Nil for the quarter and half year ended September 30, 2023, respectively; total loss after tax of ₹ 0.003 million and ₹ 0.005 million for the quarter and half year ended September 30, 2023 respectively and total comprehensive loss of ₹ 0.003 million and ₹ 0.005 million for the quarter and half year ended September 30, 2023

respectively as considered in the Statement. According to the information and explanations given to us by the Management, this interim financial information is not material to the Group.

Qualified Conclusion

11. 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

Chartered Accountants

Firm Registration No: 004201S



V. Vijay Krishna

Partner

Membership No: 216910

UDIN: 23216910BGXQNU7545

Place: Chennai

Date: November 08, 2023



TAKE SOLUTIONS LTD

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Statement of Unaudited Consolidated 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 - Refer Note 10	Sep 30, 2023	Sep 30, 2022 - Refer Note 10	Mar 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
A	CONTINUING OPERATIONS						
1	Revenue from operations	180.93	174.58	433.47	355.51	1,008.24	1,890.70
2	Other Income	1.42	2.79	43.77	4.21	92.97	84.47
3	Total Income (1+2)	182.35	177.37	477.24	359.72	1,101.21	1,975.17
4	Expenses						
	Cost of revenue	60.02	81.97	207.48	141.99	423.67	830.11
	Employee benefit expenses	38.29	41.57	139.10	79.86	394.15	479.14
	Finance cost	13.83	15.11	13.33	28.94	32.07	74.54
	Depreciation and amortisation	21.73	22.75	39.41	44.48	87.84	168.40
	Other expenses	64.59	62.97	351.06	127.56	481.77	771.81
	Total Expenses	198.46	224.37	750.38	422.83	1,419.50	2,324.00
5	Profit/(Loss) before exceptional items and tax (3-4)	(16.11)	(47.00)	(273.14)	(63.11)	(318.29)	(348.83)
6	Exceptional items	-	(3.62)	-	(3.62)	-	(103.90)
7	Profit/(Loss) before tax (5+6)	(16.11)	(50.62)	(273.14)	(66.73)	(318.29)	(452.73)
8	Tax expense						
	Current tax	0.35	1.59	(1.88)	1.94	5.93	36.18
	Shortfall / (excess) provision of earlier years	-	-	-	-	-	(3.99)
	Deferred tax	(0.97)	1.00	1.59	0.03	(11.28)	(15.39)
9	Profit/(Loss) for the period from continuing operations (7-8)	(15.49)	(53.21)	(272.85)	(68.70)	(312.94)	(469.53)
B	DISCONTINUED OPERATIONS						
10	Profit/(Loss) from discontinued operations before tax	-	-	190.13	-	(32.46)	(534.01)
11	Less: Tax expense on discontinued operations	-	-	(0.82)	-	-	-
12	Profit/(Loss) for the period from discontinued operations (10-11)	-	-	190.95	-	(32.46)	(534.01)
13	Total Profit/(Loss) for the period (9+12)	(15.49)	(53.21)	(81.90)	(68.70)	(345.40)	(1,003.54)
14	Other Comprehensive Income from continuing operations						
	a) i) Items that will not be reclassified to profit or loss	(1.07)	(1.58)	28.14	(2.65)	24.33	40.79
	ii) Income tax on items that will not be reclassified to profit or loss	0.27	0.40	(9.47)	0.67	(8.22)	(14.24)
	b) i) Items that will be reclassified to profit or loss	(0.06)	-	-	(0.06)	(18.51)	1.07
	ii) Income tax on items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income from continuing operations	(0.86)	(1.18)	18.67	(2.04)	(2.40)	27.62
15	Other Comprehensive Income from discontinued operations						
	a) i) Items that will not be reclassified to profit or loss	-	-	58.94	-	-	-
	ii) Income tax on items that will not be reclassified to profit or loss	-	-	-	-	-	-
	b) i) Items that will be reclassified to profit or loss	-	-	1.37	-	14.95	3.74
	ii) Income tax on items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total Other Comprehensive Income from discontinued operations	-	-	60.31	-	14.95	3.74
16	Total Other Comprehensive Income (14+15)	(0.86)	(1.18)	78.98	(2.04)	12.55	31.36
17	Total Comprehensive Income (13+16)	(16.35)	(54.39)	(2.92)	(70.74)	(332.85)	(972.18)



Continued

(₹ 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 - Refer Note 10	Sep 30, 2023	Sep 30, 2022 - Refer Note 10	Mar 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
18	Profit/ (Loss) for the period attributable to:						
	Owners of the Parent	(15.49)	(53.21)	(80.63)	(68.70)	(343.15)	(1,002.65)
	Non-controlling interest	-	-	(1.27)	-	(2.25)	(0.89)
		(15.49)	(53.21)	(81.90)	(68.70)	(345.40)	(1,003.54)
19	Other Comprehensive income attributable to:						
	Owners of the Parent	(0.86)	(1.18)	78.61	(2.04)	12.17	31.55
	Non-controlling interest	-	-	0.37	-	0.38	(0.19)
		(0.86)	(1.18)	78.98	(2.04)	12.55	31.36
20	Total Comprehensive income attributable to:						
	Owners of the Parent	(16.35)	(54.39)	(2.02)	(70.74)	(330.98)	(971.10)
	Non-controlling interest	-	-	(0.90)	-	(1.87)	(1.08)
		(16.35)	(54.39)	(2.92)	(70.74)	(332.85)	(972.18)
21	Paid-up equity share capital (Face value ₹ 1/- each)	146.22	146.22	146.22	146.22	146.22	146.22
22	Earnings per share (of ₹ 1/- each not annualised)						
	(a) Basic						
	(i) Continuing operations	(0.11)	(0.36)	(1.87)	(0.47)	(2.14)	(3.21)
	(ii) Discontinued operations	-	-	1.30	-	(0.24)	(3.65)
	Total Operations	(0.11)	(0.36)	(0.57)	(0.47)	(2.38)	(6.86)
	(b) Diluted						
	(i) Continuing operations	(0.11)	(0.36)	(1.87)	(0.47)	(2.14)	(3.21)
	(ii) Discontinued operations	-	-	1.30	-	(0.24)	(3.65)
	Total Operations	(0.11)	(0.36)	(0.57)	(0.47)	(2.38)	(6.86)



Notes :

1. Statement of Consolidated 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	234.36	83.71
(b) Capital work in progress	-	100.34
(c) Right-of-use asset	88.51	111.59
(d) Goodwill	522.92	522.92
(e) Other intangible assets		
Other intangible assets	11.85	13.75
(f) Intangible assets under development	6.81	6.81
(g) Financial Assets		
Other financial assets	38.07	36.88
(h) Deferred tax assets (net)	27.48	26.84
(i) Income tax assets (net)	197.68	183.09
(j) Other non-current assets	244.73	255.91
Total Non-Current Assets	1,372.41	1,341.84
Current assets		
(a) Inventories	9.15	7.76
(b) Financial assets		
(i) Trade receivables	285.17	300.40
(ii) Contract Assets	239.92	240.99
(iii) Cash and cash equivalents	7.05	107.23
(iv) Bank balances other than (iii) above	4.36	4.50
(v) Other financial assets	88.97	103.22
(c) Other current assets	129.59	137.84
Total Current Assets	764.21	901.94
Total Assets	2,136.62	2,243.78
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	146.22	146.22
(b) Other equity	872.66	939.80
Total Equity	1,018.88	1,086.02
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	25.37	57.62
(ii) Lease liabilities	68.39	81.53
(b) Provisions	13.36	9.60
Total Non-Current Liabilities	107.12	148.75
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	284.60	274.95
(ii) Lease liabilities	49.62	49.59
(iii) Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	14.57	10.52
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	174.89	225.66
(iv) Other financial liabilities	123.13	97.20
(b) Other current liabilities	360.30	348.35
(c) Provisions	3.51	2.74
Total Current Liabilities	1,010.62	1,009.01
Total Equity and Liabilities	2,136.62	2,243.78



2. Statement of Unaudited Consolidated Cash flows

Particulars	₹ In Mn	
	Half Year ended	
	Sep 30, 2023	Sep 30, 2022
	(Unaudited)	(Unaudited)
PROFIT/ (LOSS) BEFORE TAX (Continuing and Discontinued operations)	(66.73)	(350.75)
Adjustments for		
Depreciation and Amortisation (including discontinued operations)	44.48	107.88
Finance Cost	28.94	32.07
Interest income	(1.16)	(5.53)
Employee stock option expense	-	0.05
Profit on sale of PPE	(0.47)	(2.47)
Income on account of dereognition of lease	-	(11.78)
Foreign exchange adjustment - Loss	-	(65.13)
Impairment - Others	3.62	-
Provision for Expected credit loss and bad debts	3.71	268.11
Operating Profit before Working Capital Changes	12.39	(27.55)
(Increase)/Decrease in loans and advances, trade receivables and other assets	44.87	209.02
Increase/ (Decrease) in trade payables, liabilities and provisions	(7.64)	71.02
Cash flow from/ (used in) Operations	49.62	252.49
Direct taxes paid, net of refunds	(22.50)	(54.81)
NET CASH FROM /(USED) IN OPERATING ACTIVITIES	27.12	197.68
<u>B) CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of Property, Plant and Equipment	(69.82)	(16.06)
Sale proceeds of PPE	0.47	-
Proceeds from sale of investments	-	295.43
Loan and advances paid	-	(275.90)
Interest income	(0.02)	5.53
Reduction / (Increase) of bank deposits	0.14	(0.96)
NET CASH FROM /(USED) IN INVESTING ACTIVITIES	(69.23)	8.04
<u>C) CASH FLOW FROM FINANCING ACTIVITIES</u>		
Net Increase / (Repayment) of borrowings	(22.60)	(137.70)
Payment of Lease Liability including interest	(18.46)	(40.37)
Dividend of earlier years paid/transferred	(0.14)	-
Finance Cost	(16.87)	(24.95)
NET CASH FROM /(USED) IN FINANCING ACTIVITIES	(58.07)	(203.02)
Net Increase/(Decrease) in Cash & Cash equivalents	(100.18)	2.70
Add: Cash and cash equivalents as at the beginning of the period	107.23	289.97
Exchange difference on translation of foreign currency cash and cash equivalents	-	13.31
Cash & Cash equivalents as at the end of the period	7.05	305.98



- 3 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 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 consolidated 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 Group has significant unpaid statutory dues and unpaid overdue trade payables. 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 by EAL. In view thereof and expecting favourable market conditions in future, the Consolidated 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 The Consolidated financial Statements include:
- (a) Tax Assets to the extent of ₹ 110.42 Mn pertain to the financial period ending upto March 31, 2020, which according to the management 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.
- (b) Unbilled receivables and deferred revenue include balances in respect of contracts novated during the year ended March 31, 2023 which are under reconciliation and confirmation. According to the management, the adjustments if any required upon completion of the reconciliation process will not be material.
- (c) Trade receivables(net) outstanding in the books of Navitas LLP to an extent of ₹ 126.90 Mn is considered good and recoverable and accordingly management has not made any additional provision towards expected credit loss beyond what has been recognised. Further, advance to suppliers and security deposits of ₹ 7.12 million and ₹ 5.76 million respectively are considered good and recoverable.
- 7 Since the Group operates in a single segment viz Life Sciences and Support Services, disclosures under Ind AS 108. 'Segment Reporting' are not required.
- 8 During the quarter ended September 30, 2023, employees have not exercised any equity shares under Employee Stock Option Scheme of the Company.
- 9 Exceptional items for the quarter ended June 30, 2023 and year ended March 31, 2023 represent impairment loss recognised on certain deemed investments recognised in accordance with Ind AS 102 and Ind AS 109 and certain non financial assets.
- 10 During the quarter ended March 31, 2023, two of the step down subsidiaries viz. Acunova Life Sciences Inc, USA and Navitas Life Sciences Company Limited, Thailand were disposed of by sale or otherwise and the financial transactions of those subsidiaries were reported as part of discontinued operations in accordance with Ind AS 105. Further, the immediate holding company of those subsidiaries, Ecron Acunova Limited has impaired the entire loans/advances given to and receivables from such subsidiaries and also the investments held in those subsidiaries to the realisable value which have been recognised under Discontinued Operations. Further the previous period results (quarter and half year ending September 30, 2022) were re-presented in respect of the said discontinued operations.
- Profit/(loss) after tax from the discontinued operations for the quarter ended September 30, 2022 also includes reversal of loss recognised in the quarter ended June 30, 2022 in respect of erstwhile subsidiary TAKE Ghpte from 1st of April 2022 to the date of actual disposal to an extent of ₹ 208.16 Mn.
- 11 The Consolidated 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)
- 12 Previous period figures have been regrouped /reclassified and re-presented, wherever necessary to conform to current period's classification read with Note 10.

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

