

Auditor's Report on audit of Standalone Quarterly and Annual Financial Results of TAKE Solutions Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015

INDEPENDENT AUDITOR'S REPORT

**The Board of Directors
Take Solutions Limited**

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone financial results of TAKE Solutions Limited (the company) for the quarter and year ended March 31, 2022, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards and other accounting principles generally accepted in India of the net loss and total comprehensive loss and other financial information for the quarter and year ended March 31, 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial results.

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Emphasis of Matter

We draw attention to the following matter in the Notes to standalone financial results:

The lender banks of one of the subsidiaries viz. TAKE Solutions Global holding Pte. Ltd. Singapore (TAKE Ghpte) cancelled and recalled the credit facilities of Rs. 463 Crores (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 of H.I.G. Capital Partners LLC (the SPV) for a purchase consideration of USD 5.01 Mn i.e. approximately Rs. 38 Crores.

The above Investments have been classified as non-current assets held for sale w.e.f. January 1, 2022 in accordance with IND AS 105, Non-Current Assets Held for Sale and Discontinued Operations and are valued at the purchase consideration of Rs. 38 Crores which is lower than its carrying amount of Rs. 380 Crores. The resultant impairment loss of Rs. 342 crores has been fully provided for in the books of account. In addition to above, the company has also fully provided for loans and other advances aggregating to Rs. 132 Crores receivable from TAKE Ghpte. The company has certain receivables from TAKE Ghpte and its subsidiaries. The management is confident of recovering the same as per the business understanding and does not envisage any credit loss against the same.

Our opinion is not modified in respect of the above matter.

Management's Responsibilities for the Standalone Financial Results

These Standalone financial results have been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation of these standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder, other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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G.D. Apte & Co.
Chartered Accountants

The standalone financial Results include the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subjected to limited review by us, as required under the listing regulations.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100 515W
UDIN: 22113053AJTASG5231



Umesh S. Abhyankar
Partner
Membership Number: 113 053
Pune, May 27, 2022



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TAKE SOLUTIONS LTD

CIN: L63090TN2000PLC046338

Regd. Office : 27, Tank Bund Road, Nungambakkam, Chennai 600 034

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Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2022

(₹ In Lakhs except per share data)

Sl. No.	Particulars	Quarter Ended		Year Ended	
		Mar 31, 2022	Dec 31, 2021	Mar 31, 2021	Mar 31, 2021
		(Audited)	(Unaudited)	(Audited)	(Audited)
A.	CONTINUING OPERATIONS				
1	Income				
	(a) Revenue from operations				
	Interest income	41.96	208.21	184.40	794.70
	Fees and Commission Income	7.32	60.08	60.53	242.11
	Others-				
	Income from Software Services and Products	900.00	900.00	-	1,800.00
	Share of Profit/(Loss) in Navitas LLP	(0.11)	0.01	(92.59)	382.08
	Total Revenue from operations	949.17	1,168.30	152.34	3,039.14
	(b) Other income	231.93	65.46	(83.09)	488.12
	Total Income	1,181.10	1,233.76	69.25	3,527.26
2	Expenses				
	(a) Finance costs	6.34	6.89	8.28	28.51
	(b) Impairment of financial instruments	42.54	44.29	27.99	171.75
	(c) Employee benefits expense	120.00	112.26	103.86	447.09
	(d) Depreciation, amortization and impairment	29.07	29.01	39.06	122.87
	(e) Other expenses	1,092.78	1,089.93	113.32	2,518.19
	Total expenses	1,290.73	1,282.38	292.51	3,288.41
3	Profit before tax and exceptional item for the period from continuing operations (1-2)	(109.63)	(48.62)	(223.26)	238.85
4	Exceptional items				
	Loss on impairment	(514.16)	-	-	(514.16)
	Profit before tax for the period from continuing operations (3+4)	(623.79)	(48.62)	(223.26)	(275.31)
5	Tax expense/ (Reversal)				
	(a) Current Tax	-	(0.77)	(99.70)	-
	(b) Deferred tax	269.40	2.24	0.54	236.56
	Total tax expense	269.40	1.47	(99.16)	(127.52)
6	Profit after tax for the period from continuing operations (4-5)	(893.20)	(50.09)	(124.10)	(511.87)
B.	DISCONTINUED OPERATIONS				
	Profit/(Loss) from discontinued operations before tax (Refer Note No. 5)	(47,169.40)	-	-	(47,169.40)
	Less: Tax expense on discontinued operations	35.52	-	-	35.52
	Profit/(Loss) for the period from discontinued operations (10-11) after tax	(47,204.92)	-	-	(47,204.92)
7					
8	Profit/(Loss) for the period (6+7)	(48,098.11)	(50.09)	(124.10)	(47,716.80)
9	Other comprehensive Income				
	A (i) Items that will not be reclassified to profit or loss	1.13	3.22	(7.29)	9.09
	(ii) Tax impact on above	(2.00)	0.81	(1.84)	-
	B (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Tax impact on above	-	-	-	-
	Total other comprehensive income, net of tax	3.13	2.41	(5.45)	9.09
10	Total Comprehensive Income	(48,094.99)	(47.68)	(129.55)	(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
12	Earnings per share				
	Continuing Operations				
	Basic (₹)	(0.61)	(0.03)	(0.08)	(0.35)
	Diluted (₹)	(0.61)	(0.03)	(0.08)	(0.35)
	Discontinued Operations				
	Basic (₹)	(31.91)	-	-	(31.91)
	Diluted (₹)	(31.91)	-	-	(31.91)
	Total of Continuing and Discontinued Operations				
	Basic (₹)	(32.52)	(0.03)	(0.08)	(32.26)
	Diluted (₹)	(32.52)	(0.03)	(0.08)	(32.26)



Note:

1. Standalone Statement of Assets and Liabilities

(₹ In Lakhs)		
Particulars		
	As at Mar 31, 2022 (Audited)	As at Mar 31, 2021 (Audited)
A ASSETS		
1 Financial assets		
(a) Cash and cash equivalents	253.59	1,125.43
(b) Bank balances other than cash and cash equivalents	23.99	24.73
(c) Trade Receivables	430.39	237.02
(d) Loans	4,032.07	14,369.80
(e) Investments	15,468.16	51,678.44
(f) Other financial assets	3,894.89	7,371.39
Sub-total - Financial assets	24,103.09	74,806.81
2 Non-financial assets		
(a) Current tax assets (net)	1,045.55	1,062.37
(b) Deferred tax assets (net)	-	238.85
(c) Property, plant and equipment	126.88	162.18
(d) Intangible assets	196.91	280.87
(e) Other non-financial assets	1,913.14	2,075.54
Sub-total - Non-financial assets	3,282.48	3,819.81
Investment in subsidiary held for sale	3,791.36	-
Total - Assets	31,176.93	78,626.62
B LIABILITIES AND EQUITY		
Liabilities		
1 Financial liabilities		
(a) Trade payables		
i. Total outstanding dues to micro enterprises and small enterprises	-	-
ii. Total outstanding dues to creditors other than micro enterprises and	447.51	188.00
(b) Other payables		
i. Total outstanding dues to micro enterprises and small enterprises	-	-
ii. Total outstanding dues to creditors other than micro enterprises and	-	-
(c) Other financial liabilities	622.27	833.27
Sub-total - Financial liabilities	1,069.78	1,021.27
2 Non-financial liabilities		
(a) Provisions	93.08	88.04
(b) Other non-financial liabilities	169.63	9.91
Sub-total - Non-financial liabilities	262.71	97.95
3 Equity		
(a) Equity share capital	1,479.34	1,479.34
(b) Other equity	28,365.10	76,028.06
Sub-total - Equity	29,844.44	77,507.40
Total - Equity and Liabilities	31,176.93	78,626.62



2. Standalone Statement of Cash flows

(₹ In Lakhs)		
Particulars	Year ended	
	Mar 31, 2022	Mar 31, 2021
	(Audited)	(Audited)
A) CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT/ (LOSS) BEFORE TAX	(47,444.72)	651.74
Adjustments for		
Depreciation	122.87	156.78
Finance Cost	28.51	35.57
Dividend income	-	-
Interest income	(841.71)	(794.69)
Unwinding of liability for financial guarantee contracts	(241.70)	(242.11)
Employee stock option expense	2.20	17.74
Bad debts and provision for expected credit losses	171.75	111.67
Loss/(gain) on foreign exchange adjustments	(364.93)	245.42
Gain on sale of investment in subsidiary	-	(1,381.81)
Loss on Impairment - Others	514.16	-
Loss on Impairment of Subsidiary	47,395.73	-
Creditors written back	(5.51)	(12.40)
Lease concessions received	-	(75.00)
Operating Profit before working Capital Changes	(663.34)	(1,287.09)
(Increase)/Decrease in loans & advances and other assets	3,417.17	812.51
Increase/ (Decrease) in liabilities and provisions	522.61	220.67
Cash flow from/ (used in) Operations	3,276.44	(253.91)
Direct taxes paid	(18.60)	(11.80)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	3,257.84	(265.71)
<u>B) CASH FLOW FROM INVESTING ACTIVITIES</u>		
Purchase of fixed assets	(3.65)	(2.58)
Proceeds from sale of investments in a subsidiary	-	1,740.00
Loans and advances to related parties	(4,015.95)	(395.67)
NET CASH FROM /(USED IN) INVESTING ACTIVITIES	(4,019.60)	1,341.75
<u>C) CASH FLOW FROM FINANCING ACTIVITIES</u>		
Payment of lease liability	(110.08)	(25.00)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	(110.08)	(25.00)
Net Increase/(Decrease) in Cash & Cash equivalents	(871.84)	1,051.04
Add: Cash and Cash equivalents as at the beginning of the year	1,125.43	74.39
Cash & Cash equivalents as at the end of the year	253.59	1,125.43



- 3 The Standalone Financial Results for the quarter and year ended March 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 May 27, 2022. The statutory auditors of the company have carried out audit of the results for the quarter and year ended March 31, 2022.
- 4 The management has taken into consideration the impact of the known internal and external events arising from COVID-19 pandemic in the assessment of recoverability of trade receivables, contract assets and certain investments in subsidiaries up to the date of approval of these Standalone Financial results. In this assessment, the company has performed sensitivity analysis on the key assumptions used. Such review and analysis performed by the company did not reveal any impairment losses.
Since the impact assessment of COVID-19 is an ongoing process given the uncertainties associated with its nature and duration, the Company will continue to closely monitor any significant impact on the financial position. The impact of global health pandemic might be different from that estimated as at the date of approval of these financial results.
- 5 The lender banks of one of the subsidiaries viz. TAKE Solutions Global holding Pte. Ltd. Singapore (TAKE Ghpte) cancelled and recalled the credit facilities of ₹ 463 Crores (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 of H.I.G. Capital Partners LLC (the SPV) for a purchase consideration of USD 5.01 Mn i.e. approximately ₹ 38 Crores.
The above investments have been classified as non-current assets held for sale w.e.f. January 01, 2022 in accordance with IND AS 105 and are valued at the purchase consideration of ₹ 38 Crores which is lower than its carrying amount of ₹ 380 Crores. The resultant impairment loss of ₹ 342 crores has been fully provided for in the books of account. In addition to above, the company has also fully provided for loans and other advances aggregating to ₹ 132 Crores receivable from TAKE Ghpte. The company has certain receivables from TAKE Ghpte and its subsidiaries. The management is confident of recovering the same as per the business understanding and does not envisage any credit loss against the same.
- 6 The company has carried out impairment testing of its investments of ₹ 117 Crores in and loans and advances of ₹ 72 Crores given to one of the subsidiaries viz. Ecron Acunova Limited based on the business projections and is of the view that there are no indications of impairment.
- 7 The Code on Social Security, 2020 (the Code) has been enacted, which would impact contribution by the Company towards applicable social security schemes. The Ministry of Labour and Employment has also released draft rules thereunder on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration by the Ministry. The actual impact on account of this change will be evaluated and accounted for when notification becomes effective.
- 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 March 31, 2022, employees have not exercised any equity share options under Employee Stock Option Scheme of the Company.
- 10 The figures for the quarter ended March 31, 2022 and March 31, 2021 are derived figures between the audited figures for the year ended March 31, 2022 and March 31, 2021 and published reviewed figures of December 31, 2021 and December 31, 2020, respectively.
- 11 Since the company has met the stipulated investment thresholds for a Core Investments Company under the RBI Directives as at March 31, 2021, the financial results have been prepared in the formats applicable for NBFCs & CICs. Since the company has not borrowed any funds from banks or financial institutions and has not accepted any public deposits, registration with the Reserve Bank of India is exempted as per the extant guidelines.
- 12 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

Place : Chennai
Date : May 27, 2022

Sd/-
Srinivasan H.R.
Vice Chairman & Managing Director

