

Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of TAKE Solutions Limited

Qualified Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of TAKE Solutions Limited ('the Company') for the year ended 31 March 2023, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:

(i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and

(ii) **except for the effects of the matter described in the Basis for Qualified Opinion section of our report** gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2023.

3. Basis for Qualified Opinion

- a. As mentioned in Note No 4(c) to the Statement, the business carried on by Navitas LLP is severely impacted for the reasons mentioned in the said Note. Further, in accordance with Ind AS 109, the Company for the reasons stated in Note No 5(a) 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 LLP for the loans availed by Navitas LLP and the balance outstanding loan in the books of said LLP as on March 31, 2023 is INR 873.90 lakhs. Hence, we are unable to comment on the consequential impact, if any, on the standalone financial statements,
- b. Standalone financial statements show tax assets to an extent of INR 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.



4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Statement 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 ('the ICAI') 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 obtained by us, is sufficient and appropriate to provide a basis for our qualified opinion.

5. Material Uncertainty Related to Going Concern

We draw your attention to Note No 4 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 year, 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 Standalone Financial Statements have been prepared on a "going concern basis" and no adjustment has been made to the carrying value of assets and liabilities.

Our Opinion on the Statement is not qualified in respect of the above matter.

6. Emphasis of Matters

We draw your attention to Note No 4(b) to Statement, regarding outstanding purchase consideration of INR 822 lakhs which according to the management is fully recoverable and accordingly, no adjustment has been made in the Standalone Financial Statements.

Our Opinion on the Statement is not qualified in respect of the above matter.



7. Responsibilities of Management and Those Charged with Governance for the Statement

This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors is 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 is also responsible for overseeing the Company's financial reporting process

8. Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this Statement.

As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, 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. Under section 143(3) (i) of the Act, we are

also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- 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 Statement 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

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



9. Other Matters

a. The Statement includes the financial results for the quarter ended 31 March 2023, being the balancing figures 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 subject to limited review by us and by the previous auditors in respect of quarters ended June 30, 2022 and September 30, 2022.

b. The standalone financial statements of the Company for the financial year ending March 31, 2022 were audited by the previous auditors, whose audit report dated May 27, 2022 expressed an unmodified opinion on the standalone financial statements.

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



For Sundar Srini & Sridhar
Chartered Accountants

Firm Registration No: 004201S

V. Vijay Krishna
Partner

Membership No: 216910
UDIN: 23216910BGXQLL3626

Place: Chennai

Date: May 29, 2023



TAKE SOLUTIONS LTD

CIN: L63090TN2000PLC046338

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Statement of Audited Standalone Financial Results for the quarter and year ended March 31, 2023

(₹ In Lakhs except per share data)

Sl. No.	Particulars	Quarter Ended			Year Ended	
		Mar 31, 2023	Dec 31, 2022	Mar 31, 2022	Mar 31, 2023	Mar 31, 2022
		(Audited) - Refer Note No 9	(Unaudited)	(Audited) - Refer Note No 9	(Audited)	(Audited)
A	CONTINUING OPERATIONS					
1	Income					
	Revenue from operations	1,479.26	1,275.00	900.00	5,622.50	1,800.00
	Other Income	748.80	123.47	281.10	906.43	1,727.26
	Total Income	2,228.06	1,398.47	1,181.10	6,528.93	3,527.26
2	Expenses					
	Cost of revenue	1,147.51	1,149.45	807.00	4,593.51	1,563.00
	Employee benefit expenses	24.19	37.96	120.00	277.47	447.09
	Finance cost	47.35	4.06	6.34	61.46	28.51
	Depreciation and amortisation	27.58	27.51	29.07	111.06	122.87
	Other expenses	36.13	158.40	328.32	471.43	1,126.94
	Total Expenses	1,282.76	1,377.38	1,290.73	5,514.93	3,288.41
3	Profit/(Loss) before exceptional items and tax from continuing operations (1-2)	945.30	21.09	(109.63)	1,014.00	238.85
4	Exceptional items					
	Loss on impairment	(544.33)	-	(514.16)	(544.33)	(514.16)
5	Profit/(Loss) before tax from continuing operations (3+4)	400.97	21.09	(623.79)	469.67	(275.31)
5	Tax expense / (Reversal)					
	Current tax	39.91	13.53	-	92.31	-
	Shortfall / (excess) provision of earlier years	0.78	-	-	0.78	-
	Deferred tax	(51.91)	-	269.40	(51.91)	236.56
	Profit/(Loss) for the period from continuing operations (4-5)	412.19	7.56	(893.19)	428.49	(511.87)
B	DISCONTINUED OPEARATIONS					
10	Profit/(Loss) from discontinued operations before tax	-	-	(47,169.40)	-	(47,169.40)
11	Less: Tax expense on discontinued operations	-	-	35.52	-	35.52
12	Profit/(Loss) for the period from discontinued operations (10-11) after tax	-	-	(47,204.92)	-	(47,204.92)
13	Profit/(Loss) for the period (9+12)	412.19	7.56	(48,098.11)	428.49	(47,716.80)
14	Other Comprehensive Income					
	a) i) Items that will not be reclassified to profit or loss	3.39	7.88	1.13	(5.88)	9.09
	ii) Income tax on items that will not be reclassified to profit or loss	1.48	-	2.00	1.48	(2.27)
	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	4.87	7.88	3.13	(4.40)	6.82
15	Total Comprehensive Income	417.06	15.44	(48,094.98)	424.09	(47,709.98)
16	Paid-up equity share capital (Face value ₹ 1/- each)	1,479.34	1,479.34	1,479.34	1,479.34	1,479.34
17	Earnings per share (of ₹ 1/- each) (not annualised)					
	Continuing Operations					
	(a) Basic (in ₹)	0.28	0.01	(0.60)	0.29	(0.35)
	(b) Diluted (in ₹)	0.28	0.01	(0.60)	0.29	(0.35)
	Discontinued Operations					
	(a) Basic (in ₹)	-	-	(31.91)	-	(31.91)
	(b) Diluted (in ₹)	-	-	(31.91)	-	(31.91)
	Total of Continuing and Discontinued Operations					
	(a) Basic (in ₹)	0.28	0.01	(32.51)	0.29	(32.26)
	(b) Diluted (in ₹)	0.28	0.01	(32.51)	0.29	(32.26)



Note:

1. Statement of Audited Standalone Assets and Liabilities

(₹ In Lakhs)		
Particulars	As at Mar 31, 2023 (Audited)	As at Mar 31, 2022 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	95.50	127.00
(b) Right-of-use assets	116.30	196.51
(c) Other intangible assets	0.15	0.25
(d) Investment in subsidiaries	24,256.27	15,468.10
(e) Financial Assets		
Other financial asset	72.25	77.74
(f) Deferred tax assets (net)	53.39	-
(g) Income tax assets (net)	1,361.06	1,045.55
Total Non-Current Assets	25,954.92	16,915.15
Current assets		
(a) Financial assets		
(i) Trade receivables	-	430.39
(ii) Cash and cash equivalents	622.25	253.59
(iii) Bank balances other than (ii) above	30.99	23.99
(iv) Loans	-	4,032.07
(v) Other financial assets	4,634.25	3,817.12
(b) Other current assets	627.53	1,913.14
Total Current Assets	5,915.02	10,470.30
Investment in subsidiary held for sale	-	3,791.39
Total Assets	31,869.94	31,176.84
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	1,479.34	1,479.34
(b) Other equity	28,798.16	28,364.98
Total Equity	30,277.50	29,844.32
Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	37.58	143.10
(ii) Other financial liabilities	4.50	9.00
(b) Provisions	14.49	84.79
Total Non-Current Liabilities	56.57	236.89
Current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	143.89	95.52
(ii) Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises	9.34	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	445.89	447.51
(iii) Other financial liabilities	485.40	374.66
(b) Other current liabilities	446.84	169.63
(c) Provisions	4.51	8.31
Total Current Liabilities	1,535.87	1,095.63
Total Equity and Liabilities	31,869.94	31,176.84



2. Statement of Audited Standalone Cash flows

(₹ In Lakhs)		
Particulars	Year ended	
	Mar 31, 2023	Mar 31, 2022
	(Audited)	(Audited)
A) CASH FLOW FROM OPERATING ACTIVITIES		
PROFIT/ (LOSS) BEFORE TAX (Continuing and Discontinued operations)	469.67	(47,444.71)
Adjustments for		
Depreciation	111.06	122.87
Finance Cost	61.46	28.51
Interest income	(268.22)	(841.71)
Unwinding of liability for financial guarantee contracts	(13.05)	(241.71)
Employee stock option expense	-	2.23
Bad debts and provision for expected credit losses	24.64	171.80
Loss on impairment - Others	544.33	514.16
Loss on impairment of Subsidiary	-	47,395.73
Share of (profit) / loss from LLP	0.52	(382.08)
Loss on remeasurement of lease liability	1.30	-
Creditors written back	-	(5.51)
Provisions writtenback	(607.09)	-
Operating Profit before working Capital Changes	324.62	(680.42)
(Increase)/Decrease in loans & advances and other assets	2,470.58	3,434.25
Increase/ (Decrease) in liabilities and provisions	336.85	522.61
Cash flow from/ (used in) Operations	3,132.05	3,276.44
Direct taxes paid, net	(442.73)	(18.60)
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	2,689.32	3,257.84
B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	-	(3.65)
Proceeds from sale of investments in a subsidiary	2,969.71	-
Investment in subsidiaries	(5,199.85)	-
Loans to related parties	-	(4,015.95)
Interest income	-	-
Reduction / (Increase) of bank deposits	(7.00)	0.74
NET CASH FROM /(USED IN) INVESTING ACTIVITIES	(2,237.14)	(4,018.86)
C) CASH FLOW FROM FINANCING ACTIVITIES		
Payment of lease liability	(57.16)	(81.57)
Interest on lease liability	(19.56)	(28.51)
Dividend of earlier years paid / transferred	(6.80)	(0.74)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	(83.52)	(110.82)
Net Increase/(Decrease) in Cash & Cash equivalents	368.66	(871.84)
Add: Cash and Cash equivalents as at the beginning of the year	253.59	1,125.43
Cash & Cash equivalents as at the end of the year	622.25	253.59



- 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 year ended March 31, 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 May 29, 2023. The statutory auditors of the company have carried out audit of the standalone financial results for the quarter and year ended March 31, 2023 (read with Note No 9) and have issued a modified opinion.
- 4 (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 of 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 was 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. The above impairment loss and the financial transactions from the date of classification of the same with the disposal group held for sale have been recognised under discontinued operations. In the absence of requisite information, the financial results for the previous period could not be re-presented to include the total financial transactions pertaining to the discontinued operation for the financial year as a whole.
- (b) During the year ended March 31, 2023, out of net purchase consideration of ₹ 3800 lakhs accrued to the company, a sum of ₹ 822 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 year ended March 31, 2023, 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 Audited 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.
- 5 The Standalone financial results include:
- (a) Financial Guarantee given to Navitas LLP on which no impairment is considered necessary as the management of LLP is exploring various business opportunities and EAL, the major stakeholder 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.
- (b) According to the management, Tax Assets recognised in the standalone financial statements 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.
- 6 Exceptional items for the year ended March 31, 2023 represent impairment loss recognised on certain deemed investments recognised in accordance with Ind AS 102 and Ind AS 109. Exceptional items for the year ended March 31, 2022 represent impairment loss recognised on loans given to TAKE Solutions Limited ESOP Trust.
- 7 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.
- 8 During the quarter ended March 31, 2023, employees have not exercised any equity share options under Employee Stock Option Scheme of the Company.
- 9 The figures for the quarter ended March 31, 2023 and March 31, 2022 are derived figures between the audited figures for the year ended March 31, 2023 and March 31, 2022 and published reviewed figures of December 31, 2022 and December 31, 2021, respectively.
- 10 The standalone financial results for the quarter and year ended March 31, 2022 were audited and for the quarters ended June 30, 2022 and September 30, 2022 were reviewed by the previous statutory auditors.
- 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 May 29, 2023



Place : Chennai

Date : May 29, 2023

