



INSPIRED BY
OPPORTUNITY.
DRIVEN BY
KNOWLEDGE.

TAKE SOLUTIONS LIMITED
ANNUAL REPORT 2018-19

Forward-looking statement

In this Annual Report the Company has disclosed forward-looking information to enable investors to comprehend the Company's prospects and take informed investment decisions. This report and other statements - written and oral - that the Company periodically makes, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. It has tried, wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

The Company cannot guarantee that these forward-looking statements will be realized, although it believes it has been prudent in its assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions should be known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Glossary

Inspired by opportunity.

There is a high premium in enabling Life Sciences companies to bring their drugs to the market quickly and effectively.

TAKE Solutions is a technology-driven Clinical Research Organization that helps Biotech & Pharmaceutical companies shrink time-to-market and optimize costs while ensuring the highest quality output in the testing of new drugs that improve human health.

Driven by knowledge.

The successful companies of the future will be those that effectively leverage knowledge.

TAKE Solutions leverages its Life Sciences domain knowledge together with its technology expertise to bring a unique proposition to the market, paving the way for the future of Life Sciences.





To improve human health, Life Sciences companies need partners...

- ➡ Biotech & Pharmaceutical companies constantly struggle to bring safe and efficacious drugs to the market in a short timeframe with an eye on cost and quality
- ➡ The complexity of clinical research is increasing with the advent of sophisticated therapies including biologics and biosimilars. Companies are opting to 'fail fast' to ensure an optimum investment of precious funds.
- ➡ In this scenario, drug companies are turning towards technology to increase efficiencies and deliver actionable insights. With the advent of artificial intelligence, machine learning and big-data analytics, companies are looking to leverage real-world evidence and apply it to therapies.
- ➡ To succeed, Biotech & Pharmaceutical companies require a partner who goes beyond the constraints of the industry. Bio-Pharma companies require a partner with an optimum combination of domain knowledge and technology expertise.

To succeed, Bio-Pharma organisations need specialised partners like TAKE Solutions.

TAKE Solutions. Right competencies. Right partner.

To improve human health, Life Sciences companies require the right partner with the right blend of competencies.

A deep understanding of Life Sciences.

An insight into cutting-edge technologies.

An informed combination of the two.

TAKE Solutions is one of a select few global companies that possess an

understanding of Life Sciences on the one hand and have developed their own Artificial Intelligence-driven technology platforms on the other.

This makes TAKE Solutions a technology-driven contract research organisation.

Inspired by opportunity.

Driven by knowledge.

The World, TAKE Solutions and You

Overview

There are four principal messages of this report.

One, the global Bio-Pharma industry is at an inflection point on account of a rare convergence of realities.

Two, the convergence represents an unprecedented coming together of digitalization, customer-centricity, innovation and Life Sciences.

Three, this convergence is altering the speed, efficacy and security with which therapies are being innovated for tomorrow.

Four, TAKE Solutions invested extensively in people, processes and practices to emerge as one of the most exciting global companies of this specialized space.

Unprecedented convergence

The digitalization of the world represents the modern global technology wave. This wave is being marked by a complement of technologies (Artificial Intelligence, Nanotechnology, Machine Learning, Cloud, Big Data etc.) and the need for domain and process-related technologies that promise unprecedented speed, scalability, seamlessness and security.

There is a greater premium in engaging directly with customers in exchange for real-time feedback, product customization, ramp up accelerated to address a larger spread of customers at a lower cost and engage with virtually anyone across the vendor organization in case an issue needs to be escalated.

There is a deeper respect for the creation of intellectual property, catalyzed by the successful fusion of emerging technologies leading to the development of medical devices, tele-medicine and robotic surgery, among others.

There is a bigger need for data security today than ever before.

Life Sciences industry cusp

The Life Sciences industry represents one of the most dynamic showcases of the unprecedented convergence.

The sector has passed through a generation leap in terms of capabilities

and possibilities; the last decade has compressed more development than the previous decades combined.

The most successful Bio-Pharma companies are moving from a conventional top-down model of product promotion towards an interactive approach that provides patients superior tools and information about the drugs they are being administered and how to manage their conditions better. Patients now possess a greater influence in their own treatment, marked by a declining role of the consulting physician and increased rule-based protocol-driven care. Innovator drug companies pursuing research for new molecules are directly recruiting clinical trial patients online. Site-less clinical trials conducted by pharma companies leverage the social media and Med Tech devices to recruit, educate, manage and monitor clinical trials. The equipment eco-system supporting this new age comprises miniature implants, vital sign tracking devices, remote monitoring biosensors and non-invasive diagnostics. The pharma industry needs to satisfy health care payers of the value of the drug. The volume and variety of medical information has exploded (enhanced use of patient medical records, high resolution imaging and next generation genomics) warranting a deeper use of data analytics.

The result is a growing premium on the

ability of a service provider to combine technology investments with domain knowledge to future-proof, strengthen sustainability and position oneself at the cutting-edge of change.

The payor of health care has a greater say in the use of new molecules today than before. This has made it necessary for drugs to be cost-effective and how health technology assessments will become important. Consequently, this could lead to greater efficiency in R & D for new drugs.

Drugs are now targeting specific genetic groups and are becoming more specific to a genetic group leading to outcome-based targeted health care, which could increase the cost of new drugs since R & D costs will have to now be spread across a smaller population.



To leverage the real benefits of digitisation, the industry will need to strengthen data security across platforms or else, patients, users and CROs will be hesitant to embrace the digitised world.

TAKE Solutions is opportunity-prepared

TAKE Solutions is one of the most exciting global companies in the Life Sciences sector.

The Company focused on building domain knowledge and IP creation even when it was considerably smaller than comparable companies.

The Company made forward-looking investments in fostering and nurturing domain knowledge excellence in the Life Sciences domain.

The Company deepened investments in pharmaREADY, created Nets, traceREADY platform and Risk Based Monitoring platforms, strengthening its domain-focused IP capability. Besides, it has created a “first-of-its-kind” industry network, NETS.

TAKE is playing a greater role in R&D through the use of technology-enabled domain-centric business solutions.

TAKE provides innovative solutions that help in securing data for its customers.

The Company accelerated growth through the acquisition of companies with complementary capabilities.

The result is that TAKE Solutions is a unique blend of a full-service Clinical Research Organisation (CRO) and technology-led life sciences services provider. The Company's expertise in analytics and data sciences has

been reinforced through platform-driven full-service Clinical, Regulatory and Safety solutions and services. This is making it possible to bring life-saving drugs to market quickly and effectively.

Creating value for our stakeholders

Over the years, TAKE Solutions has been delivering superior value to its stakeholders.

It is helping global pharmaceutical innovators to introduce new drugs faster, as well as in a cost-effective manner.

It is helping patients across the globe to access life-saving drugs quickly.

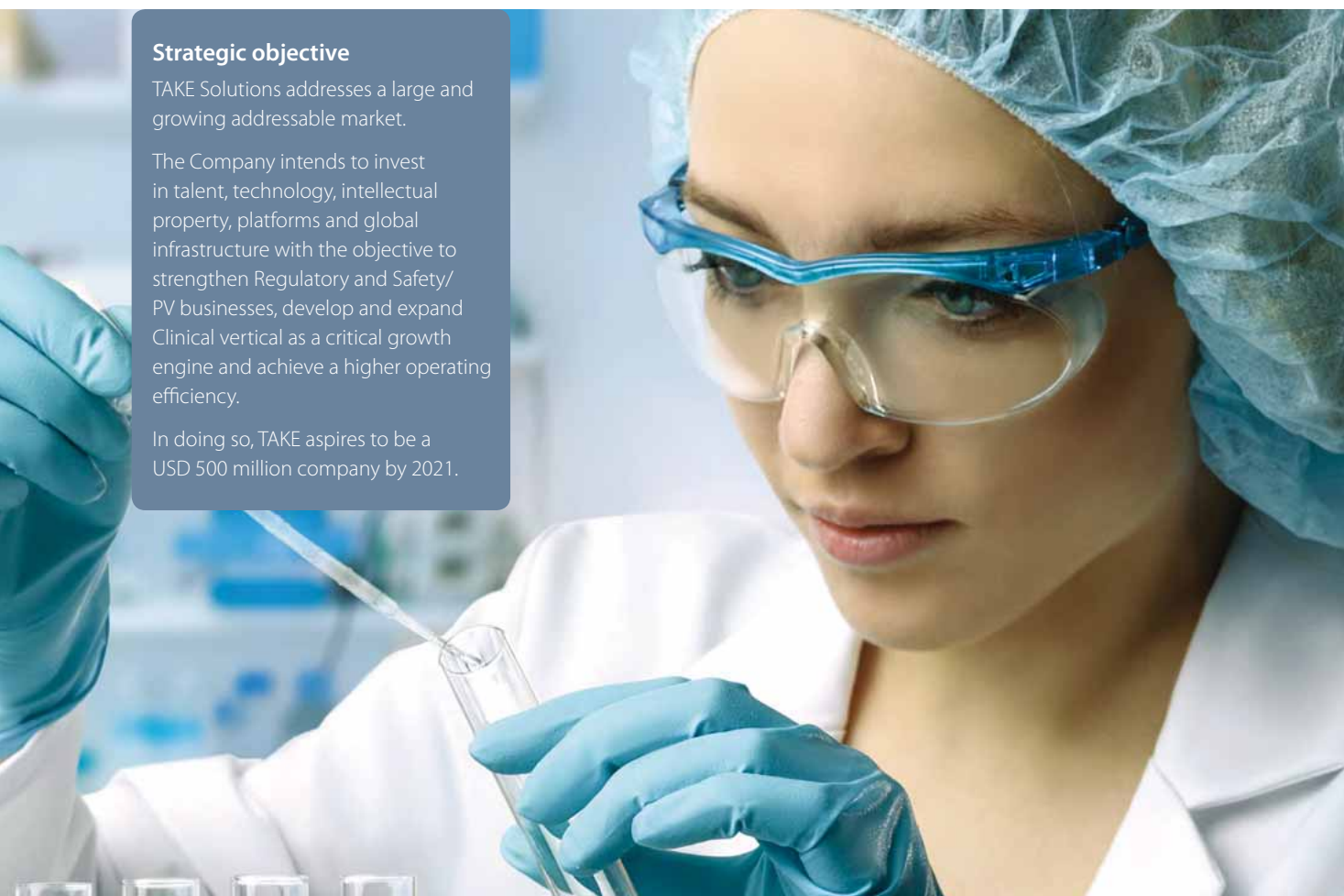
It is driving shareholder values through superior financial performances and a lean balance sheet.

Strategic objective

TAKE Solutions addresses a large and growing addressable market.

The Company intends to invest in talent, technology, intellectual property, platforms and global infrastructure with the objective to strengthen Regulatory and Safety/ PV businesses, develop and expand Clinical vertical as a critical growth engine and achieve a higher operating efficiency.

In doing so, TAKE aspires to be a USD 500 million company by 2021.



The Managing Director's Performance Review



“We have charted out a strategic direction to grow faster even as we grow bigger and emerge as USD 500 million company by 2021”

Srinivasan H R
Vice Chairman and Managing Director

I am pleased to report the performance of the Company for 2018-19.

Your Company crossed H2,000 crores in revenues for the first ever time, finishing the year with H2,039 crores, a creditable 28.5% growth over the previous financial year in rupee terms, and a 19% growth in dollar terms. This growth in our revenues outperformed the growth of the global Life Sciences sector.

I am pleased that the growth in our EBITDA matched the high growth in our revenues, indicating that we were focused on margins while scaling our business. The result is that the Company reported an unadjusted EBITDA of H3,942 million during the year under review, representing a 26% growth over the previous year, that translates to an adjusted EBITDA of H4,280 millions in 2018-19, a growth in excess of 36% over the previous year.

The principal point that I wish to communicate is that the Company sustained its growth in revenues and profits on account of the business-strengthening initiatives of the earlier years that now came to fruition.

Aligned to that commitment, your Company acquired two companies during the year under review with the objective to sustain its momentum. Your Company acquired US based businesses Dataceutics Holdings Inc and KAI Holdings Inc during the year under review; and amalgamated into the TAKE system.

These acquisitions will strengthen the Company's global presence across the foreseeable future. The acquisition of the high-end data sciences company Dataceutics Holdings Inc will strengthen

our clinical data services offerings. Besides, the acquisition of KAI Holdings Inc expanded our CRO footprint in USA. We believe that these acquisitions are earnings-accretive and will strengthen our competitiveness across the foreseeable future.

Your company reinforced its business through forward-looking investments in infrastructure. Your Company expanded its operational capacity by moving to larger facilities in Princeton and Bengaluru; in addition, your Company inaugurated a new dossier printing facility in Chennai.

Your Company deepened its commitment to invest in talent, technology, intellectual property and platforms. Your Company added six senior leaders to the global team, enhanced three technology IPs (including pharmaREADY and traceREADY), built additional capabilities around OneClinical, our proprietary eClinical platform, deepened its Nets offerings and developed 16 bio-analytical methods.

The result is that your Company finished the year under review with a stronger business model and optimism to address the challenges of the future.

Our strategic outlook

We aspire to be a USD 500 million company by 2021. This is eminently achievable from the Company achieving 20% growth over the next couple of years. The growth will get support from the revenue coming in from the recent acquisitions.

Your Company has charted out a strategic direction to grow faster even as it gets

larger. Your Company intends to leverage its unique personality of a full-service CRO and technology-led life sciences services provider. It possesses expertise in full service clinical trial management and data sciences offered through platform-driven clinical, regulatory and safety solutions and services. Your Company possesses the competence to help customers bring life-saving drugs to the market with speed and effectiveness.

Prognosis

Your Company intends to achieve greater operating efficiency. It plans to develop and expand its clinical vertical as a critical growth engine. It is positioned to strengthen its regulatory and safety/PV businesses.

The complement of these initiatives is expected to strengthen our customer proposition. Besides, as we grow in scale, we expect to strengthen our terms of trade that help moderate our receivables cycle across the foreseeable future.

We expect that the combination of a multi-year engagement with some of the world's prominent pharmaceutical clients, superior trade terms, cost management and superior knowledge leverage should translate into a compelling volume cum value proposition that enhances margins, surplus and value in the hands of our shareholders.

Srinivasan H R

Vice Chairman and Managing Director

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Your Company finished the year under review with a stronger business model and optimism to address the challenges of the future
.....

TAKE Solutions at a glance

☉ Our values

TAKE Solutions aspires to be a globally recognized and respected market leader in the domain intensive and niche Life Sciences industry. It is part of our DNA to deliver services that will aid in innovating solutions for the escalating challenges in the pharmaceutical industry. The core values that drive us are Vibrancy & Joy, Boundaryless Innovation, Integrity, Differentiate, and Equity with Fairness. We infuse these values in all aspects of our business and strive to achieve our business objectives as a socially responsible organization.

☉ Background

TAKE Solutions, was established in 2000 as a software products company focused on Supply Chain Management. Headquartered in Chennai, TAKE Solutions became a listed company on the National and Bombay Stock Exchanges in 2007.

The Company extended into the Life Sciences industry in 2004 with a vision to build technology products that improved functionality and efficiency. The Company entered this space in the Regulatory segment (with its flagship product pharmaREADY), before extending to other areas of the business. The Company entered the Safety/Pharmacovigilance arena in 2011. In 2016, the Company transformed into a full-service player in the Life Sciences market with an entry into the Clinical vertical. Today, the Company, has emerged as the only full-service technology-driven Clinical Research Organization listed in India.



☉ Financials

The Company reported revenues of H20,390 million in 2018-19, a 28.46% growth over the previous financial year. The Company reported an EBITDA of H3,942 million, a 25.99% growth over the previous financial year and a Profit after Tax of H1,784 million, a 11.59% increase.

☉ Infrastructure

TAKE is headquartered in Chennai. It has a network of global offices across countries, with Clinical Laboratories and patient facilities in four locations in India. During the year under review, the Company augmented its infrastructure in Princeton, Berlin, Bogota and Bengaluru to scale the business, capabilities and team, including a clinical and bioanalytical laboratory.

☉ Supply chain business

The SCM business comprised three parts – a 100% owned unit in the US, a Middle East Joint venture with the WJ Towell Group in Oman, and a joint venture in India (APA

Today, the Company, has emerged as the only full-service technology-driven Clinical Research Organization listed in India.



Engineering). TAKE exited the first two and is in the process of seeking a suitable transaction for the third. This business generated H1,585 million in revenues and accounted for 7.77% of the Company's revenues in 2018-19.

☉ Life Sciences business

The Company has transformed into a full-service Life Sciences business supporting the Drug development R&D process with CRO services as a major component. Over the years, the Company has developed a technology-enabled and platform-based services business. The Company now provides a 360-degree coverage of the Bio-