

Directors' Report and
Financial Statements for the Year Ended 31 March 2021
for
Glenmark Pharmaceuticals Europe R&D Ltd

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for the Year Ended 31 March 2021

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Glenmark Pharmaceuticals Europe R&D Ltd

Company Information
for the Year Ended 31 March 2021

DIRECTORS:

Oliver Henry Bourne
Achin Gupta

REGISTERED OFFICE:

Laxmi House
2-B Draycott Avenue
Kenton Harrow
Middlesex
HA3 0BU

REGISTERED NUMBER:

06420547 (England and Wales)

AUDITORS:

PBG Associates Limited
Chartered Accountants and Statutory Auditors
65 Delamere Road
Hayes, Middx
UB4 0NN

Directors' Report
for the Year Ended 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

PRINCIPAL ACTIVITY

The company's principal activity during the year continued to be in research and development in pharmaceutical field.

DIVIDENDS

The directors do not recommend of a final dividend.

IMPACT OF COVID-19

The outbreak of Coronavirus (COVID -19) globally is causing significant disturbance and slowdown of economic activity. In many countries, many businesses are being forced to cease or limit their operations for long or indefinite periods of time. The company has evaluated impact of COVID -19 on its business and based on its review as of now, there are no significant impact on its financial statements.

DIRECTORS

The following persons served as directors during the year:

Oliver Henry Bourne

Achin Gupta

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the report and financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102 and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgement and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

Each person who a director at the report was approved confirms that:

- So far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- He has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Glenmark Pharmaceuticals Europe R&D Ltd (Registered number: 06420547)

Directors' Report
for the Year Ended 31 March 2021

AUDITORS

The auditors, PBG Associates Ltd, will be proposed for re-appointment in accordance with section 485 of the companies Act 2006.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'O. Bourne', is written over a horizontal dotted line.

Oliver Henry Bourne - Director

Report of the Independent Auditors to the Members of
Glenmark Pharmaceuticals Europe R&D Ltd

Opinion

We have audited the financial statements of Glenmark Pharmaceuticals Europe R&D Ltd (the 'company') for the year ended 31 March 2021 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw your attention to the note 1.2 on going concern and subsequent event note 14 which indicates that the company may be wound up within 12 months. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.
- The directors were not entitled to prepare the financial statements in accordance with the small Companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with those charged with governance of the Company. Our approach was as follows:

-We obtained a general understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are direct laws and regulations, related to continuing approval by MHRA, company's legislation and the financial reporting framework (UK GAAP). We obtained a general understanding of how the Company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance matters of the Company.

-For both direct and other laws and regulations, our procedures involved: making enquiry of the directors of the Company for their awareness of any noncompliance of laws or regulations, inquiring about the policies that have been established to prevent non-compliance with laws and regulations by officers and employees.

-The Company operates in the pharmaceutical industry which is a highly regulated environment. As such the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of specialists where appropriate.

Report of the Independent Auditors to the Members of
Glenmark Pharmaceuticals Europe R&D Ltd

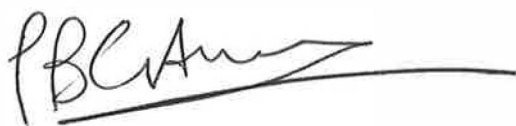
-Enquiries with the management concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of entries in the nominal ledger, including journal entries; reviewing transactions around the end of the reporting period; and the performance of analytical procedures to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Devender Arora ACA (Senior Statutory Auditor)
PBG Associates Ltd PBG Associates Limited
Chartered Accountants and Statutory Auditors
65 Delamere Road
Hayes, Middx
UB4 0NN

Glenmark Pharmaceuticals Europe R&D Ltd (Registered number: 06420547)

Income Statement
for the Year Ended 31 March 2021

	Notes	2021 £	2020 £
TURNOVER	2	1,910,540	4,010,973
Administrative expenses		<u>1,796,601</u>	<u>3,765,904</u>
		113,939	245,069
Other operating income		<u>3,397</u>	<u>-</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		117,336	245,069
Tax on profit	6	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u>117,336</u>	<u>245,069</u>

The notes on pages 11 to 15 form part of these financial statements

Glenmark Pharmaceuticals Europe R&D Ltd (Registered number: 06420547)

Statement of Financial Position

31 March 2021

	Notes	2021 £	2020 £
CURRENT ASSETS			
Debtors	8	2,950,959	942,336
Cash in hand		<u>976,517</u>	<u>3,141,190</u>
		3,927,476	4,083,526
CREDITORS			
Amounts falling due within one year	9	<u>447,056</u>	<u>720,442</u>
NET CURRENT ASSETS		<u>3,480,420</u>	<u>3,363,084</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,480,420</u>	<u>3,363,084</u>
CAPITAL AND RESERVES			
Called up share capital	10	800,708	800,708
Retained earnings	11	<u>2,679,712</u>	<u>2,562,376</u>
SHAREHOLDERS' FUNDS		<u>3,480,420</u>	<u>3,363,084</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small Companies regime.


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Oliver Henry Bourne - Director

The notes on pages 11 to 15 form part of these financial statements

Glenmark Pharmaceuticals Europe R&D Ltd (Registered number: 06420547)

Statement of Changes in Equity
for the Year Ended 31 March 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2019	800,708	2,317,307	3,118,015
Changes in equity			
Total comprehensive income	-	245,069	245,069
Balance at 31 March 2020	<u>800,708</u>	<u>2,562,376</u>	<u>3,363,084</u>
Changes in equity			
Total comprehensive income	-	117,336	117,336
Balance at 31 March 2021	<u>800,708</u>	<u>2,679,712</u>	<u>3,480,420</u>

The notes on pages 11 to 15 form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 March 2021

1. **ACCOUNTING POLICIES**

General information and basis of preparation

Glenmark Pharmaceuticals Europe R & D Limited is a company limited by shares incorporated in England. The address of the registered office and principal place of business is given in the company information on page 1 in this financial statement. The financial statements are presented in UK Sterling which is the functional currency of the company.

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102 section 1A small entities, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Going Concern

Post year end the business and trade of the company has been transferred to a sister company and the share capital has been reduced to £1. The directors plan to wind up the company, hence these financial statements have been prepared on a breakup basis.

Cash flow statement exemption

The company, being a subsidiary undertaking of the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statements in accordance with FRS 102.

Related party exemption

The company has taken advantage of the exemption under section 33 of FRS 102 from disclosing transactions with ultimate parent company Glenmark Pharmaceuticals Limited, a company incorporated in India and its wholly owned subsidiaries.

Turnover

Turnover from the rendering of services is recognised by reference to the costs incurred plus a uplift for a service charge. This is invoiced by reference to the costs incurred every month.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	over 4 years
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Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

1. **ACCOUNTING POLICIES - continued**

Leased assets

Operating leases payments are recognised as an expense on a straight line basis over the lease term.

Pensions

The company makes contributions to personal pension scheme of the employees. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Debtors

Short term debtors are measured at transaction price which is usually the invoice price, less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price which is usually the invoice price.

Provisions

Provisions (i.e. liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

2. **TURNOVER**

The turnover and profit before taxation are attributable to one principal activity of the company. An analysis of the turnover by geographical market is given below:

	2021	2020
	\$	\$
Services rendered	1,910,540	4,010,973
By geographical		
UK	-	939,544
Europe	158,059	3,071,429
Rest of the world	<u>1,752,481</u>	<u>-</u>
	<u>1,910,540</u>	<u>4,010,973</u>

3. **EMPLOYEES AND DIRECTORS**

	2021	2020
	£	£
Wages and salaries	1,061,028	2,051,940
Social security cost	125,817	259,789
Other pension costs	<u>68,016</u>	<u>112,826</u>
	<u>1,254,861</u>	<u>2,424,555</u>

Average number of employees during the year	2021	2020
Administration	1	1
Development	12	12
	<u>13</u>	<u>13</u>

4. **OPERATING PROFIT**

	2021	2020
	£	£
This is stated after charging:		
Foreign Exchange Loss	<u>1,425</u>	<u>17,108</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

5. **AUDITORS' REMUNERATION**

	2021	2020
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements of	4,500	13,910
Audit of Financial statements for Non Audit services	<u>2,500</u>	<u>2,500</u>
	<u>7,000</u>	<u>16,410</u>

6. **TAXATION**

	2021	2020
	£	£
Analysis of charge in period		
Current tax:		
UK corporation tax credit on profit of the period	-	-
Tax on loss on ordinary activities	-	-
Factors affecting tax charge for period		
The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:		
	2021	2020
	£	£
Profit on ordinary activities before tax	117,336	245,069
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	22,295	46,563
Effects of:		
Research and development enhanced deduction	(22,295)	-
Capital allowances for period in excess of depreciation	-	(350)
Research and Development expenditure debited to P&L enhanced research and Development expenditure credit availed	5,232	10,851
Research and Development adjustment	<u>(27,538)</u>	<u>(57,111)</u>
Current Tax Charge	<u>22,306</u>	<u>47</u>
	-	-

Factors that may affect future tax charges

Taxation losses available to carry forward to future year £ 721,581 (2020: £721,581). Under current tax legislation tax relief on these losses will be given at 19%

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

7. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 April 2020 and 31 March 2021	<u>204,111</u>
DEPRECIATION	
At 1 April 2020 and 31 March 2021	<u>204,111</u>
NET BOOK VALUE	
At 31 March 2021	<u><u>-</u></u>
At 31 March 2020	<u><u>-</u></u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Amounts owed by group undertakings	2,926,472	910,237
Other debtors	1,441	-
VAT	14,592	24,291
Prepayments	<u>8,454</u>	<u>7,808</u>
	<u><u>2,950,959</u></u>	<u><u>942,336</u></u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	-	34,568
Amounts owed to group undertakings	17,365	292,126
Social security and other taxes	46,851	39,469
Other creditors	-	5,435
Accrued expenses	<u>382,840</u>	<u>348,844</u>
	<u><u>447,056</u></u>	<u><u>720,442</u></u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
800,708	Alloted, called up and fully paid: Ordinary shares	£ 1	<u><u>800,708</u></u>	<u><u>800,708</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

11. **RESERVES**

	Retained earnings £
At 1 April 2020	2,562,376
Profit for the year	<u>117,336</u>
At 31 March 2021	<u>2,679,712</u>

12. **ULTIMATE CONTROLLING PARTY**

The company is a subsidiary of Glenmark Holding S.A., a company incorporated in Switzerland. The Ultimate Parent Company is Glenmark Pharmaceuticals Limited, a company incorporated in India and its wholly owned subsidiaries.

13. **PREVIOUS YEAR FIGURES**

The previous year figures have been regrouped/ reclassified, whenever necessary, to confirm to the current year presentation.

14. **SUBSEQUENT EVENT**

We confirm that Glenmark Pharmaceuticals Europe R&D Limited will transfer its R&D business and trade to Glenmark Pharmaceuticals Europe limited, a group company and intends to wind up the company in subsequent year.

Detailed Profit and Loss Account
for the Year Ended 31 March 2021

	2021		2020	
	£	£	£	£
Turnover				
Other Income		1,910,540		4,010,973
Other income				
Government grant		<u>3,397</u>		<u>-</u>
		1,913,937		4,010,973
Expenditure				
Wages	1,061,028		2,051,940	
Rent	124,101		222,714	
Rates and taxes	32,512		64,512	
Insurance	1,343		21,307	
Light and heat	8,202		21,600	
Social security	125,817		259,789	
Pensions	68,016		112,826	
Telephone	10,967		28,926	
Post and stationery	2,298		7,537	
Travelling	(5,792)		140,877	
Office Retainers	21,735		129,647	
Repairs and renewals	12,815		27,994	
Recharges from Group Companies	197,558		271,793	
Recruitment expenses	45,117		-	
Courier services	927		1,417	
Sundry expenses	9,302		14,222	
Subscriptions	4,991		31,654	
Legal fees	45,066		238,145	
Auditors' remuneration	7,000		16,410	
Foreign exchange losses	1,425		17,108	
Service charge	20,525		66,827	
Staff welfare	<u>1,130</u>		<u>18,016</u>	
		<u>1,796,083</u>		<u>3,765,261</u>
		117,854		245,712
Finance costs				
Bank charges		<u>518</u>		<u>643</u>
NET PROFIT		<u>117,336</u>		<u>245,069</u>