

# Alliott Partellas Kiliaris Ltd

Certified Public Accountants

**ALLIOTT**  
GROUP  
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Accounting, Law and Consulting Firms

## **FOUNDVEST LIMITED**

**REPORT AND FINANCIAL STATEMENTS**  
31 March 2021

# FOUNDVEST LIMITED

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## REPORT AND FINANCIAL STATEMENTS

31 March 2021

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# FOUNDVEST LIMITED

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## BOARD OF DIRECTORS AND OTHER OFFICERS

<b>Board of Directors:</b>	Hamervate Ltd
<b>Company Secretary:</b>	Zedana Secretarial Limited
<b>Independent Auditors:</b>	Alliott Partellas Kiliaris Ltd Certified Public Accountants 77 Strovolos Avenue Strovolos Center, Office 201 2018 Strovolos, Nicosia Cyprus
<b>Registered office:</b>	77, Strovolos Avenue Strovolos Center, Office 204 2018 Strovolos, Nicosia Cyprus
<b>Bankers:</b>	DBS Bank - Singapore
<b>Registration number:</b>	HE188083

# FOUNDVEST LIMITED

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## MANAGEMENT REPORT

The Board of Directors presents its report and audited financial statements of the Company for the year ended 31 March 2021.

### **Principal activity and nature of operations of the Company**

The principal activity of the Company, which is unchanged from last year, is provision of real estate advisory services and related advice, including investment recommendations and real estate management services, in respect of real estate investment opportunities.

### **Review of current position, future developments and performance of the Company's business**

The Company's development to date, financial results and position as presented in the financial statements are not considered satisfactory and the Board of Directors is making an effort to reduce the Company's losses.

### **Principal risks and uncertainties**

The principal risks and uncertainties faced by the Company are disclosed in notes 6, 7 and 22 of the financial statements.

### **Results**

The Company's results for the year are set out on page 7. The net loss for the year is carried forward.

### **Share capital**

#### **Authorised capital**

Under its Memorandum the Company fixed its share capital at 1,000 ordinary shares of nominal value of €1 each.

On 25 September 2019, the authorised capital was increased to 1,100 shares of nominal value of €1 each with the creation of 100 non-voting preference shares.

#### **Issued capital**

Upon incorporation on 5 December 2006 the Company issued to the subscribers of its Memorandum of Association 1,000 ordinary shares of €1 each at par.

On 25 September 2019, the Company issued 5 non-voting preference shares of nominal value of €1 at the price of €969,642.00 each. Out of the total issue proceeds of €4,848,210.00 an amount of €5 was transferred to the preference share capital account and the balance of €4,848,205.00 to the share premium reserve.

On 26 February 2020, the Company redeemed its 5 non-voting preference shares of nominal value of €1 at the price of €1,841,442.00 each including the share premium amount of €1,841,441. The total amount of the redemption is €9,207,210.00.

### **Board of Directors**

The sole member of the Company's Board of Directors as at 31 March 2021 and at the date of this report is presented on page 1. The sole Director was a member of the Board of Directors throughout the year ended 31 March 2021.

There were no significant changes in the remuneration of the Board of Directors.

### **Operating Environment of the Company**

Any significant events that relate to the operating environment of the Company are described in note 22 to the financial statements.

### **Events after the reporting period**

Any significant events that occurred after the end of the reporting period are described in note 26 to the financial statements.

# FOUNDVEST LIMITED

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## MANAGEMENT REPORT

### **Independent Auditors**

The Independent Auditors, Alliot Partellas Kiliaris Ltd, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,

ZEDANA SECRETARIAL LIMITED

Zedana Secretarial Limited  
Secretary

Nicosia, 15 April 2021



## Independent Auditor's Report

### To the Members of Foundvest Limited

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of parent company Foundvest Limited (the "Company"), which are presented in pages 7 to 26 and comprise the statement of financial position as at 31 March 2021, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of parent company Foundvest Limited as at 31 March 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to note 4 to the financial statements which indicates that the Company incurred a loss of US\$1,736,974 during the year ended 31 March 2021, and, as of that date the Company's current liabilities exceeded its current assets by US\$43,818. As stated in note 4, these events or conditions, along with other matters as set forth in note 4, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report and the additional information to the statement of comprehensive income in pages 27 to 30, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.



# **Independent Auditor's Report (continued)**

## **To the Members of Foundvest Limited**

### **Responsibilities of the Board of Directors for the Financial Statements**

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is 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 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 responsible for overseeing the Company's financial reporting process.

### **Auditor's 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 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 ISAs 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.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 statements 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors 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.

## Independent Auditor's Report (continued)

### To the Members of Foundvest Limited

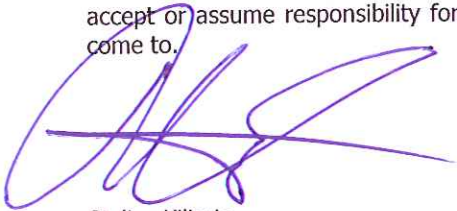
#### Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017, we report the following:

- In our opinion, the Management Report has been prepared in accordance with the requirements of the Cyprus Companies Law, Cap 113, and the information given is consistent with the financial statements.
- In our opinion, and 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 Management Report.

#### Other Matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of the Auditors Law of 2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Stelios Kiliaris  
Certified Public Accountant and Registered Auditor  
for and on behalf of  
**Alliott Partellas Kiliaris Ltd**  
**Certified Public Accountants**

Nicosia, 15 April 2021



# FOUNDVEST LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

31 March 2021

	Note	2021 US\$	2020 US\$
Administration expenses		(12,172)	(6,209)
Other expenses	8	<u>(1,719,837)</u>	<u>(3,394,728)</u>
<b>Operating loss</b>	9	<b>(1,732,009)</b>	<b>(3,400,937)</b>
Finance income	10	<b>10,819</b>	24,120
Finance costs	10	<u>(13,313)</u>	<u>(176,349)</u>
<b>Loss before tax</b>		<b>(1,734,503)</b>	<b>(3,553,166)</b>
Tax	11	<u>(2,471)</u>	<u>(2,767)</u>
<b>Net loss for the year</b>		<b>(1,736,974)</b>	<b>(3,555,933)</b>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><b>(1,736,974)</b></u>	<u><b>(3,555,933)</b></u>

The notes on pages 11 to 26 form an integral part of these financial statements.

# FOUNDVEST LIMITED

## STATEMENT OF FINANCIAL POSITION 31 March 2021

	Note	2021 US\$	2020 US\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	12	1,480	7,412,005
Non-current loans receivable	15	-	963,200
		<u>1,480</u>	<u>8,375,205</u>
<b>Current assets</b>			
Trade and other receivables	16	1	411,834
Cash at bank and in hand	17	6,987	11,055
		<u>6,988</u>	<u>422,889</u>
<b>Total assets</b>		<u><b>8,468</b></u>	<u><b>8,798,094</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	18	1,022	1,022
Other reserves		(45,085)	(45,085)
Retained earnings		1,725	1,738,699
<b>Total equity</b>		<u><b>(42,338)</b></u>	<u><b>1,694,636</b></u>
<b>Non-current liabilities</b>			
Borrowings	19	-	7,085,950
		<u>-</u>	<u>7,085,950</u>
<b>Current liabilities</b>			
Trade and other payables	20	47,704	1,353
Current tax liabilities	21	3,102	16,155
		<u>50,806</u>	<u>17,508</u>
<b>Total liabilities</b>		<u><b>50,806</b></u>	<u><b>7,103,458</b></u>
<b>Total equity and liabilities</b>		<u><b>8,468</b></u>	<u><b>8,798,094</b></u>

On 15 April 2021 the Board of Directors of Foundvest Limited authorised these financial statements for issue.

HAMERVATE LIMITED

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Hamervate Ltd  
Director

The notes on pages 11 to 26 form an integral part of these financial statements.

# FOUNDVEST LIMITED

## STATEMENT OF CHANGES IN EQUITY

31 March 2021

	Note	Share capital US\$	Share premium US\$	Translation reserve US\$	Retained earnings US\$	Total US\$
<b>Balance at 1 April 2019</b>		<b>1,022</b>	-	<b>(45,085)</b>	<b>9,960,632</b>	<b>9,916,569</b>
<b>Comprehensive income</b>						
Net loss for the year		-	-	-	(3,555,933)	(3,555,933)
<b>Transactions with owners</b>						
Issue of redeemable preference shares	18	6	5,333,994	-	-	5,334,006
Redemption of redeemable shares during the year		(6)	(5,333,994)	-	(4,666,000)	(10,000,006)
<b>Balance at 31 March 2020/ 1 April 2020</b>		<b>1,022</b>	-	<b>(45,085)</b>	<b>1,738,699</b>	<b>1,694,636</b>
<b>Comprehensive income</b>						
Net loss for the year		-	-	-	(1,736,974)	(1,736,974)
<b>Balance at 31 March 2021</b>		<b>1,022</b>	-	<b>(45,085)</b>	<b>1,725</b>	<b>(42,338)</b>

Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31 of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits relate. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, from 2019 (deemed dividend distribution of year 2017 profits), the Company pays on behalf of the shareholders General Healthcare System (GHS) contribution at a rate of 2,65% (31.12.2019: 1,70%), when the entitled shareholders are natural persons tax residents of Cyprus, regardless of their domicile.

The notes on pages 11 to 26 form an integral part of these financial statements.

# FOUNDVEST LIMITED

## STATEMENT OF CASH FLOWS

31 March 2021

	Note	2021 US\$	2020 US\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Loss before tax</b>		<b>(1,734,503)</b>	(3,553,166)
Adjustments for:			
Exchange difference arising on the translation of non-current assets in foreign currencies		-	161,874
Unrealised exchange loss/(profit)		<b>8,786</b>	(660)
Loss from the sale of investments in subsidiaries		-	3,394,728
Interest income	10	<b>(10,418)</b>	(23,347)
Interest expense	10	<b>1,703</b>	13,950
		<b>(1,734,432)</b>	(6,621)
<b>Changes in working capital:</b>			
Decrease/(increase) in trade and other receivables		<b>411,833</b>	(553)
Increase/(Decrease) in trade and other payables		<b>46,351</b>	(784)
<b>Cash used in operations</b>		<b>(1,276,248)</b>	(7,958)
Tax paid		<b>(15,524)</b>	(2,881)
<b>Net cash used in operating activities</b>		<b>(1,291,772)</b>	(10,839)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for purchase of investments in subsidiaries	12	-	(4,842,312)
Payments for acquiring capital investments		-	11,086
Loans granted		<b>963,200</b>	(863,767)
Loans repayments received		-	367,177
Proceeds from sale of financial assets at fair value through other comprehensive income		-	2,939,040
Proceeds from sale of investments in subsidiary undertakings		<b>7,410,525</b>	1
Interest received		<b>10,418</b>	-
<b>Net cash generated from/(used in) investing activities</b>		<b>8,384,143</b>	(2,388,775)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of share capital		-	5,334,000
Payments on redemption of redeemable shares		-	(10,000,000)
Repayments of borrowings		<b>(7,085,950)</b>	-
Proceeds from borrowings		-	7,072,000
Unrealised exchange (loss)/profit		<b>(8,786)</b>	660
Interest paid		<b>(1,703)</b>	-
<b>Net cash (used in)/generated from financing activities</b>		<b>(7,096,439)</b>	2,406,660
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(4,068)</b>	7,046
Cash and cash equivalents at beginning of the year		<b>11,055</b>	4,009
<b>Cash and cash equivalents at end of the year</b>	17	<b>6,987</b>	<b>11,055</b>

The notes on pages 11 to 26 form an integral part of these financial statements.



# FOUNDVEST LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 1. Incorporation and principal activities

#### Country of incorporation

The Company Foundvest Limited (the "Company") was incorporated in Cyprus on 5 December 2006 as a private limited liability company under the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 77, Strovolos Avenue, Strovolos Center, Office 204, 2018 Strovolos, Nicosia, Cyprus.

#### Principal activity

The principal activity of the Company, which is unchanged from last year, is provision of real estate advisory services and related advice, including investment recommendations and real estate management services, in respect of real estate investment opportunities.

### 2. Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company is not required by the Cyprus Companies Law, Cap. 113, to prepare consolidated financial statements because the ultimate parent company publishes consolidated financial statements in accordance with Generally Accepted Accounting Principles in India and the Company does not intend to issue consolidated financial statements for the year ended 31 March 2021.

The European Commission has concluded that since parent companies are required by the EU Accounting (2013/34/EU) Directive to prepare separate financial statements and since the Cyprus Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the EU, the provisions in IFRS 10 "Consolidated Financial statements" requiring the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention.

### 3. Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 April 2020. This adoption did not have a material effect on the accounting policies of the Company.

### 4. Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

#### Going concern basis

The Company incurred a loss of US\$1,736,974 for the year ended 31 March 2021, and, as of that date the Company's current liabilities exceeded its current assets by US\$43,818. These conditions, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

#### Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

# FOUNDVEST LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 4. Significant accounting policies (continued)

#### Subsidiary companies (continued)

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

#### Finance income

Interest income is recognised on a time-proportion basis using the effective method.

#### Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

#### Foreign currency translation

##### (1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United States Dollars (US\$), which is the Company's functional and presentation currency.

##### (2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

#### Financial assets

##### Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, the classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.



# FOUNDVEST LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### Financial assets - Classification (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

##### Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognised when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

##### Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### Financial assets - impairment - credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at amortised cost and FVOCI and exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within "net impairment losses on financial and contract assets. Subsequent recoveries of amounts for which loss allowance was previously recognised are credited against the same line item.

Debt instruments carried at amortised cost are presented in the statement of financial position net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the statement of financial position.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.



# FOUNDVEST LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

#### Financial assets - impairment - credit loss allowance for ECL (continued)

The impairment methodology applied by the Company for calculating expected credit losses depends on the type of financial asset assessed for impairment. Specifically:

For trade receivables and contract assets, including trade receivables and contract assets with a significant financing component, and lease receivables the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses to be recognised from initial recognition of the financial assets.

For all other financial instruments that are subject to impairment under IFRS 9, the Company applies general approach - three stage model for impairment. The Company applies a three stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1.

Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). Refer to note 6, Credit risk section, for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company's definition of credit impaired assets and definition of default is explained in note 6, Credit risk section.

Additionally the Company has decided to use the low credit risk assessment exemption for investment grade financial assets. Refer to note 6, Credit risk section for a description of how the Company determines low credit risk financial assets.

#### Financial assets -Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

#### Financial assets - write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

#### Financial assets - modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset (e.g. profit share or equity-based return), significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.



# FOUNDVEST LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

##### Financial assets - modification (continued)

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners.

In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

#### Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at amortised cost because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

#### Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. They are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

#### Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

Trade receivables are also subject to the impairment requirements of IFRS 9. The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. See note 6, Credit risk section.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Company, and a failure to make contractual payments for a period of greater than 180 days past due.



# FOUNDVEST LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 4. Significant accounting policies (continued)

#### Financial assets (continued)

#### Financial liabilities - measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

#### Financial liabilities - Modifications

An exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms and conditions of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. (In addition, other qualitative factors, such as the currency that the instrument is denominated in, changes in the type of interest rate, new conversion features attached to the instrument and change in loan covenants are also considered.)

If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

Modifications of liabilities that do not result in extinguishment are accounted for as a change in estimate using a cumulative catch up method, with any gain or loss recognised in profit or loss, unless the economic substance of the difference in carrying values is attributed to a capital transaction with owners and is recognised directly to equity.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

#### Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

#### Share capital

Ordinary shares are classified as equity.



# FOUNDVEST LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 5. New accounting pronouncements

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

### 6. Financial risk management

#### Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

#### 6.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company has no significant interest-bearing assets. The Company is exposed to interest rate risk in relation to its non-current borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

#### 6.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and contract assets as well as lease receivables. Further, credit risk arises from financial guarantees and credit related commitments.

##### *(i) Risk management*

Credit risk is managed on a group basis. For banks and financial institutions, the Company has established policies whereby the majority of bank balances are held with independently rated parties with a minimum rating of ['C'].

If wholesale customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, Management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. [Individual credit limits and credit terms are set based on the credit quality of the customer in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards.]

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

The Company's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

These policies enable the Company to reduce its credit risk significantly.

##### *(ii) Impairment of financial assets*

The Company has the following types of financial assets that are subject to the expected credit loss model:

- cash and cash equivalents
- credit commitments

# FOUNDVEST LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 6. Financial risk management (continued)

#### 6.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

#### 6.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar, the Singapore Dollar, the British Pound and the Euro. The Company's Management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

### 7. Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Critical accounting estimates and assumptions*

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- **Going concern basis**

The Directors judge that it is appropriate to prepare the financial statements on the going concern basis.

- **Calculation of loss allowance**

When measuring expected credit losses the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.



# FOUNDVEST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 7. Critical accounting estimates and judgments (continued)

- **Income taxes**

Significant judgment is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

*Critical judgements in applying the Company's accounting policies*

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

- **Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 6, Credit risk section.

### 8. Other expenses

	2021	2020
	US\$	US\$
Capital issue and redemption costs	2,398	-
Loss on settlement of loan with related company	402,207	-
Waiver of receivables with related companies	1,315,232	-
Loss from sale of investments in subsidiaries	-	3,394,728
	<u>1,719,837</u>	<u>3,394,728</u>

### 9. Operating loss

	2021	2020
	US\$	US\$
Operating loss is stated after charging the following items:		
Auditors' remuneration	<u>2,994</u>	<u>3,295</u>

# FOUNDVEST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 31 March 2021

### 10. Finance income/(costs)

	2021 US\$	2020 US\$
Interest income	10,418	23,347
Exchange profit	401	773
<b>Finance income</b>	<b>10,819</b>	<b>24,120</b>
Net foreign exchange losses	(11,004)	(161,987)
Interest expense	(1,703)	(13,950)
Sundry finance expenses	(606)	(412)
<b>Finance costs</b>	<b>(13,313)</b>	<b>(176,349)</b>
<b>Net finance costs</b>	<b>(2,494)</b>	<b>(152,229)</b>

### 11. Tax

	2021 US\$	2020 US\$
Corporation tax	2,471	2,767
<b>Charge for the year</b>	<b>2,471</b>	<b>2,767</b>

The tax on the Company's results before tax differs from theoretical amount that would arise using the applicable tax rates as follows:

	2021 US\$	2020 US\$
Loss before tax	(1,734,503)	(3,553,166)
Tax calculated at the applicable tax rates	(216,813)	(444,146)
Tax effect of expenses not deductible for tax purposes	219,099	446,768
Tax effect of allowances and income not subject to tax	(50)	(97)
10% additional charge	235	242
<b>Tax charge</b>	<b>2,471</b>	<b>2,767</b>

The corporation tax rate is 12,5%.

Under certain conditions interest income may be subject to defence contribution at the rate of 30%. In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 17%.

Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon etc) are exempt from Cyprus income tax.

# FOUNDVEST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 12. Investments in subsidiaries

	2021 US\$	2020 US\$
Balance at 1 April	7,412,005	5,964,422
Additions	-	4,842,312
Disposals	<u>(7,410,525)</u>	<u>(3,394,729)</u>
<b>Balance at 31 March</b>	<b><u>1,480</u></b>	<b><u>7,412,005</u></b>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	2021 Holding %	2020 Holding %	2021 US\$	2020 US\$
Arianca Ltd	Cyprus	Real estate advisory services	100	100	1,480	1,480
IPMT Pte. Ltd	Singapore	Investment advisory services	100	100	-	7,410,525
					<b><u>1,480</u></b>	<b><u>7,412,005</u></b>

On 31 October 2019, the Company sold its 100% investment held in IPMT Ltd for the total consideration of GBP£1.

On 29 September 2020, the Company entered into a loan settlement agreement with Brenformexa Limited whereby it has been agreed that Foundvest Limited will settle its loan due to Brenformexa Limited by transferring its investment in Indiabulls Property Management Trustee Pte. Ltd for the total consideration of \$7,410,525.

### 13. Financial assets at fair value through other comprehensive income

	2021 US\$	2020 US\$
Balance at 1 April	-	3,100,914
Redemption of preference shares	-	(2,939,040)
Exchange differences	-	(161,874)
<b>Balance at 31 March</b>	<b><u>-</u></b>	<b><u>-</u></b>

On 21 December 2018, the Company acquired 9 non-voting preference shares in Brenformexa Limited for the total value of €2,712,960.00 (equivalent of US\$3,100,914).

On 26 February 2020, the non-voting preference shares held in Brenformexa Limited were redeemed for the total consideration of €2,712,960.00 (equivalent of US\$2,939,040).

#### (i) Disposal of equity investments

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

### 14. Advances towards capital

	2021 US\$	2020 US\$
Balance at 1 April	-	11,086
Payments during the year for additional investment in subsidiary	-	(4,842,312)
Advances	-	4,831,226
<b>Balance at 31 March</b>	<b><u>-</u></b>	<b><u>-</u></b>



# FOUNDVEST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 14. Advances towards capital (continued)

On 8 August 2019, the Company proceeded with capitalization of the amount of US\$4,842,312 by way of allotment of shares in the subsidiary.

### 15. Non-current loans receivable

	2021 US\$	2020 US\$
Loans to own subsidiaries (Note 23.2)	-	895,567
Loans to associates (Note 23.2)	-	67,633
	<u>-</u>	<u>963,200</u>

The loans are repayable as follows:

	2021 US\$	2020 US\$
Between one and five years	-	963,200

The exposure of the Company to credit risk in relation to loans receivable is reported in note 6 of the financial statements.

### 16. Trade and other receivables

	2021 US\$	2020 US\$
Trade receivables	-	350,140
Receivables from associates (Note 23.1)	<u>1</u>	<u>61,694</u>
	<u>1</u>	<u>411,834</u>

The fair values of trade and other receivables due within one year approximate to their carrying amounts as presented above.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 6 of the financial statements.

### 17. Cash at bank and in hand

Cash balances are analysed as follows:

	2021 US\$	2020 US\$
Cash at bank and in hand	<u>6,987</u>	<u>11,055</u>
	<u>6,987</u>	<u>11,055</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 6 of the financial statements.



# FOUNDVEST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 18. Share capital

	2021 Number of shares	2021 EUR	2020 Number of shares	2020 EUR
<b>Authorised</b>				
Ordinary shares of €1 each	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>	<u>1,100</u>
		US\$		US\$
<b>Issued and fully paid</b>				
Balance at 1 April	1,000	1,022	1,000	1,022
Issue of redeemable preference shares	-	-	5	6
Redemption of redeemable preference shares	-	-	(5)	(6)
<b>Balance at 31 March</b>	<u>1,000</u>	<u>1,022</u>	<u>1,000</u>	<u>1,022</u>

#### Authorised capital

Under its Memorandum the Company fixed its share capital at 1,000 ordinary shares of nominal value of €1 each.

On 25 September 2019, the authorised capital was increased to 1,100 shares of nominal value of €1 each with the creation of 100 non-voting preference shares.

#### Issued capital

Upon incorporation on 5 December 2006 the Company issued to the subscribers of its Memorandum of Association 1,000 ordinary shares of €1 each at par.

On 25 September 2019, the Company issued 5 non-voting preference shares of nominal value of €1 at the price of €969,642.00 each. Out of the total issue proceeds of €4,848,210.00 an amount of €5 was transferred to the preference share capital account and the balance of €4,848,205.00 to the share premium reserve.

On 26 February 2020, the Company redeemed its 5 non-voting preference shares of nominal value of €1 at the price of €1,841,442.00 each including the share premium amount of €1,841,441. The total amount of the redemption is €9,207,210.00.

### 19. Borrowings

	2021 US\$	2020 US\$
<b>Non-current borrowings</b>		
Loans from associates (Note 23.4)	<u>-</u>	<u>7,085,950</u>
Maturity of non-current borrowings:		
	2021 US\$	2020 US\$
Between two and five years	<u>-</u>	<u>7,085,950</u>

# FOUNDVEST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 20. Trade and other payables

	2021 US\$	2020 US\$
Accruals	2,704	1,353
Payables to associates (Note 23.3)	<u>45,000</u>	<u>-</u>
	<u>47,704</u>	<u>1,353</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

### 21. Current tax liabilities

	2021 US\$	2020 US\$
Corporation tax	<u>3,102</u>	<u>16,155</u>
	<u>3,102</u>	<u>16,155</u>

### 22. Operating Environment of the Company

On 11 March 2020, the World Health Organisation declared the Coronavirus COVID- 19 outbreak to be a pandemic in recognition of its rapid spread across the globe. Many governments are taking increasingly stringent steps to help contain, and in many jurisdictions, now delay, the spread of the virus, including: requiring self-isolation/ quarantine by those potentially affected, implementing social distancing measures, and controlling or closing borders and "locking-down" cities/regions or even entire countries. These measures have slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time.

This operating environment may have a significant impact on the Company's operations and financial position. Management is taking necessary measures to ensure sustainability of the Company's operations. However, the future effects of the current economic situation are difficult to predict and Management's current expectations and estimates could differ from actual results.

The Company's Management is unable to predict all developments which could have an impact on the Cyprus economy and consequently, what effect, if any, they could have on the future financial performance, cash flows and financial position of the Company.

The above conditions, along with other matters as set forth in note 4 indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

On the basis of the evaluation performed, the Company's management has concluded that no provisions or impairment charges are necessary. The Company's Management believes that it is taking all the necessary measures to maintain the viability of the Company and the smooth conduct of its operations in the current business and economic environment.

### 23. Related party transactions

The Company is controlled by Zeus Buildwell Limited, a company registered in India, which owns 100% of the company's shares. The ultimate holding company is Indiabulls Real Estate Limited, a public listed company registered in India, which owns 100% of the company's shares.



# FOUNDVEST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2021

### 23. Related party transactions (continued)

The following transactions were carried out with related parties:

#### 23.1 Receivables from related parties (Note 16)

<u>Name</u>	<u>Nature of transactions</u>	2021 US\$	2020 US\$
Ariston Investments Limited	Finance	-	61,693
Century Limited	Finance	<u>1</u>	<u>1</u>
		<u>1</u>	<u>61,694</u>

The receivable from Century Limited, was provided interest free and there is no specified repayment date.

The receivable from Ariston Investments Ltd has been waived.

#### 23.2 Loans to related parties (Note 15)

	2021 US\$	2020 US\$
Arianca Ltd	-	885,567
Grapene Ltd	-	67,633
Indiabulls Property Management Trustee PTE Ltd	-	<u>10,000</u>
	-	<u>963,200</u>

The loans due from the subsidiary company Arianca Ltd bears annual interest at the rate of 1 month Libor+100 basis points, and there is no specified repayment date. The loan balance has been agreed between the related company to be written off.

The loan due from the subsidiary company Indiabulls Property Management Trustee Pte. Ltd was provided interest free, and has been repaid during the year.

The loan due from the related company Grapene Ltd has been repaid during the year.

#### 23.3 Payables to related parties (Note 20)

<u>Name</u>	<u>Nature of transactions</u>	2021 US\$	2020 US\$
Brenformexa Limited	Finance	<u>45,000</u>	-
		<u>45,000</u>	-

The payable to the related company, Brenformexa Limited, was provided interest free and there is no specified repayment date.

#### 23.4 Loans from related parties (Note 19)

	2021 US\$	2020 US\$
Brenformexa Limited	-	<u>7,085,950</u>
	-	<u>7,085,950</u>

The loan from related company Brenformexa Limited bears interest of 2%, and has been repaid during the year.

### 24. Contingent liabilities

The Company had no contingent liabilities as at 31 March 2021.

# **FOUNDVEST LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS**

31 March 2021

### **25. Commitments**

The Company had no capital or other commitments as at 31 March 2021.

### **26. Events after the reporting period**

Significant events that occurred after the end of the reporting period are described in note 22 to the financial statements.

**Independent auditor's report on pages 4 to 6**



# FOUNDVEST LIMITED

## DETAILED INCOME STATEMENT

31 March 2021

	Page	2021 US\$	2020 US\$
<b>Operating expenses</b>			
Administration expenses	28	<u>(12,172)</u>	<u>(6,209)</u>
		<b>(12,172)</b>	<b>(6,209)</b>
<b>Other operating expenses</b>			
Capital issue and redemption costs		<b>(2,398)</b>	-
Loss on settlement of loan with related company		<b>(402,207)</b>	-
Waiver of receivables with related companies		<b>(1,315,232)</b>	-
Loss from sale of investments in subsidiaries		<u>-</u>	<u>(3,394,728)</u>
		<b>(1,732,009)</b>	<b>(3,400,937)</b>
<b>Operating loss</b>			
Finance income	29	<b>10,819</b>	24,120
Finance costs	29	<u><b>(13,313)</b></u>	<u>(176,349)</u>
<b>Net loss for the year before tax</b>		<u><b>(1,734,503)</b></u>	<u><b>(3,553,166)</b></u>

## FOUNDVEST LIMITED

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### OPERATING EXPENSES

31 March 2021

	2021 US\$	2020 US\$
<b>Administration expenses</b>		
Annual levy	510	391
Auditors' remuneration	2,994	3,295
Accounting fees	724	555
Other professional fees	5,510	-
Secretarial fees	1,554	1,186
Disbursement expenses	237	782
Limited review fees	643	-
	<u>12,172</u>	<u>6,209</u>



## FOUNDVEST LIMITED

### FINANCE INCOME/COST

31 March 2021

	2021 US\$	2020 US\$
<b>Finance income</b>		
Group interest	10,418	23,347
Unrealised foreign exchange profit	<u>401</u>	<u>773</u>
	<u><b>10,819</b></u>	<u><b>24,120</b></u>
<b>Finance costs</b>		
<b>Interest expense</b>		
Interest on loan from related company	-	13,950
Interest on taxes	<b>1,703</b>	-
<b>Sundry finance expenses</b>		
Bank charges	<b>606</b>	412
<b>Net foreign exchange losses</b>		
Realised foreign exchange loss	<b>1,817</b>	161,874
Unrealised foreign exchange loss	<u><b>9,187</b></u>	<u>113</u>
	<u><b>13,313</b></u>	<u><b>176,349</b></u>

# FOUNDVEST LIMITED

## COMPUTATION OF CORPORATION TAX 31 March 2021

	Page	US\$	US\$
	27		
Net loss per income statement			(1,734,503)
<u>Add:</u>			
Realised foreign exchange loss		1,817	
Unrealised foreign exchange loss		9,187	
Annual levy		510	
Capital issue and redemption costs		2,398	
Interest on taxes		1,703	
Dissallowed professional fees		5,510	
Other non-allowable expenses		14,226	
Loss on settlement of loan with related company		402,207	
Waiver of receivable with related company		<u>1,315,232</u>	
			<u>1,752,790</u>
			18,287
<u>Less:</u>			
Unrealised foreign exchange profit		<u>401</u>	
			<u>(401)</u>
<b>Chargeable income for the year</b>			<b>17,886</b>
			€
Converted into € at US\$ 1.172500 = €1			<u>15,255</u>
<b>Apportionment to the relevant years of assessment</b>		2021	2020
		€	€
Period 01/04/2020 - 31/12/2020		-	11,441
Period 01/01/2021 - 31/03/2021		<u>3,814</u>	-
		3,814	11,441
Period 01/01/2020 - 31/03/2020		<u>-</u>	<u>4,609</u>
		<u>3,814</u>	<u>16,050</u>
<b>Calculation of corporation tax</b>	Income	Rate	Total
	€	%	€ c
<b>Tax at normal rates:</b>			Total
Chargeable income as above	<u>16,050</u>	12.50	2,352
10% additional charge			<u>235</u>
<b>TAX PAYABLE</b>			<u>2,587</u>