RV ENTERPRIZES PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 200905191M)

Annual Report
For the financial year ended 31 March 2024

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Annual Report
For the financial year ended 31 March 2024

Contents

RV ENTERPRIZES PTE. LTD.

(Incorporated in the Republic of Singapore)
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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of RV Enterprizes Pte. Ltd. (the "Company") for the financial year ended 31 March 2024.

In the opinion of the directors,

(a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date; and

(b) at the date of this statement, with the continued financial support from the immediate holding company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. DIRECTORS

The directors of the Company in office at the date of this statement are:

RAVI KANT JAIPURIA
GEE JIN LIAN NANCY JULIA
RASHMI DHARIWAL

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

According to the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967 (the "Act"), the directors of the Company who held office at the end of the financial year had interests in the shares or debentures of the Company and its related corporations as follows:

	Direct interest		Deemed interest	
Name of director and entities in which interests are held	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
The Company				
Ordinary shares				
RAVI KANT JAIPURIA	-	-	2,415,579	2,415,579

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES - continued

According to the register of directors' shareholdings kept by the Company under Section 164 of the Companies Act 1967 (the "Act"), the directors of the Company who held office at the end of the financial year had interests in the shares or debentures of the Company and its related corporations as follows: - continued

Name of director and entities in which interests are held	Direct interest: At beginning of financial year	Direct interest: At end of financial year	Deemed interest: At beginning of financial year	Deemed interest: At end of financial year
The immediate holding company				
Devyani International Limited				
Capital contribution				
RAVI KANT JAIPURIA	2,114,103 (0.18%)	2,114,103 (0.18%)	714,821,970 (59.32%)	714,821,970 (59.28%)
The ultimate holding company				
RJ Corp Limited				
Capital contribution				
RAVI KANT JAIPURIA	189,410,221 (87.21%)	189,410,221 (87.21%)	-	-

By virtue of Section 7 of the Act, Ravi Kant Jaipuria is deemed to have an interest in the Company and in all its related corporations at the beginning and at the end of the financial year.

4. SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

RV ENTERPRIZES PTE. LTD.
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DIRECTORS' STATEMENT - continued

5. **INDEPENDENT AUDITORS**

The Independent Auditors, MGI Alliance Singapore PAC, have expressed their willingness to accept re-appointment.

On behalf of the board of Directors

....
(RAVI KANT JAIPURIA)
Director

....
(GEE JIN LIAN NANCY JULIA)
Director

2 May 2024

MGI Alliance Singapore PAC
Public Accountants, Chartered Accountants
Incorporated in the Republic of Singapore
(Company No.: 201502755N)

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Singapore 068898
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

RV ENTERPRIZES PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 200905191M)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **RV ENTERPRIZES PTE. LTD.** (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2024 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). 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 Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 3.

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.

MG

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

RV ENTERPRIZES PTE. LTD. - continued
(Incorporated in the Republic of Singapore)
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Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include 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 assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 SSAs, we exercise professional judgement 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 management.

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MGI Alliance Singapore PAC
Public Accountants, Chartered Accountants
Incorporated in the Republic of Singapore
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

RV ENTERPRIZES PTE. LTD. - continued
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Auditor's Responsibilities for the Audit of the Financial Statements - continued

- Conclude on the appropriateness of management's 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 fair presentation.

We communicate with the 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

MGI Alliance Singapore PAC

MGI ALLIANCE SINGAPORE PAC
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

Singapore,

2 May 2024

MGI ALLIANCE SINGAPORE PAC 201502755N CHARTERED ACCOUNTANTS

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mgi worldwide

RV ENTERPRIZES PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 200905191M)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	NOTE	**2024 US$**	2023 US$
ASSETS			
NON-CURRENT ASSETS			
Investment in subsidiary	(4)	**-**	3,749,938
Loans to subsidiary	(5)	**-**	16,560,688
Total non-current assets		**-**	20,310,626
CURRENT ASSETS			
Cash and cash equivalents	(6)	**11,074**	10,152
Total current assets		**11,074**	10,152
TOTAL ASSETS		**11,074**	20,320,778
(CAPITAL DEFICIENCY)/EQUITY AND LIABILITIES			
(CAPITAL DEFICIENCY)/EQUITY			
Share capital	(7)	**16,372,546**	16,372,546
Share application money		**30,450**	-
Accumulated losses		**(21,722,904)**	(1,057,790)
(Net capital deficiency)/Total equity		**(5,319,908)**	15,314,756
NON-CURRENT LIABILITIES			
Loan from immediate holding company	(8)	**5,197,088**	4,852,145
Total non-current liabilities		**5,197,088**	4,852,145
CURRENT LIABILITIES			
Other payables and accruals	(9)	**133,894**	153,877
Total current liabilities		**133,894**	153,877
Total liabilities		**5,330,982**	5,006,022
LIABILITIES NET OF CAPITAL DEFICENCY/TOTAL EQUITY AND LIABILITIES		**11,074**	20,320,778

The accompanying notes form an integral part of these financial statements.

RV ENTERPRIZES PTE. LTD.
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STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	NOTE	**2024** **US$**	2023 US$
Continuing operations			
Revenue		**-**	-
Other income	(10)	**218,832**	177,611
Administrative expenses	(10)	**(283,041)**	(66,868)
Other expenses	(10)	**(3,749,938)**	-
Finance cost	(10)	**(344,943)**	(235,088)
Impairment loss on financial assets	(10)	**(16,506,024)**	-
Loss before tax		**(20,665,114)**	(124,345)
Income tax expense	(11)	**-**	-
Loss for the financial year		**(20,665,114)**	(124,345)
Other comprehensive income		**-**	-
Total comprehensive income for the financial year		**(20,665,114)**	(124,345)

The accompanying notes form an integral part of these financial statements.

RV ENTERPRIZES PTE. LTD.
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STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	Share capital US$	**Share application money US$**	**Accumulated losses US$**	**Total US$**
2024				
Beginning of financial year	16,372,546	-	(1,057,790)	15,314,756
Transaction with owners recorded directly in equity				
- Share application money received	-	30,450	-	30,450
Total comprehensive income for the financial year	-	-	(20,665,114)	(20,665,114)
End of financial year	**16,372,546**	**30,450**	**(21,722,904)**	**(5,319,908)**

	Share capital US$	Share application money US$	Accumulated losses US$	Total US$
2023				
Beginning of financial year	16,372,546	-	(933,445)	15,439,101
Total comprehensive income for the financial year	-	-	(124,345)	(124,345)
End of financial year	16,372,546	-	(1,057,790)	15,314,756

The accompanying notes form an integral part of these financial statements.

RV ENTERPRIZES PTE. LTD.

(Incorporated in the Republic of Singapore)
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STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	NOTE	2024 US$	2023 US$
Cash flows from operating activities			
Loss before tax		**(20,665,114)**	(124,345)
Adjustments for:			
Amortisation of discount premium on loan to subsidiary		**(211,552)**	(177,611)
Foreign exchange loss		**266,216**	44,115
Impairment loss on investment in subsidiary		**3,749,938**	-
Impairment loss on loans to subsidiary		**16,506,024**	-
Interest expense		**344,943**	235,088
Operating cash flows before changes in working capital		**(9,545)**	(22,753)
Changes in working capital			
Other payables and accruals		**(19,983)**	7,789
Net cash used in operating activities		**(29,528)**	(14,964)
Cash flows from financing activities			
Share application money received		**30,450**	-
Net cash generated from financing activities		**30,450**	-
Net increase/(decrease) in cash and cash equivalents		**922**	(14,964)
Cash and cash equivalents at beginning of financial year		**10,152**	25,116
Cash and cash equivalents at end of financial year	(6)	**11,074**	10,152

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

RV ENTERPRIZES PTE. LTD. (the "Company") is incorporated and domiciled in Singapore. The address of its registered office is:

80 Robinson Road #15-02
Singapore 068898

The principal activities of the Company are those of general wholesale trade and investment holding. The principal activities of the subsidiary are disclosed in Note 4.

The Company's immediate holding company is Devyani International Limited, and its ultimate holding company is RJ Corp Limited, both incorporated in India.

The financial statements of RV ENTERPRIZES PTE. LTD. for the financial year ended 31 March 2024 were authorised for issue by the Board of Directors on the date of the Directors' Statement.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with the provisions of the Companies Act 1967 and Financial Reporting Standards in Singapore (FRSs).

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies notes that follow.

c) Functional and presentation currency

These financial statements are presented in United States Dollars (US$), which is the Company's functional currency.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. **BASIS OF PREPARATION - continued**

d) **Use of estimates and judgement**

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Judgements made in applying accounting policies

In the process of applying the entity's accounting policies, management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, 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.

Impairment of loans to subsidiary

The impairment of loans to subsidiary is based on management's continuous evaluation of the recoverability of the outstanding loans. In assessing the ultimate realisation of these loans, management considers, among other factors, the creditworthiness, including the assessment of the latest performance and financial position of the subsidiary, adjusted for the future outlook of the industry in which the subsidiary operates in, and the past collection history of the subsidiary. If the financial conditions of the subsidiary were to deteriorate, resulting in an impairment of its ability to make payments, allowances may be required using 12 months ECL.

The carrying amount of the Company's loans to subsidiary is disclosed in Note 5.

Impairment of non-financial assets

The Company assesses whether at each reporting date there is any objective evidence that its non-financial assets are impaired. Where there is objective evidence of impairment, the recoverable amount is estimated based on the higher of an asset's or cash generating unit's fair value less costs of disposal and its value in use.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

2. **BASIS OF PREPARATION - continued**

d) **Use of estimates and judgement - continued**

Impairment of non-financial assets - continued

When value in use calculation is undertaken, management estimates the expected future cash flows to be generated from the asset or cash generating unit and applies a suitable discount rate to calculate the present value of those cash flows. These involve the use of estimates and assumptions.

When fair value less costs of disposal is used, management engages services of professional valuers to determine the fair values using valuation techniques which involve the use of estimates and assumptions which are reflective of current market conditions.

The carrying amounts of the Company's non-financial assets is disclosed in Note 4.

e) **Changes in accounting policies**

Overview

In the current financial year, the Company has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS has not resulted in changes to the Company's accounting policies and has also no material effect on the amounts reported for the current or prior year's financial information.

The Company has not early adopted any of the FRS, INT FRS, and amendments to FRS that were issued but not effective at the beginning of the financial year. The directors expect that the adoption of these other standards and interpretations will have no material impact on the financial statements in the financial period of initial application.

3. **MATERIAL ACCOUNTING POLICIES**

The accounting policies set out in the following paragraphs have been applied consistently to both periods presented in these financial statements, and have been applied consistently by the Company, except as explained in Note 2(e), which addresses changes in accounting policies.

3. MATERIAL ACCOUNTING POLICIES - continued

a) Non-consolidation

The Company is exempted from the requirement to prepare consolidated financial statements as the Company is the subsidiary of Devyani International Limited, an India-incorporated company which produces consolidated financial statements available for public use. The registered office of Devyani International Limited, where those consolidated financial statements can be obtained is as follows: F-2/7, Okhla Industrial Area, Phase-1, New Delhi, 110020 India.

b) Foreign currency transactions and balances

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss and presented within 'other income' or 'administrative and other expenses'. However, foreign currency differences arising from the translation of the following items are recognised in other comprehensive income:

i) an equity investment designated as at fair value through other comprehensive income ("FVOCI");

ii) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and

iii) qualifying cash flow hedges to the extent that the hedges are effective.

c) Subsidiary in the separate financial statements

Subsidiary is an entity over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Investment in subsidiary is stated at cost less accumulated impairment losses.

3. **MATERIAL ACCOUNTING POLICIES - continued**

c) **Subsidiary in the separate financial statements**

These are the separate financial statements of the subsidiary. The Company did not prepare consolidated financial statements as it is exempt from preparing consolidated financial statements as disclosed in Note 3(a).

d) **Financial instruments**

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") - debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company only has financial assets at amortised cost.

3. MATERIAL ACCOUNTING POLICIES - continued

d) Financial instruments - continued

(ii) Classification and subsequent measurement - continued

Non-derivative financial assets - continued

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost comprise loans to subsidiary, and cash and cash equivalents.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The business model of the Company is as follows:

Held to collect

The Company holds financial assets which arise from its trading and investment holding business. The objective of the business model for these financial instruments is to collect the amounts due from the Company's receivables and to earn contractual interest income on the amounts collected.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. **MATERIAL ACCOUNTING POLICIES - continued**

d) **Financial instruments - continued**

(ii) Classification and subsequent measurement - continued

Non-derivative financial assets - continued

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest ("SPPI")

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition. The Company had no financial assets held outside trading business models that failed the SPPI assessment.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. **MATERIAL ACCOUNTING POLICIES - continued**

d) **Financial instruments - continued**

(ii) Classification and subsequent measurement - continued

Non-derivative financial assets - continued

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Other financial liabilities comprise loan from immediate holding company, and other payables and accruals.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or

3. **MATERIAL ACCOUNTING POLICIES - continued**

d) **Financial instruments - continued**

(iii) Derecognition - continued

Financial assets - continued

The Company derecognises a financial asset when: - continued

- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss was recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and

3. **MATERIAL ACCOUNTING POLICIES - continued**

d) **Financial instruments - continued**

(iii) Derecognition - continued

Interest rate benchmark reform - continued

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Company updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss was recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met: - continued

- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first updated the effective interest rate of the financial asset or financial liability to reflect the change that was required by interest rate benchmark reform. After that, the Company applied the policies on accounting for modifications to the additional changes.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

(vi) Financial guarantees

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

3. **MATERIAL ACCOUNTING POLICIES - continued**

d) **Financial instruments - continued**

(vi) Financial guarantees - continued

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with FRS 109 Financial Instruments and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of FRS 115 Revenue from Contracts with Customers.

ECLs are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Liabilities arising from financial guarantees, if any, are included within "loans and borrowings".

e) **Impairment**

Non-derivative financial assets

The Company recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost; and
- financial guarantee contracts ("FGC").

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

3. MATERIAL ACCOUNTING POLICIES - continued

e) Impairment - continued

Non-derivative financial assets - continued

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment that includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

The Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

3. **MATERIAL ACCOUNTING POLICIES - continued**

e) **Impairment - continued**

Non-derivative financial assets - continued

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

3. MATERIAL ACCOUNTING POLICIES - continued

e) Impairment - continued

Non-derivative financial assets - continued

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. Based on its experience, there have been no corporate customer recoveries after six months.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property (fair value model), inventories and deferred tax assets, were reviewed at each reporting date to determine whether there was any indication of impairment. If any such indication existed, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that were not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeded its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Company's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. **MATERIAL ACCOUNTING POLICIES - continued**

e) **Impairment - continued**

Non-financial assets - continued

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

f) **Share capital**

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Preference shares

Preference shares are classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Discretionary dividends thereon are recognised as distributions within equity upon approval by the Company's shareholders.

g) **Other income**

Miscellaneous income

Other income is recognised on an accrual basis.

h) **Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. **MATERIAL ACCOUNTING POLICIES - continued**

h) **Income tax - continued**

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under *FRS 37 Provisions, Contingent Liabilities and Contingent Assets.*

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination, and at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

3. MATERIAL ACCOUNTING POLICIES - continued

i) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event where it is probable that an outflow of economic benefits that can be estimated reliably. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

j) Finance costs

Finance costs comprise interest expense on loan from immediate holding company. Interest expense are recognised in the profit or loss using the effective interest method.

k) Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company or of a parent of the Company.

(b) An entity is related to the Company if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

3. **MATERIAL ACCOUNTING POLICIES - continued**

k) **Related parties - continued**

A related party is defined as follows: - continued

(b) An entity is related to the Company if any of the following conditions applies: - continued

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

4. **INVESTMENT IN SUBSIDIARY**

	2024	2023
	US$	US$
Unquoted equity investment at cost		
Beginning of financial year	**3,749,938**	2,917,237
Discount on loan to subsidiary	**-**	832,701
End of financial year	**3,749,938**	3,749,938
Less: Impairment losses		
Beginning of financial year	**-**	-
Loss allowance recognised in profit or loss	**(3,749,938)**	-
End of financial year	**(3,749,938)**	-
Carrying value at end of financial year	**-**	3,749,938

4. INVESTMENT IN SUBSIDIARY - continued

The investment cost is derived as follows:

	2024 US$	2023 US$
Unquoted equity investment at cost		
Equity investment	**1,639,744**	1,639,744
Discount on loan to subsidiary**	**2,110,194**	2,110,194
	3,749,938	3,749,938

** In 2023, the Company granted an extension to the principal repayment of all interest-free loans to the subsidiary till 1 January 2029. These loans were discounted to present value with the resulting discount accounted for as additional investment in the subsidiary amounting to US$832,701. Refer to Note 5 for the related loans.

The details of the Company's subsidiary are as follows:

Name of subsidiary and country of incorporation	Principal activities	Percentage of equity held		Cost of investment	
		2024 %	2023 %	2024 US$	2023 US$
Devyani International (Nigeria) Limited (Incorporated in Nigeria)#	Franchisee of fast food chain	**78.75**	78.75	**3,749,938**	3,749,938

Audited by other firm of auditors.

As at 31 March 2024, the Company holds 78.75% (2023: 78.75%) of equity share of US$3,749,938 (2023: US$3,749,938) in Devyani International (Nigeria) Limited ("DINL"). Also, there is loans receivable from DINL of US$16,506,024 (2023: US$16,560,688) <Note 5> as at 31 March 2024.

During the current financial year, DINL incurred loss of US$17,117,000 (equivalent to Nigerian Naira of NGN23,828,306,000) [2023: US$582,000 (equivalent to NGN267,396,000)]. The DINL's loss was mainly from foreign exchange loss of US$17,558,000 (equivalent to NGN24,442,764,000) [2023: US$3,127,000 (equivalent to NGN1,436,743,000)] due to significant depletion of NGN currency.

Based on the impairment assessment, the management has impaired the investment cost and loans receivable amounting to US$3,749,938 (2023-US$ N/A) and US$16,506,024 (2023-US$ N/A) [Note 5] respectively.

RV ENTERPRIZES PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 200905191M)

5. LOANS TO SUBSIDIARY

	2024 US$	2023 US$
Loans to subsidiary	**16,506,024**	16,560,688
Less: Impairment losses		
Beginning of financial year	**-**	-
Loss allowance recognised in profit or loss (Note 4)	**(16,506,024)**	-
End of financial year	**(16,506,024)**	-
	-	16,560,688

The loans to subsidiary are analysed as follows:

	2024 US$	2023 US$
Non-current		
- Due after 5 years	**-**	16,560,688

The loans are unsecured and are subject to the following terms:

	2024 US$	2023 US$	Interest % pa	Payment terms
First loan*	**36,423**	103,059	5	**
Second loan*	**109,087**	308,667	5	**
Third loan*	**2,874,920**	2,874,920	5	**
Fourth loan*	**2,443,479**	2,443,479	5	**
Fifth loan*	**1,149,975**	1,149,975	5	**
Sixth loan*	**1,149,723**	1,149,723	5	**
Seventh loan*	**1,724,718**	1,724,718	5	**
Eighth loan*	**2,586,960**	2,586,960	5	**
Ninth loan***	**476,723**	476,723	-	**
Tenth loan***	**562,479**	562,479	-	**
Eleventh loan***	**282,851**	282,851	-	**
Twelfth loan***	**4,266,687**	4,266,687	-	**
Balance carried forward	**17,664,025**	17,930,241		

5. **LOANS TO SUBSIDIARY - continued**

	2024 **US$**	2023 US$
Balance brought forward	**17,664,025**	17,930,241
Less: Loan premium discount		
Beginning of financial year	**(1,369,553)**	(714,463)
Amortisation (Note 10)	**211,552**	177,611
Additional discount	**-**	(832,701)
End of financial year	**(1,158,001)**	(1,369,553)
Less: Impairment losses (Note 4)	**(16,506,024)**	-
	-	16,560,688

* On 4th April 2024 (2023: 30th June 2022), the board of directors passed the following resolutions in respect of the above loans:

a) Waiver of interest for the period from 1 April 2023 to 31 March 2024 (2023: 1 April 2022 to 31 March 2023) amounting to US$603,764 (2023: US$617,075); and

b) Deferment of the loans payments.

** On 1st March 2023, the Company granted an extension to the principal and interest repayment of all loans to the subsidiary till 1 January 2029.

*** The interest-free loans not due before 1 January 2029 are discounted using 5% per annum discount rate.

The loans to subsidiary are subordinated to a bank in Nigeria for credit facilities extended to the subsidiary.

6. **CASH AND CASH EQUIVALENTS**

	2024 **US$**	2023 US$
Cash at bank	**11,074**	10,152

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

7. SHARE CAPITAL

	2024		2023	
	No. of shares	US$	No. of shares	US$
Issued and fully paid up ordinary shares				
Beginning and end of financial year (a)	**2,776,586**	**1,922,262**	2,776,586	1,922,262
Issued and fully paid up preference shares				
Beginning and end of financial year (b)	**14,450,284**	**14,450,284**	14,450,284	14,450,284
Total paid up capital at end of financial year (a+b)		**16,372,546**		16,372,546

The holders of share capital are as follows:

	2024		2023	
	No. of shares	US$	No. of shares	US$
Issued and fully paid up ordinary shares				
Devyani International Limited	**2,415,579**	**1,672,331**	2,415,579	1,672,331
Rossell India Limited	**361,007**	**249,931**	361,007	249,931
Total (c)	**2,776,586**	**1,922,262**	2,776,586	1,922,262
Issued and fully paid up preference shares				
Devyani International Limited	**10,997,925**	**10,997,925**	10,997,925	10,997,925
Rossell India Limited	**3,452,359**	**3,452,359**	3,452,359	3,452,359
Total (d)	**14,450,284**	**14,450,284**	14,450,284	14,450,284
Total paid up capital at end of financial year (c+d)		**16,372,546**		16,372,546

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

7. SHARE CAPITAL - continued

The ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as declared from time to time and entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

The preference shares are redeemable only at the option of the Company.

8. LOAN FROM IMMEDIATE HOLDING COMPANY

	2024	2023
	US$	US$
Maturity value of loan	**4,000,000**	4,000,000
Interest accruals	**1,197,088**	852,145
	5,197,088	4,852,145

The loan from immediate holding company is non-trade in nature, unsecured, interest bearing at LIBOR plus 3% per annum, and not due for repayment before 31 December 2025. The average effective interest rate is at 8.6% (2023: 5.9%) per annum.

9. OTHER PAYABLES AND ACCRUALS

	2024	2023
	US$	US$
Accruals	**8,894**	9,025
Other payables - third parties	**125,000**	144,852
	133,894	153,877

The amount due to third parties are non-trade in nature, unsecured, interest-free, and the terms are either repayable in 1 day or repayable on demand (2023: Repayable in 1 day or repayable on demand).

RV ENTERPRIZES PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 200905191M)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

10. OTHER INCOME, ADMINISTRATIVE AND OTHER EXPENSES

	2024	2023
	US$	US$
Other income:		
Interest income - amortisation of discount premium on loan to subsidiary (Note 5)	**211,552**	177,611
Miscellaneous income	**7,280**	-
	218,832	177,611
Administrative expenses include:		
Foreign exchange loss	**266,739**	43,801
Professional fee	**-**	7,301
Other expenses:		
Impairment loss on investment in subsidiary	**3,749,938**	-
Finance cost:		
Interest expense	**344,943**	235,088
Impairment loss on financial assets:		
Impairment loss on loans to subsidiary	**16,506,024**	-

11. INCOME TAX EXPENSE

	2024	2023
	US$	US$
Current tax expense	**-**	-

RV ENTERPRIZES PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 200905191M)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

11. INCOME TAX EXPENSE - continued

Reconciliation between income tax expense and loss before tax multiplied by the applicable tax rate is as follows:

	2024 **US$**	2023 US$
Loss before tax	**(20,665,114)**	(124,345)
Tax thereon at 17%	**(3,513,070)**	(21,138)
Effects of non-taxable income	**(35,964)**	(30,194)
Effects of disallowable expenses	**3,443,514**	7,446
Effects of expenses disregarded	**105,520**	43,886
	-	-

12. RELATED PARTY TRANSACTIONS

Apart from the balances with related parties disclosed elsewhere in the financial statements, the following transactions were carried out between the Company and related parties during the financial year at terms agreed between the parties:

Related party transactions shown in the accounts as	**Type of relationship between the Company and the related party**	**2024** **US$**	2023 US$
Miscellaneous income	Immediate holding company	**14,832**	-
Interest expense	Immediate holding company	**344,943**	235,088

Key management personnel compensation

The directors are the key management personnel of the Company and they did not receive any remuneration from the Company during the financial year (2023: Nil).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Accounting classifications and fair values

Fair values versus carrying amounts

	Note	Financial assets at amortised cost US$	Other financial liabilities US$	Total carrying amount US$	Fair value* US$
2024					
Loans to subsidiary	**(5)**	-	-	-	-
Cash and cash equivalents	**(6)**	**11,074**	-	**11,074**	**11,074**
		11,074	-	**11,074**	**11,074**
Loan from immediate holding company	**(8)**	-	**5,197,088**	**5,197,088**	**5,197,088**
Other payables and accruals	**(9)**	-	**133,894**	**133,894**	**133,894**
		-	**5,330,982**	**5,330,982**	**5,330,982**
2023					
Loans to subsidiary	(5)	16,560,688	-	16,560,688	16,560,688
Cash and cash equivalents	(6)	10,152	-	10,152	10,152
		16,570,840	-	16,570,840	16,570,840
Loan from immediate holding company	(8)	-	4,852,145	4,852,145	4,852,145
Other payables and accruals	(9)	-	153,877	153,877	153,877
		-	5,006,022	5,006,022	5,006,022

* Refer to Note 14 as to how fair values have been determined.

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Risk management policies

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Company's business. The Company's overall business strategies, its tolerance of risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions.

The Company does not hold or issue derivative financial instruments for speculative purposes.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's loans to subsidiary, and cash and cash equivalents.

The Company extends loans only to its subsidiary.

Cash at bank is maintained with fully licensed bank in Singapore. Impairment on cash at bank has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that the cash at bank have low credit risk based on the external credit ratings of the bank. The amount of the allowance on cash at bank is negligible.

At the reporting date, the maximum exposure to credit risk was as follows:

	2024	2023
	US$	US$
Loans to subsidiary	**-**	16,560,688
Cash at bank	**11,074**	10,152
	11,074	16,570,840

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Risk management policies - continued

Credit risk - continued

The exposure to credit risk, not presented on the Company's statement of financial position is as follows:

	2024 US$	2023 US$
Corporate guarantee provided to a third party franchisor of the subsidiary [Note 17(a)]	**43,510**	512,402

Loans to subsidiary

The Company assessed the latest performance and financial position of the subsidiary, adjusted for the future outlook of the industry in which the subsidiary operates in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is not material.

Financial guarantee contracts

The Company has issued, under a Deed of Guarantee, a commitment to guarantee the due and punctual payments to be paid by its subsidiary to a third party, Yum Restaurants International Proprietary Limited (the "Franchisor"), and to indemnify the Franchisor for any breach of any term or condition under the Franchise Agreement entered into between its subsidiary and the Franchisor. These guarantees are subject to the impairment requirement of FRS 109. The Company has assessed that its subsidiary, through the financial support from the immediate holding company, has sufficient financial capacity to meet its contractual cash flow obligations in the near future and hence, does not expect significant credit losses arising from these guarantees [See Note 17(a)].

Liquidity risk

Liquidity risk is the risk of the Company being unable to secure adequate funding to meet current obligations as they fall due. The Company monitors its liquidity risk and maintains a level of cash and cash equivalents considered adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Risk management policies - continued

Liquidity risk - continued

The maturity profile of the financial liabilities of the Company is shown below. The amounts disclosed below are the contractual undiscounted cash flows.

	Carrying amount US$	Contractual cash flows US$	On demand US$	Due within 1 year US$	Due between 1 and 5 years US$	Total US$
2024						
Loan from immediate holding company	**5,197,088**	**5,819,904**	**-**	**-**	**5,819,904**	**5,819,904**
Other payables and accruals	**133,894**	**133,894**	**125,000**	**8,894**	**-**	**133,894**
Corporate guarantee	**43,510**	**43,510**	**43,510**	**-**	**-**	**43,510**
	5,374,492	**5,997,308**	**168,510**	**8,894**	**5,819,904**	**5,997,308**
2023						
Loan from immediate holding company	4,852,145	5,653,171	-	-	5,653,171	5,653,171
Other payables and accruals	153,877	153,877	125,000	28,877	-	153,877
Corporate guarantee	512,402	512,402	512,402	-	-	512,402
	5,518,424	6,319,450	637,402	28,877	5,653,171	6,319,450

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

RV ENTERPRIZES PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 200905191M)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Risk management policies - continued

Market risk

Market risk is the risk that changes in market prices such as interest rates and foreign currency exchange rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, which is optimising the return on risk.

Interest rate risk

The Company's exposure to market risk for changes in interest rates arises from borrowings from its immediate holding company. It is the Company's policy to obtain the most favorable interest rates available. The interest rates of these borrowings are disclosed in the respective notes. The Company does not have any interest-bearing financial assets, except for certain loans to subsidiary which are at fixed rates.

As at the reporting date, the interest rate profile of the interest-bearing financial liabilities was:

	2024	2023
	US$	US$
Variable rate instruments		
Financial liabilities		
- Loan from immediate holding company (Maturity value)	**4,000,000**	4,000,000

Sensitivity analysis

At the reporting date, a 50 basis points increase in interest rates would have the following effect:

	2024	2023
	US$	US$
Decrease in profits and equity	**20,000**	20,000

At the reporting date, a 50 basis points increase in interest rates would increase profits and equity by the amounts shown above, on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

13. **FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued**

Risk management policies - continued

Market risk - continued

Foreign currency exchange risk

The Company is exposed to currency risk on balances that are denominated in a currency other than the functional currency of the Company, primarily the Nigerian Naira (NGN).

The Company's exposure to foreign currencies as at the reporting date is as follows:

	NGN (Converted to US$)	SGD (Converted to US$)	US$	TOTAL US$
2024				
Financial liabilities				
Other payables and accruals	**-**	**(8,894)**	**(125,000)**	**(133,894)**
Net exposure	**-**	**(8,894)**	**N/A**	**N/A**
2023				
Financial assets				
Loans to subsidiary	411,726	-	16,148,962	16,560,688
Financial liabilities				
Other payables and accruals	-	(28,877)	(125,000)	(153,877)
Net exposure	411,726	(28,877)	N/A	N/A

Sensitivity analysis

A 10% strengthening of the United States Dollar against the above currencies at the reporting date would increase/ (decrease) profits and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

13. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Risk management policies - continued

Market risk - continued

Foreign currency exchange risk - continued

Sensitivity analysis - continued

	2024	2023
	US$	US$
Nigerian Naira ("NGN")	**-**	(41,173)
Singapore Dollar ("SGD")	**889**	2,888

A 10% weakening of the United States Dollar against the above currencies at the reporting date would have had the opposite effect on profits and equity by the amounts shown above, on the basis that all other variables remain constant.

14. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Cash and cash equivalents, and Other payables and accruals

The carrying amounts of these items approximate their respective fair values due to their relatively short term nature or are repayable on demand.

Interest-bearing loans to subsidiary (non-current) and Loan from immediate holding company (non-current)

The carrying values of the loans to subsidiary and loan from immediate holding approximate their fair values as they bear interest at market rates.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

14. DETERMINATION OF FAIR VALUES - continued

Interest-free loans to subsidiary (non-current)

The fair values of loan to subsidiary are determined using a discount rate of 5% per annum.

15. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 March 2024 and 31 March 2023.

The Company is not subject to any externally imposed capital requirements for the financial years ended 31 March 2024 and 31 March 2023. The Company's overall strategy remains unchanged from 2023.

16. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

			Non-cash changes	
	Beginning of financial year	Net cash flows	Interest accruals	End of financial year
	US$	US$	US$	US$
2024				
Loan from immediate holding company	**4,852,145**	**-**	**344,943**	**5,197,088**
2023				
Loan from immediate holding company	4,617,057	-	235,088	4,852,145

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

17. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(a) Corporate guarantee

The Company and a director of the Company, together with two other parties, are, under a Deed of Guarantee, committed to guarantee the due and punctual payments to be paid by the subsidiary to Yum Restaurants International Proprietary Limited (the "Franchisor") and to indemnify the Franchisor for any breach of any term or condition under the Franchise Agreement entered into between the subsidiary and the Franchisor.

As at the reporting date, the Company had contingent liabilities amounting to NGN60,570,865 (equivalent to US$43,510) [2023: NGN235,458,306 (equivalent to US$512,402)] in respect of corporate guarantees issued in respect of the above Deed of Guarantee. The Company has assessed that it is unlikely that it needs to pay any amounts as a result of the corporate guarantee (2023: Nil).

(b) Capital commitments

The Company do not have any capital commitments at the end of the reporting period (2023: Nil).

18. GOING CONCERN

The financial statements have been prepared on a going concern basis, notwithstanding that as at 31 March 2024, the Company has net capital deficiency and net current liabilities of US$5,319,908 (2023-NA) and US$122,820 (2023: US$143,725) respectively, on the assumption that the existing financing arrangements will continue and the immediate holding company has confirmed its intention to provide the necessary financial support to the Company to enable it to continue its operations and to meet its liabilities as and when they fall due.

RV ENTERPRIZES PTE. LTD.
(Incorporated in the Republic of Singapore)
(Registration No. 200905191M)

DETAILED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2024

	2024 US$	2023 US$
Other income		
Interest income		
- amortisation of discount premium on loan to subsidiary	**211,552**	177,611
Miscellaneous income	**7,280**	-
	218,832	177,611
Administrative expenses		
Audit fee	**6,300**	6,393
Bank charges	**142**	102
Foreign exchange loss	**266,739**	43,801
Miscellaneous expenses	**1,696**	1,290
Office support	**3,514**	3,338
Professional fee	**-**	7,301
Secretarial fees	**2,056**	2,011
Tax service fee	**2,594**	2,632
	283,041	66,868
Other expenses		
Impairment loss on investment in subsidiary	**3,749,938**	-
	3,749,938	-
Finance cost		
Interest expense	**344,943**	235,088
	344,943	235,088
Impairment loss on financial assets		
Impairment loss on loans to subsidiary	**16,506,024**	-
	16,506,024	-

This statement does not form part of the audited financial statements.