

# TECH MAHINDRA FINTECH HOLDINGS LIMITED

Annual Report and Financial Statements

Registered Number 10203355

For the year ended 31 March 2023



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## **COMPANY INFORMATION**

### **Board of Directors**

Mr. Vivek Satish Agarwal  
Mr. Vikram Narayanan Nair

### **Registered Office**

401, Grafton Gate,  
Milton Keynes,  
MK9 1AT

### **Banker**

HSBC Bank Plc

### **Auditor**

KNAV LIMITED  
Rear Ground Floor, Hygeia Building  
66-68 College Road  
Harrow, HA1 1BE  
United Kingdom

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their strategic report for the year ended 31 March 2023.

### Principal activities

The principal activity of Tech Mahindra Fintech Holdings Limited ("the company") is to hold an investment in the holding companies which control the Target Group of companies ("the group").

### Business performance

The company was formed to acquire the share capital of Target Topco Limited. In August 2016 the company purchased 100% of the share capital of Target Topco Limited, the ultimate UK parent of Target Group Limited. Between FY20 and FY22 restructuring of group entities was undertaken with Target Topco Limited dissolved in January 2020 and Target TG Investments Limited dissolved in July 2021. With these changes, the company now holds 100 % of the share capital of Target Group Limited. The company does not carry out any activities other than holding an investment in Target Group Limited. During the year under review there are no major changes in the business. During the year the company has provided for impairment of investment amounting to £ 56,200,000 (2022: £ Nil). The Net loss for the year amounted to £ 56,290,482 (2022: £ 136,475).

### Risks & uncertainties

As a holding company the directors have not identified any specific risks or uncertainties, other than the ability to meet liabilities as they fall due which is covered by the financial support offered by the parent company.

The most significant financial instrument held by the company is its investment in Target Group Limited. The directors understanding of the risks associated with the investment held by the entity relate to the potential impairment of those investment. To identify any risk of impairment in a timely manner, the company reviews the financial performance of its investments on a regular basis. Wherever necessary impairment loss has been provided for.

### Position of the company at the year end

At the end of the year the company has a cash balance which is deemed to be sufficient to meet current liabilities as they fall due. Any shortfall would be covered by the financial support offered by the parent company as mentioned in the risks above.

### Statement of directors in performance of their statutory duties in accordance with s172(1) Companies Act 2006

The board of directors determines the purpose and values of the company. The primary role of the board is that of trusteeship, to protect and enhance stakeholders' value through the strategic supervision of the company and its subsidiaries.

### People

As a part of the group, our culture programme continues to thrive. Built around a clear set of values and behaviours, our employee recognition scheme ensures we recognise individuals and teams that make an outstanding contribution across the business. We also have a localised reward scheme in the group companies, "MyRecognition" which provides small rewards to swiftly recognise great examples of our group values and behaviours.

We continue to place a significant focus on colleague well-being through a range of initiatives and events, which has resulted in us being well placed to support colleagues through the current macro-economic issues.

Our diversity & inclusion working group continues to drive initiatives at the heart of our values. At group level, we are delighted to have a diverse workforce and we have continued to support and encourage engagement through several activities involving our employees. It has been a difficult year to deliver some of the activities that were planned but we have been able to provide these virtually and online where possible.

#### Customers

Though at the company level, there are no major customers, at group level, the company caters to number of clients and value its customer relationships deeply and all clients have a specific Client Account Manager and Director to ensure regular and relevant engagement. Given that we are a business that provides long-term services to clients, the ability to develop and foster our client relationships is key to our success. We use client satisfaction surveys as a key metric to engage with our clients to monitor and continuously improve our services to them.

#### Suppliers

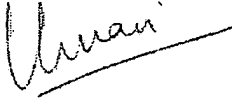
As a group, we proactively engage with our suppliers as we have several suppliers that are fundamental to the quality of our services, and therefore to ensure that we meet the high standards of conduct that we set ourselves.

#### Environment

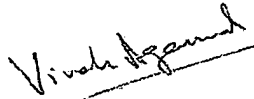
As a Group, we are passionate about engaging with our local community and taking responsibility for the environment around us.

The directors of the company have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and its significant subsidiaries, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006. Section 172 considerations are embedded in decision making at Board level and throughout the group the company heads.

By order of the board



Vikram Narayanan Nair  
Director



Vivek Satish Agarwal  
Director

Date: 23 June 2023

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The directors have pleasure in presenting their directors' report and the financial statements for the year ended 31 March 2023.

### **Results and Dividend**

The results of the operations for the year under review are set out in the Profit and Loss Account in the ensuing pages.

The directors do not recommend the payment of any dividend (2022: £Nil).

### **Directors**

The directors who held office during the year were as follows:

Mr. Vivek Satish Agarwal  
Mr. Vikram Narayanan Nair

### **Political contributions**

There were no political contributions made during the current or prior year.

### **Going concern**

The company does not carry on any activities other than holding an investment in Target Group Limited

As at 31 March 2023, the company had net current assets of £ 457,805 (2022: £ 541,187), including cash of £ 398,400 (2022: £408,939), net assets of £ 27,450,705 (2022: £ 83,741,187) and reported a loss for the year then ended of £ 56,290,482 (2022: £ 136,475). The directors have prepared the financial statements on a going concern basis which they consider to be appropriate for the following reasons.

Tech Mahindra Limited, as the parent company has indicated that they will provide necessary funding to support the company to meet its obligations as they fall due for at least twelve months from the approval of these financial statements.

The directors are confident that the company will have sufficient funds to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### **Post balance sheet Events**

The company's board of directors approved an increase in its share capital of 3 million ordinary shares on June 12, 2023. The immediate and ultimate parent company, Tech Mahindra Limited, subscribed to these shares. This infusion was made with the intention of making more investments in Target Group Limited. This demonstrates Tech Mahindra's trust in the strategic path taken by the management and its commitment in Target Group's future.

### **Energy and Carbon Reporting**

The company is a low energy user with <40,000 kwh energy use. Below information on the energy consumption is for the parent along with its subsidiaries from April 1, 2022, to March 31, 2023:

The consumption of reportable energy for the Group was 1,819,454 kWh and 42,924 miles of travel mileage reimbursements to employees. This equated to:

- 339 tCO<sub>2</sub>e from the purchase of electricity
- 12 tCO<sub>2</sub>e from the purchase of gas
- 10 tCO<sub>2</sub>e from miles travelled by employees.

**Energy efficiency:**

The Group does not own any of its buildings, nor are they occupied under finance leases. The group have no authority to improve the energy efficiency of the buildings without agreement and investment from our landlords. Whilst management encourage energy efficiency best practice with its employees, the health and welfare of the employees always comes first.

**Intensity Ratio:**

The group used on average 1 kg CO<sub>2</sub> for every £ 183.63 of turnover (2022: 1kg CO<sub>2</sub> for every £ 134.92). The emissions have been calculated based on activity data (kWh or mileage) x Emission Factor. As the energy usage is invoiced directly from the energy suppliers, and the group has taken the usage of electricity and gas directly from the supplier invoices to determine activity data. For mileage, the group has used employee expense claims to determine activity data.

The group has used data from the carbon trust as the emissions factor source.

([https://proddrupalfiles.storage.googleapis.com/documents/resource/public/Conversion\\_factor\\_introduutory\\_guide.pdf](https://proddrupalfiles.storage.googleapis.com/documents/resource/public/Conversion_factor_introduutory_guide.pdf))

**Disabled employees**

The company along with its subsidiaries, always considers applications for employment by disabled persons, bearing in mind the aptitude of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure their employment with the Group continues and that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

**Employees**

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group. This is achieved through formal and informal meetings with the Executive Committee ("ExCo") in the form of all company broadcasts, senior leadership team meetings, 'Ask ExCo' Yammer page, 'MyForum' employee engagement group and group e-mail communications. The communication channels are open forums and are a way of consulting regularly with employees on a wide range of matters affecting their current and future interests.

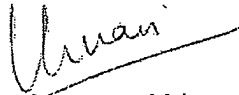
**Disclosure of information to auditor**

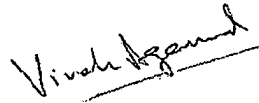
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Auditor**

The auditors, KNAV Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

By order of the board

  
Vikram Narayanan Nair  
Director

  
Vivek Satish Agarwal  
Director

Date: 23 June 2023



## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company Law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECH MAHINDRA FINTECH HOLDINGS LIMITED**

### **Opinion**

We have audited the financial statements of Tech Mahindra Fintech Holdings Ltd ('the company') for the year ended 31 March 2023 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECH MAHINDRA FINTECH HOLDINGS LIMITED (continued)**

### **Other information (*continued*)**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECH MAHINDRA FINTECH HOLDINGS LIMITED (continued)

accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **Extent to which the audit is capable of detecting irregularities, including fraud**

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations. The primary responsibility for prevention and detection of fraud rest with both those charged with governance and management of the entity.

Based on our understanding of the Company and industry, discussions with management, we identified Companies Act 2006, Financial Reporting Standard 102 and UK taxation legislation as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

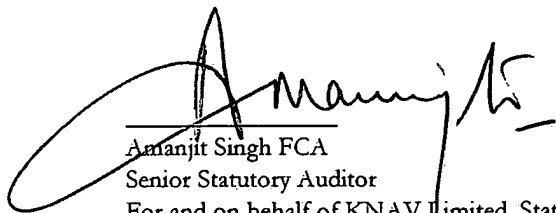
The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TECH MAHINDRA FINTECH HOLDINGS LIMITED (continued)

### Use of our report

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



Anjanjit Singh FCA  
Senior Statutory Auditor  
For and on behalf of KNAV Limited, Statutory Auditor

Hygeia Building  
Ground Floor  
66-68 College Road  
Harrow  
Middlesex  
HA1 1BE  
UAC- 2023-36

Date: 27 June 2023

**Profit and loss account and other comprehensive income**

Particulars	Note	Year ended 31-Mar-23 £'000	Year ended 31-Mar-22 £'000
Administrative expenses		(90)	(138)
<b>Operating loss</b>		<b>(90)</b>	<b>(138)</b>
Other income		-	2
Impairment of investment	8	(56,200)	-
<b>Loss before tax</b>		<b>(56,290)</b>	<b>(136)</b>
Tax on loss		-	-
<b>Loss after tax</b>		<b>(56,290)</b>	<b>(136)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss</b>		<b>(56,290)</b>	<b>(136)</b>

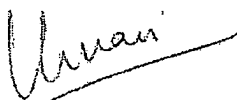
*(The notes on pages 17 to 24 form part of these financial statements)*

*(All amounts relate to continuing operations)*

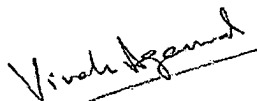
## Balance Sheets

Particulars	Note	As at 31-Mar-2023 £'000	As at 31-Mar-2022 £'000
<b>INVESTMENTS</b>	8	27,000	83,200
<b>CURRENT ASSETS</b>			
Debtors	9	60	143
Cash at bank and in hand		398	409
		<b>458</b>	<b>552</b>
<b>CREDITORS: amounts falling due within one year</b>	10	<b>(7)</b>	<b>(11)</b>
<b>NET CURRENT ASSETS</b>		<b>451</b>	<b>541</b>
<b>TOTAL ASSETS LESS NET CURRENT LIABILITIES</b>		<b>27,451</b>	<b>83,741</b>
<b>NET ASSETS</b>		<b>27,451</b>	<b>83,741</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	60	60
Share premium account		107,584	107,584
Profit and loss account		(80,193)	(23,903)
<b>SHAREHOLDERS FUNDS</b>		<b>27,451</b>	<b>83,741</b>

These financial statements were approved by the board of directors on 23<sup>rd</sup> June 2023 and were signed on its behalf by:



Vikram Narayanan Nair  
Director



Vivek Satish Agarwal  
Director

*(The notes on pages 17 to 24 form part of these financial statements)*

**Statement of changes in equity**

Particulars	Called Up Share Capital	Share Premium Account	Profit and Loss Account	Total Equity
	£'000	£'000	£'000	£'000
Balance as at 1st April 2021	60	107,582	(23,767)	83,875
Addition/Adjustments during the year	-	2	-	2
Total Comprehensive Profit /(Loss) for the period	-	-	(136)	(136)
<b>Balance as on 31 March 2022</b>	<b>60</b>	<b>107,584</b>	<b>(23,903)</b>	<b>83,741</b>
Balance as at 1st April 2022	60	107,584	(23,903)	83,741
Addition/Adjustments during the year	-	-	-	-
Total Comprehensive profit /(loss) for the period	-	-	(56,290)	(56,290)
<b>Balance as at 31st March 2023</b>	<b>60</b>	<b>107,584</b>	<b>(80,193)</b>	<b>27,451</b>



## Notes to Financial Statements For the year ended 31<sup>st</sup> March 2023

### 1 Company information

Tech Mahindra Fintech Holdings Limited ('the Company') is a private company limited by shares, incorporated, registered, and domiciled in England and Wales, in the United Kingdom. The registered office is 401, Grafton Gate, Milton Keynes, MK9 1AQ.

### 2 Accounting policies

The financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and Companies Act 2006.

The company's functional and presentation currency is Pounds sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 401 of the Companies Act 2006. The company's ultimate parent undertaking, Tech Mahindra Limited includes the company in its consolidated financial statements. The consolidated financial statements of Tech Mahindra Limited are prepared in accordance with Indian Accounting Standards and are available to the public and will be obtained from the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website ([www.techmahindra.com](http://www.techmahindra.com)). In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7;
- the requirements of Section 11 Basic Financial Instrument.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

### 2.1 Measurement convention

The financial statements are prepared on the historical cost basis.

### 2.2 Going concern

The company does not carry on any activities other than holding an investment in Target Group Limited. As at 31 March 2023, the company had net current assets of £457,805 (2022: £541,187), including cash of £398,401 (2022: £408,939), net assets of £27,450,705 (2022: £83,741,187) and reported a loss for the year then ended of £56,290,482 (2022: £136,475). The directors have prepared the financial statements on a going concern basis which they consider to be appropriate for the following reasons.

Tech Mahindra Limited, as the ultimate parent company has indicated that they will provide necessary funding to support the company to meet its obligations as they fall due for at least twelve months from the approval of these financial statements.

The directors are confident that the company will have sufficient funds to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### 2.3 Foreign currency

Transactions in foreign currencies are translated to the companies' functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognized in the profit and loss account.

### 2.4 Classification of financial instruments issued by the company

In accordance with FRS 102.22, financial instruments issued by the company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavorable to the company; and
- where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

### 2.5 Basic financial instruments

#### *Trade and other debtors and creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

#### *Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. In the company balance sheet, investments in subsidiaries acquired for consideration are measured by reference to purchase price less any impairment.

*Investments in subsidiaries*

Investments in subsidiaries are carried at cost less impairment.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand are included within liabilities.

## **2.6 Impairment**

*Financial assets*

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

*Non-financial assets*

The carrying amounts of the entity's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its Cash Generating Unit (CGU) exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

## **2.7 Provisions**

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

## **2.8 Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

### 3 Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with FRS102 requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, turnover, costs, expenses and other comprehensive income that are reported and disclosed in the financial statements and accompanying notes. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant estimates and assumptions are used as follows:

**Impairment of investments** – This is explained under note 1.6

### 4 Auditor's remuneration

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Audit of these financial statements	7	5
	<u>7</u>	<u>5</u>

### 5 Staff numbers and costs

There were no employees in the company during the year ended March 31, 2023 (2022: Nil).

### 6 Directors' remuneration

No remuneration or benefits were paid to any of the directors during the year ended March 31, 2023. The directors are remunerated by other group companies, however none of their remuneration was in respect of this company, due to its nature as a non-trading holding company.

### 7 Taxation

Reconciliation of effective tax rate

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Profit / (loss) for the year	(56,290)	(136)
Total tax credit	-	-
Profit / (Loss) Loss before tax	<u>(56,290)</u>	<u>(136)</u>

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Tax using UK corporation tax rate of 19%(2022 %)	(10,695)	(26)
Movement in deferred tax not recognised	10,695	26
Group Tax relief claimed	-	-
<b>Total tax credit included in profit or loss</b>	<b>-</b>	<b>-</b>

The main rate of corporation tax is 19% (2022:19%)

No deferred tax has been recognized on the carried forward losses, as due to the nature of the company it cannot be estimated when these will be utilized.

## 8 Fixed asset investments

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
<b>Cost</b>		
At 1 April 2022	83,200	83,200
Adjustment on account of impairment / fair valuation	(56,200)	-
At 31 March 2023	27,000	83,200
<b>At 31 March 2022</b>	<b>83,200</b>	<b>83,200</b>
<b>At 31 March 2023</b>	<b>27,000</b>	<b>83,200</b>

### Investment in Target Group Limited

The company's wholly owned subsidiaries as at 31 March 2023 were as below

Subsidiary Undertaking	Registered Office	Principal activity	Class of shares held	% Held
Target Group Limited	Target House,5-19 Cowbridge Road East, Castlebridge, Cardiff, CF11 9AU	Business and domestic software development	Ordinary	100%

The revenue projections of the Target Group Limited have reduced drastically considering termination of one of the major contracts during the year which had a contract value of GBP 152 million over a 7year period with an approximate margin of 22%. During the year ended March 2023, another customer contract with an annual revenue of GBP 7 million was not renewed. Given the banking situation globally and the aforesaid losses, the management of Target Group Limited has considered a reduction in the cash flow projections. Owing to the above-mentioned factors and decline in operations, the company performed impairment analysis for Target Group Limited for the year ended March 2023. The recoverable amount (computed considering a pre-tax discounting rate of 15.4%) was lower than the carrying value of investments, the company has recognized an impairment loss of £ 56,200,000 in the current year on its investment in Target Group Limited in the statement of profit and loss account. The value of the investment currently remains at £ 27,000,000 (2022: £ 83,200,000) at the end of the year.

9 Debtors

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Amounts owed by group undertakings	52	52
Prepayments	8	91
	<b>60</b>	<b>143</b>

Debtors are all due within one year. Amounts due to group undertakings are interest free, unsecured and repayable on demand.

10 Creditors: amounts falling due within one year

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Other creditors	7	11
	<b>7</b>	<b>11</b>

11 Share capital

	Number of shares	
	31-Mar-23	31-Mar-22
<i>Allotted, called up and fully paid</i>		
Balance at 1 April	6,000,001	6,000,001
Issued during the year	-	-
<b>Balance as at 31 March</b>	<b>6,000,001</b>	<b>6,000,001</b>

<i>Types of Shares</i>	No. of shares	Face Value (£)
Ordinary shares of £0.010 each	5,875,001	58,750
A1 shares of £0.0001 each	62,500	6
A2 voting shares of £0.0200 each	62,500	1,250
	<b>6,000,001</b>	<b>60,006</b>

A1 Shares have no voting rights attached, are non-redeemable and are not entitled to dividends.

A2 Shares are entitled to the greater of two votes per share held, and such number of votes that would give the holder 5% of voting rights in the company (reducing other classes accordingly). The shares are non-redeemable and are not entitled to dividends.

Ordinary shares are entitled to one vote and are entitled to dividends.

In May 2017, the company issued 17,816 A1 ordinary shares of £ 0.0001 each to the employees of Target Group at a premium of £ 0.1599. These shares were financed by a loan from the company to the employees at zero interest rate. The company had established Tech Mahindra Fintech Holding Limited Employee Benefit Trust ("Trust") and allotted 19,059 A1 ordinary shares of £0.0001 each. In the current financial year the Trust has been dissolved and the entire shareholding has been transferred to Tech Mahindra Limited.

#### **Reserves**

The share premium reserve contains the premium arising on issue of equity shares.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

#### **12 Ultimate controlling party**

The company is a subsidiary undertaking of Tech Mahindra Limited. The ultimate controlling party is Tech Mahindra Limited, and its registered office is Gateway Building, Apollo Bunder, Mumbai – 400001, India.

The largest group in which the results of the company are consolidated is that headed by Tech Mahindra Limited, having its registered office at Gateway Building, Apollo Bunder, Mumbai – 400001, India. The consolidated financial statements of Tech Mahindra Limited will be available to the public on the National Stock Exchange of India Ltd (NSE), The BSE Limited (BSE) and the company's website ([www.techmahindra.com](http://www.techmahindra.com)).

#### **13 Related party transactions**

On 31 March 2023, £ 52,079 (2022: £ 52,079) is receivable in relation to group tax relief from the parent company. There were no transactions with related parties during the year.

#### **14 Post balance sheet events**

On 12<sup>th</sup> June 2023, the company passed a resolution to increase its share capital from 5,875,001 ordinary shares to 8,875,001 by issuing 3,000,000 ordinary shares. The company issued 3,000,000 ordinary shares of nominal value GBP 0.01 each at a price of GBP 4.50 per share. These shares are subscribed by Tech Mahindra Limited, the ultimate parent company. The proceeds of this issue were utilized to invest in the shares of Target Group Limited. The company subscribed 13,200,000 ordinary shares of the Target Group Limited at nominal value of GBP 0.05 each at a price of GBP 1 per share.

The Company evaluated all events and transactions that occurred after March 31, 2023, through the date the financial statements were issued. Based on the evaluation, the Company is not aware of any other events or transactions other than the one mentioned above that would require recognition or disclosure in the financial statements.