NIIT GC LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018

NIIT GC LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

CONTENTS	**PAGES**

NIIT GC LIMITED

COMPANY INFORMATION

			Date of Appointment	Date of Resignation
DIRECTORS	:	Rohit kumar Gupta	19 February 2016	28 February 2017
		Veronique Magny-Antoine	28 August 2007	-
		Prakash Menon	19 February 2016	05 May 2018
		Rishal Tanee	29 November 2016	-
		Girish Ladkoo (Alternate director to Marie Cindhia Veronique Magny-Antoine and Rishal Tanee)	10 April 2017	-
		Amit Roy	02 May 2017	-
		Kamal Nain Dhuper	11 August 2017	-

SECRETARY AND ADMINISTRATOR : Abax Corporate Services Ltd
6th Floor, Tower A
1 CyberCity
Ebène
REPUBLIC OF MAURITIUS

REGISTERED OFFICE : C/o Abax Corporate Services Ltd
6th Floor, Tower A
1 CyberCity
Ebène
REPUBLIC OF MAURITIUS

BANKER : Afrasia Bank Limited
Bowen Square
10, Dr Ferriere Street
Port Louis
Mauritius

AUDITOR : Ernst & Young
Level 9, NeXTeracom Tower I, Cybercity Ebène,
REPUBLIC OF MAURITIUS.

NIIT GC LIMITED

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of NIIT GC Limited for the year ended 31 March 2018.

PRINCIPAL ACTIVITIES

The Company's principal activities are providing education in the field of information technology, as well as software services and investment holding.

REVIEW OF BUSINESS

The Company's loss for the year is **USD 42,580** (2017 - USD 139,788).

The directors did not recommend the payment of a dividend for the year under review (2018 - USD NIL).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which present fairly the financial position, financial performance and cash flows of the Company. In preparing those 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 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 have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors have made an assessment of the Company's ability to continue as a going-concern and have no reason to believe that the business will not be a going-concern in the year ahead.

NIIT Antilles NV, a wholly owned subsidiary of the NIIT Limited was dissolved and liquidated, vide Declaration dated November 23, 2017 issued by the Curacao Chamber of Commerce and Industry, in accordance with the applicable laws of Curacao and India. Consequent to the said liquidation, all assets and liabilities of Antilles NV, including investments in its wholly owned subsidiaries, NIIT GC Limited (Mauritius) were vested/transferred in the NIIT Limited accordingly NIIT GC Limited became direct wholly owned overseas subsidiaries of the NIIT Limited, subject to applicable regulatory compliances.

AUDITOR

The auditor, Ernst & Young, has indicated its willingness to continue in office and will be automatically reappointed at the Annual Meeting.

By order of the Board

ISABELLE ADRIEN
For
Abax Corporate Services Ltd

SECRETARY

14 MAY 2018

Abax Corporate Services Ltd
6th Floor, Tower A,
1 CyberCity, Ebene, Mauritius
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www.abaxservices.com

ABAX
Adding value to global business

SECRETARY'S CERTIFICATE

TO THE MEMBER OF NIIT GC LIMITED

AS PER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001

We confirm that, based on records and information made available to us by the directors and shareholder of the Company, the Company has filed with the Registrar of Companies, for the year ended 31 March 2018, all such returns as are required of the Company under the Mauritius Companies Act 2001.

ISABELLE ADRIEN
For
Abax Corporate Services Ltd

SECRETARY

14 May 2018

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working world

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NIIT GC Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of NIIT GC Limited ("the Company") set out on pages 8 to 22, which comprise the statement of financial position as at 31 March 2018, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the financial statements of the Company are prepared in all material respects, in accordance with the basis of accounting described in note 2 to the financial statements and the requirements of the Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence.

Basis for Opinion

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

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Company Secretary's Certificate as required by the Companies Act 2001, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2001 applicable to a company holding a Category 1 Global Business Licence, as described in note 2 to the financial statements 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NIIT GC Limited (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Responsibilities of the Directors for the Financial Statements (Continued)

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

As part of an audit in accordance with ISAs, we exercise professional 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 the directors.

- Conclude on the appropriateness of the director'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.

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.

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NIIT GC Limited (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Section 205 of the Companies Act 2001. 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.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with or interests in the Company other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Ernst & Young

ERNST & YOUNG
Ebène, Mauritius

Date: 14 MAY 2018

LI KUNE LAN POOKIM, F.C.A, F.C.C.A.
Licensed by FRC

NIIT GC LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018

	2018 USD	2017 USD
Expenses		
Administrative expenses	**(26,259)**	(21,711)
Operating loss (Note 4)	**(26,259)**	(21,711)
Finance costs (Note 5)	**(16,321)**	(16,477)
Loss before income tax	**(42,580)**	(38,188)
Income tax expense (Note 6)	-	(101,600)
Net loss and total comprehensive loss for the year	**(42,580)**	(139,788)

NIIT GC LIMITED

STATEMENT OF FINANCIAL POSITION – AS AT 31 MARCH 2018

	2018 USD	2017 USD
ASSETS		
Non-current assets		
Investment in subsidiary (Note 7)	**588,000**	588,000
Current assets		
Prepayments	**2,205**	2,098
Cash and cash equivalents	**7,282**	7,750
	9,487	9,848
Total assets	**597,487**	597,848
EQUITY		
Capital and reserves		
Share capital (Note 8)	**2,400,000**	2,400,000
Accumulated losses	**(2,065,003)**	(2,022,423)
Total equity	**334,997**	377,577
LIABILITIES		
Non-current liabilities		
Borrowings (Note 9)	**-**	200,000
Current liabilities		
Borrowings (Note 9)	**250,000**	-
Trade and other payables (Note 10)	**12,490**	20,271
	262,490	20,271
Total liabilities	**262,490**	220,271
Total equity and liabilities	**597,487**	597,848

Approved and authorised for issue by the Board of directors on 14 May 2018 and signed on its behalf by:

}
}
} **DIRECTORS**
}
}

The notes set out on pages 12 to 22 are an integral part of these financial statements.

NIIT GC LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Share capital USD	Accumulated losses USD	Total equity USD
At 1 April 2016	2,400,000	(1,882,635)	517,365
Comprehensive income			
Net loss and total comprehensive loss for the year	-	(139,788)	(139,788)
At 31 March 2017	**2,400,000**	**(2,022,423)**	**377,577**
Comprehensive income			
Net loss and total comprehensive loss for the year	-	(42,580)	(42,580)
At 31 March 2018	**2,400,000**	**(2,065,003)**	**334,997**

The notes set out on pages 12 to 22 are an integral part of these financial statements.

NIIT GC LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018

	2018 USD	2017 USD
Cash flows from operating activities		
Loss before income tax	**(42,580)**	(38,188)
Adjustment for:		
Interest expense (Note 5)	**16,321**	16,477
Loss from operations before working capital changes	**(26,259)**	(21,711)
Decrease in trade and other payables	**(7,781)**	(702,947)
Increase in prepayment	**(107)**	(353)
Increase in trade receivable	-	914,400
Net cash flows (used in)/ from operating activities	**(34,147)**	189,389
Cash flows from financing activities		
Borrowings received (Note 11 (i))	**50,000**	200,000
Repayment of loan	-	(375,000)
Interest paid	**(16,321)**	(9,392)
Net cash flow from/ (used in) financing activities	**33,679**	(184,392)
Net (decrease)/increase in cash and cash equivalents	**(468)**	4997
Cash and cash equivalents at beginning of year	**7,750**	2,753
Cash and cash equivalents at end of year	**7,282**	7,750

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2018

1 GENERAL INFORMATION

The Company is a limited liability company incorporated on 25 April 1997 and domiciled in the Republic of Mauritius. The Company holds a Category 1 Global Business Licence under the Financial Services Act 2007 and is regulated by the Financial Services Commission. The Company has its registered office at c/o Abax Corporate Services Ltd, 6th Floor, Tower A, 1 Cyber City, Ebène, Mauritius.

The principal activities of the Company are to hold investments and to provide information technology education as well as software services.

These financial statements were authorised for issue by the Board of Directors on 14 May 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The Company is the holder of a Category 1 Global Business Licence and has subsidiaries. The company has elected , In accordance with the Fourteenth Schedule of the Companies Act 2001, Section 12, to not prepare group financial statements in accordance with Section 211 of the Companies Act 2001 "Contents and form of financial statements".

The basis of preparation of these financial statements is an entity specific framework based on International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB), except for the application of IFRS 10 - Consolidated Financial Statements, IFRS 11 - Joint Arrangements and IFRS 12 - Disclosure of Interests in Other Entities and IAS 27.17. Instead of presenting consolidated financial statements of the Group, the Company only presents separate financial statements as would have been required under IAS 27 - Separate Financial Statements, had the Company complied with IFRS.

Changes in accounting policies and disclosures

(i) New and amended standards adopted by the Company

There are no IFRSs of IFRC interpretations that are effective for the first time for the financial year beginning on 1 April 2017 that would be expected to have a material impact on the Company.

(ii) New standards and interpretations that are not yet effective and have not been early adopted.

The following standards, amendments to existing standards and interpretations were in issue but not yet effective. They are mandatory for accounting periods beginning on the specified dates, but the Company has not early adopted them:

New or revised standards and interpretations:

New or revised standards	**Effective for accounting period beginning on or after**
IFRS 9 Financial Instruments	1 January 2018
IFRS 15 - Revenue from contracts with customer	1 January 2018

All other new standards / amendments that are not yet effective are not considered to have a significant impact on the Company.

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New or revised standards (Continued)

IFRS 15, 'Revenue from Contracts with Customers'

IFRS 15 'Revenue from Contracts with Customers', establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. It will supersede the following revenue standards and interpretations:

- IAS 18 Revenue
- IAS 11 Construction Contracts
- IFRIC 13 Customer loyalty
- IFRIC 15 Agreements for the construction of real estate
- IFRIC 18 Transfers of assets from customers
- SIC 31 Revenue - Barter transactions involving advertising services

IFRS 15 will only cover revenue arising from contracts with customers. Under IFRS 15, a customer of an entity is a party that has contracted with the entity to obtain goods or services that are an output of the entity's ordinary activities in exchange for consideration. Unlike the scope of IAS 18, the recognition and measurement of interest income and dividend income from debt and equity investments are no longer within the scope of IFRS 15. Instead, they are within the scope of IAS 39 Financial Instruments: Recognition and Measurement. The new revenue standard has a single model to deal with revenue from contracts with customers. Its core principle is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Company intends to adopt IFRS 15 no later than the accounting period beginning on or after 01 January 2018.

IFRS 15 will have no impact on the Company since its main source of income (interest income and dividend income) is not within the scope of IFRS 15.

IFRS 9, 'Financial Instruments'

IFRS 9, 'Financial Instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income. For liabilities designated at fair value through profit or loss, IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after 01 January 2018. Early adoption is permitted.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New or revised standards (Continued)

IFRS 9, 'Financial Instruments' (Continued)

The Company intends to adopt IFRS 9 in the accounting period beginning 1 January 2018. No significant impact is expected due to the nature of the Company's activities. The Company's financial instruments consist of cash at bank, trade and other payables and borrowings. The Company does not have financial assets and liabilities at fair value and hedge accounting.

Consolidation

As disclosed in Note 7, the Company owns 100% of the issued share capital of NIIT China (Shanghai) Limited.

The Company has taken advantage of the exemption provided by the Mauritian Companies Act 2001 allowing a company holding a C ategory 1 Global Business Licence not to present consolidated financial statements where it is a wholly owned or virtually wholly owned subsidiary of the company. The financial statements are therefore separate financial statements which contain information about NIIT GC Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The Company is a wholly owned direct subsidiary of NIIT Limited, a company incorporated in India, which produces consolidated financial statements prepared in accordance with Indian Accounting Standards ("Ind AS"). These consolidated financial statements are obtainable at 8, Balaji Estate, First Floor, Guru Ravi Das Marg, Kalkaji, New Delhi -110014, India.

Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in United States dollar ("USD") which is considered by the Board to most faithfully represent the economic effects of the underlying events, transactions and conditions, and which is the Company's functional and presentation currency.

(b) Transactions and balances

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

Investment in subsidiary

Subsidiaries are all entities over which the Company has control.The company control an entity when it is exposed to or has right to variable returns from it, involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in subsidiary (Continued)

Investment in subsidiary is shown at cost in the Company's financial statements. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the recoverable amount of the investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in the statement of comprehensive income.

On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged to the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents include cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Share capital

Ordinary shares are classified as equity.

Borrowings

Borrowings are recognised initially at fair value, net of transaction cost incurred. Borrowings are subsequently carried at amortised cost using the effective interest method.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Other payables consist of accruals. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Revenue recognition

Revenue represents invoiced value of licenses supplied and delivered after deducting discounts and allowance. Revenue is recognised when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the Company.

Dividend income is recognised when the right to receive payment is established.

Interest income is recognized using the effective interest rate method.

Expenses

Expenses are accounted for on the accrual basis.

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current and deferred income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the reporting date.

Deferred income tax is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Financial instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, borrowings and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

3 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(a) Market risk

Market risk comprises of currency risk, interest rate risk and other price risk.

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

As at 31 March 2018 and 2017, the Company was not exposed to currency risk since all its financial assets and financial liabilities were denominated in USD.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's interest-bearing financial instruments consist of its cash at bank and the borrowings from its immediate parent. The Company is not subject to fair value interest rate risk since the cash at bank and borrowings are carried at amortised cost, and are not subject to cash flow interest rate risk since the cash at bank earns interest at the rate of 0% and the borrowings carry a fixed rate of interest.

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. As at 31 March 2018 and 2017, the Company was not exposed to other price risk as it does not hold any financial assets or financial liabilities that are carried at fair value.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's exposure to credit risk arises from its cash and cash equivalent.

The Company's cash at bank is placed with a financial institution that the directors regard as being of high quality and that has a credit rating of AA- from Standards and Poors at 31 March 2018.

The maximum exposure to credit risk is represented by the carrying amount of the financial assets at the reporting date.

(c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its obligations, associated with its financial liabilities when they fall due.

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding from an adequate amount of committed credit facilities. Liquidity risk is managed at group level and the Company obtains financial support from its parent.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows :

	No fixed maturity or repayable on demand USD	More than 12 months USD
2018		
Trade and other payables	**12,490**	-
Borrowings	**250,000**	-
	262,490	-
2017		
Trade and other payables	20,271	-
Borrowings	-	200,000
	20,271	200,000

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk (Continued)

The Company has financial assets of **USD 7,282** (2017 - USD 7,750) that can be recalled on demand. In addition the Company has recourse to its parent for its financing requirements. Hence, no significant liquidity risk is foreseen.

(d) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The capital of the Company consists of share capital and funding from its immediate parent through borrowings.

(e) Fair value estimation

The carrying amount of cash and cash equivalents, borrowings and trade and other payables approximate their fair values.

4 OPERATING LOSS

	2018	2017
	USD	USD
The following items have been charged in arriving at operating loss:		
Fees paid to auditor for:		
Audit services	**6,325**	6,000
Professional fees	**19,764**	14,661
Bank charges	**170**	1,050
	=======	=======

5 FINANCE COSTS

	2018	2017
	USD	USD
Interest charge on loan (Note 11 (i))	**16,321**	16,477
	=======	=======

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018

6 TAXATION

The Company invests in the People's Republic of China ("PRC") and the directors expect to obtain benefits under the double taxation treaty between Mauritius and PRC. To obtain benefits under the double taxation treaty the Company must meet certain tests and conditions, including the establishment of Mauritius tax residence and related requirements. The Company has obtained a tax residence certification from the Mauritian authorities and believes such certification is determinative of its resident status for treaty purposes. A company which is tax resident in Mauritius under the treaty, will not be subject to capital gains tax in PRC on gains from the disposal of shares of a company, the property of which does not consist, directly or indirectly, principally of immovable property situated in PRC as long as the holding in the Chinese company does not exceed 25% during the twelve months period preceding the disposal of the shares. Dividends received may, however, be subject to withholding tax at a rate not exceeding 5%. The company may also be subject to withholding tax on interest earned on Chinese securities at the rate of 10%.

The Company has been granted a Category 1 Global Business License under the Financial Services Act 2007 and is subject to income tax in Mauritius at **15%** (2017 - 15%). It is, however, entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and **80%** (2017 - 80%) of the Mauritian tax on its foreign source income, thereby giving an effective tax rate of **3%** (2017 - 3%). At 31 March 2018, the Company had accumulated tax losses amounting to **USD 224,188** (2017 - USD 232,151) and was therefore not subject to tax. Capital gains of the Company are exempt from tax in Mauritius.

The foregoing is based on current interpretation and practice and is subject to any future changes in Chinese and Mauritian tax laws and in the tax treaty between PRC and Mauritius.

The accumulated tax losses which will be available for set-off against future taxable profits are as follows:

Year ended	Amount of tax loss (USD) 2018	2017	Available for set off up to year ending
31 March 2013	-	50,543	31 March 2018
31 March 2014	**49,232**	49,232	31 March 2019
31 March 2015	**45,804**	45,804	31 March 2020
31 March 2016	**48,384**	48,384	31 March 2021
31 March 2017	**38,188**	38,188	31 March 2022
31 March 2018	**42,580**	-	31 March 2023
	224,188	232,151	

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018

6 TAXATION (CONTINUED)

A reconciliation between the actual income tax charge and the theoretical amount that would arise using the applicable income tax rate for the Company follows:

	2018 USD	2017 USD
Loss before Income tax	**42,580**	38,188
Applicable income tax rate at 15%	**(6,387)**	(5,728)
Impact of:		
Tax losses for which no deferred tax asset was recognized	**6,387**	5,728
Actual income tax	-	-

A deferred income tax asset has not been recognised in respect of tax losses carried forward as the directors consider that it is not probable that future taxable profit will be available in the foreseeable future against which the unused tax losses can be utilised.

7 INVESTMENT IN SUBSIDIARY

	2018 USD	2017 USD
At cost:		
01 April and at 31 March	**588,000**	588,000

Details of the Company's subsidiary, which is incorporated in the People's Republic of China, are:

Name	Description of shares held	Number of shares 2018	Number of shares 2017	% Holding 2018	% Holding 2017	Principal activity
NIIT China (Shanghai) Limited	Ordinary of USD 1 each	**588,000**	588,000	**100**	100	Providing IT training and services

The directors have reviewed the investment for impairment and have concluded that there was no sign of impairment at the reporting date.

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018

8 SHARE CAPITAL

	2018 USD	2017 USD
Issued and fully paid		
2,400,000 Ordinary shares (2018 - 2,400,000) of USD 1 each		
At 01 April and 31 March	**2,400,000**	2,400,000

9 BORROWINGS

	2018 USD	2017 USD
Loan from related parties (Note 11(i))		
Analysed between		
Non-current	-	200,000
Current	**250,000**	-
	250,000	200,000

The loan has been classified from non-current liabilities to current liabilities for the financial year since repayment is due on 25 August 2018.

The terms of the borrowings are disclosed in note 11 (i).

10 TRADE AND OTHER PAYABLES

	2018 USD	2017 USD
Amount payable to related parties (Note 11(i))	-	7,085
Other payables and accruals	**12,490**	13,186
	12,490	20,271

11 RELATED PARTY DISCLOSURES

The nature, volume of transaction and the balances were as follows:

	2018 USD	2017 USD
(i) Loan from fellow subsidiary		
NIIT Malaysia Sdn Bhd, Malaysia		
At 01 April	**200,000**	-
Received during the year	**50,000**	200,000
At 31 March 2018 (Note 9)	**250,000**	200,000

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2018

11 RELATED PARTY DISCLOSURES (CONTINUED)

The loan from fellow subsidiary bears interest at the rate of 7% per annum, is unsecured with maturity date 25 August 2018. Interest expense during the year amounted to USD 16,321 (2017: USD 16,477). There was no outsanding interest at 31 March 2018 (2017: USD 7,085).

(ii) Transactions with Abax Corporate Services

Directors' fees amounting to **USD 2,200** (2017 – USD 2,200) have been incurred by the Company for the year ended 31 March 2018 in relation to services rendered by two local Directors. These fees are not paid to them but to the Company's local administrator, Abax Corporate Services.Apart from director fees, the Company incurred USD 17,564 against professional service rendered by ABAX Corporate Services during the year.

12 GOING CONCERN

The Company incurred a net loss for the year ended 31 March 2018 of **US$ 42,580** and, as at that date its net current liabilities amounted to **US$ 253,003**. The Company relies on its holding company to provide support for its operations.

The Company has received a letter of support from its holding company, stating that it undertakes to provide such funding as is necessary to the Company so as to enable the Company to cover its expenses in the foreseeable future.

The financial statements are prepared on the basis of accounting policies applicable to a going concern. This basis presumes that the Company will continue to receive the support of its holding company based on the guarantee received, and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

13 NOTES TO STATEMENT OF CASHFLOWS

Changes in liabilties arising from financing activities

	1 April 2017 USD	Cashflows USD	31 March 2018 USD
Borrowings	200,000	50,000	250,000
Total liabilties from financing activities	**200,000**	**50,000**	**250,000**

14 IMMEDIATE AND ULTIMATE PARENT

NIIT Limited, a company incorporated in India, is considered by management as the Company's immediate parent and ultimate parent.