NIIT GC LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2017

NIIT GC LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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NIIT GC LIMITED

COMPANY INFORMATION

		Date of Appointment	Date of Resignation
DIRECTORS :	Rohit Kumar Gupta	19 February 2016	28 February 2017
	Nousrath Begum Bhugeloo	28 August 2007	29 November 2016
	Veronique Magny-Antoine	28 August 2007	-
	Prakash Menon	19 February 2016	-
	Priscille Koenig (*Alternate to Nousrath Begum Bhugeloo*)	03 June 2008	29 November 2016
	Nisha Proag-Dookun *(Alternate to Veronique Magny-Antoine)*	15 May 2009	29 November 2016
	Rishal Tanee *(Alternate to Veronique Magny-Antoine)*	29 November 2016	-
	Girish Ladkoo	10 April 2017	-
	Amit Roy	03 May 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

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 2017.

PRINCIPAL ACTIVITIES

The Company's principal activities are investment holding and to provide information technology education as well as software services.

REVIEW OF BUSINESS

The Company's loss for the year is **USD 139,788** (2016 - USD 48,384).

The directors did not recommend the payment of a dividend for the year under review (2016-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 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.

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

16 MAY 2017

Abax Corporate Services Ltd
6th Floor, Tower A,
1 CyberCity, Ebene, Mauritius
T + 230 403 6000 F + 230 403 6060
E officeoftheceo@abaxservices.com
www.abaxservices.com

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 financial year ended 31 March 2017, all such returns as are required of the Company under the Mauritius Companies Act 2001.

ISABELLE ADRIEN
For
Abax Corporate Services Ltd

SECRETARY

16 May 2017

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER 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 23, which comprise the statement of financial position as at 31 March 2017, 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 MEMBER 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 MEMBER OF NIIT GC LIMITED (CONTINUED)

Report on the Audit of the Financial Statements (Continued)

Other matter

This report is made solely for the Company's member, 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 member 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 member, 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

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

Date: 16 MAY 2017

NIIT GC LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017

	2017 USD	2016 USD
Expenses		
Administrative expenses	**(21,711)**	(29,916)
Operating loss (Note 4)	**(21,711)**	(29,916)
Finance costs (Note 5)	**(16,477)**	(18,468)
Loss before income tax	**(38,188)**	(48,384)
Income tax expense (Note 6)	**(101,600)**	-
Net loss and total comprehensive loss for the year	**(139,788)**	(48,384)

The notes set out on pages 12 to 23 are an integral part of these financial statements.

NIIT GC LIMITED

STATEMENT OF FINANCIAL POSITION - 31 MARCH 2017

	2017 USD	2016 USD
ASSETS		
Non-current assets		
Investment in subsidiary (Note 7)	**588,000**	588,000
Current assets		
Trade receivables (Note 8)	-	1,016,000
Prepayments	**2,098**	1,745
Cash and cash equivalents	**7,750**	2,753
	9,848	1,020,498
Total assets	**597,848**	1,608,498
EQUITY		
Capital and reserves		
Share capital (Note 9)	**2,400,000**	2,400,000
Accumulated losses	**(2,022,423)**	(1,882,635)
Total equity	**377,577**	517,365
LIABILITIES		
Non-current liabilities		
Borrowings (Note 10)	**200,000**	300,000
Current liabilities		
Borrowings (Note 10)	-	75,000
Trade and other payables (Note 11)	**20,271**	716,133
	20,271	791,133
Total liabilities	**220,271**	1,091,133
Total equity and liabilities	**597,848**	1,608,498

Approved and authorised for issue by the Board of directors on 16 May 2017 and signed on its behalf by:

}
}
} **DIRECTORS**
}
}

The notes set out on pages 12 to 23 are an integral part of these financial statements.

NIIT GC LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Share capital USD	Accumulated Losses USD	Total equity USD
At 31 March 2015	2,400,000	(1,834,251)	565,749
Comprehensive income			
Net loss and total comprehensive loss for the year	-	(48,384)	(48,384)
At 31 March 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**

NIIT GC LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	2017 USD	2016 USD
Cash flows from operating activities		
Loss before income tax	**(38,188)**	(45,384)
Adjustment for:		
Interest expense (Note 5)	**16,477**	18,468
Loss from operations before working capital changes	**(21,711)**	(29,916)
Decrease in trade and other payables	**(702,947)**	(5,222)
Increase in prepayment	**(353)**	(1,745)
Decrease in Trade receivables	**914,400**	-
Net Cash flow from/ (used in) operating activities	**189,389**	(37,183)
Cash flows from financing activities		
Proceeds from long term borrowings (Note 12 (i))	**200,000**	10,000
Repayment of borrowings	**(375,000)**	-
Interest Paid	**(9,392)**	-
Net cash(used in)/from financing activities	**(184,392)**	10,000
Net increase/(decrease) in cash and cash equivalents	**4,997**	(27,183)
Cash and cash equivalents at beginning of year	**2,753**	29,936
Cash and cash equivalents at end of year	**7,750**	2,753

The notes set out on pages 12 to 23 are an integral part of these financial statements.

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017

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 16 May 2017.

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 a subsidiary. 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 complies with 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. Instead of presenting consolidated financial statements of the Group, the company only presents separate financial statements as described in IAS 27 - Separate Financial Statements.

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 2016 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
IAS 7 Disclosure Initiative – Amendments to IAS 7	1 January 2017

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New or revised standards (Continued)

IFRS 9 Financial Instruments – Effective and measurement of financial assets, Accounting for financial liabilities and derecognition – effective 1 January 2018

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 January 2017, with early application permitted. Application of amendments will result in additional disclosure provided by the Company.

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 Companies Act 2001 allowing a company holding a Category 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 indirect subsidiary of NIIT Limited, a company incorporated in India, which produces consolidated financial statements prepared in accordance with Generally Accepted Accounting Principles of India ("Indian GAAP"). These consolidated financial statements are obtainable at 85, Sector 32, Institutional, Gurgaon 122001, 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currency translation (Continued)

(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.

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.

Trade receivables

Trade receivables are amount due from customers for licenses sold or services performed in the ordinary course of business. They are classified as current or non-current based on the expected collection date.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment is established when there are indications that the Company will not be able to collect all amounts due according to the original terms of the receivables. Where an indication of impairment exists, the recoverable amount of the receivable is assessed. Where the recoverable amount of the receivable is less than its carrying amount, the receivable is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 recognised using the effective interest rate method.

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 trade receivables, 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.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 2017 and 2016, 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 related parties. 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.

(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 2017 and 2016, 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 trade receivables and cash and cash equivalent.

The ageing analysis of trade receivables has been disclosed in Note 8.

The Company's cash at bank is placed with a financial institution that the directors regard as being of high quality.

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

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017 (CONTINUED)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

(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 :

2017	**No fixed maturity or repayable on demand USD**	**More than 12 months USD**
Trade and other payables	**20,271**	-
Borrowings	-	**200,000**
	20,271	**200,000**
2016		
Trade and other payables	716,133	-
Borrowings	90,000	314,753
	806,133	314,753

The Company has financial assets of **USD 7,750** (2016 - USD 1,018,753) 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 trade receivables, cash and cash equivalents, borrowings and trade and other payables approximate their fair values.

4 OPERATING LOSS

	2017	2016
	USD	USD
The following items have been charged in arriving at operating loss:		
Fees paid to auditor for:		
Audit services	**6,000**	10,000
Directors' emoluments	**2,200-**	2,200
	=======	=======

5 FINANCE COSTS

	2017	2016
	USD	USD
Interest charge on loan (Notes 12 (iv) and12 (v))	**16,477**	18,468
	=======	=======

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%** (2016 - 15%). It is, however, entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and **80%** (2016 - 80%) of the Mauritian tax on its foreign source income, thereby giving an effective tax rate of **3%** (2016 – 3%). At 31 March 2017, the Company had accumulated tax losses amounting to **USD 265,927** (2016 – USD 273,187) and was therefore not subject to income tax. Capital gains of the Company are exempt from tax in Mauritius. Withholding tax of USD 101,600 was paid for the year under review.

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.

6 TAXATION (Continued)

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) 2017	2016	Available for set off up to year ending
31 March 2011	-	45,448	31 March 2016
31 March 2012	**33,776**	33,776	31 March 2017
31 March 2013	**50,543**	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**	-	31 March 2022
	265,927	273,187	

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:

	2017 USD	2016 USD
Loss before Income tax	**(38,188)**	(48,384)
Applicable income tax rate at 15%	**(5,728)**	(7,258)
Impact of:		
Tax losses for which no deferred tax asset was recognized	**5,728**	7,258
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

	2017 USD	2016 USD
At cost:		
01 April and at 31 March	**588,000**	588,000

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017 (CONTINUED)

7 INVESTMENT IN SUBSIDIARY (Continued)

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		% Holding		Principal activity
		2017	2016	**2017**	2016	
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.

8 TRADE RECEIVABLES

	2017	2016
	USD	USD
Trade receivables from subsidiary (Note 12(iii))	-	1,016,000

The Company's trade receivables are denominated in United States Dollar.

The ageing analysis of trade receivables is as follows:

		Past due but not impaired		
	Total	**Within 1 year**	**Between 1 and 2 years**	**More than 2 years**
	USD	**USD**	**USD**	**USD**
31 March 2017	-	-	-	-
31 March 2016	1,016,000	-	-	1,016,000

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017 (CONTINUED)

9 SHARE CAPITAL

	2017	2016
	USD	USD
Issued and fully paid		
2,400,000 Ordinary shares (2017 – 2,400,000) of USD 1 each		
At 01 April and 31 March	**2,400,000**	2,400,000

10 BORROWINGS

	2017	2016
	USD	USD
Loan from related parties (Note 12)		
Analysed between		
Non-current	**200,000**	300,000
Current	-	75,000
	200,000	375,000

The terms of the borrowings are disclosed in note 12 (ii)

11 TRADE AND OTHER PAYABLES

	2017	2016
	USD	USD
Amount payable to related parties (Note 12(iv))	**7,085**	694,565
Other payables and accruals	**13,186**	21,568
	20,271	716,133

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017 (CONTINUED)

12 RELATED PARTY DISCLOSURES

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

	2017 USD	2016 USD
(i) Loan from immediate parent		
NIIT Antilles N.V		
At 01 April	**375,000**	365,000
(Repayment)/proceeds	**(375,000)**	10,000
At 31 March 2017 (Note 10)	-	375,000

	2017 USD	2016 USD
(ii) Loan from fellow subsidiary		
NIIT Malaysia Sdn Bhd, Malaysia		
At 01 April	-	-
Received during the year	**200,000**	-
At 31 March 2017 (Note 10)	**200,000**	-

The loan from fellow subsidiary bears interest at the rate of 7% per annum, and unsecured and repayable on maturity.

Loan from fellow subsidiary	USD	Maturity Date
Repayable on maturity	**200,000**	25-Aug-18

	2017 USD	2016 USD
(iii) Amount receivable from subsidiary		
NIIT China (Shanghai) Limited		
At 01 April and 31 March (Note 8)	-	1,016,000

The receivable from subsidiary is unsecured, interest free and has no fixed terms of repayment.

NIIT GC LIMITED

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2017 (CONTINUED)

12 RELATED PARTY DISCLOSURES (CONTINUED)

(iv) Amount payable to fellow subsidiary

NIIT Malaysia Sdn Bhd, Malaysia	**2017**	2016
	USD	USD
At 01 April	-	-
Interest accrued on loan (Note 5)	**7,085**	-
At 31 March (Note 11)	**7,085**	-

The amount payable to immediate parent is unsecured, interest free and has no fixed terms of repayment.

(v) Amount payable to immediate parent

NIIT Antilles N.V	**2017**	2016
	USD	USD
At 01 April	**694,565**	676,097
Interest accrued on loan (Note 5)	**9,392**	18,468
Repayment	**(703,957)**	-
At 31 March (Note 11)	-	694,565

(vi) Transactions with Abax Corporate Services

Directors' fees amounting to **USD 2,200** (2016 – USD 2,200) have been incurred by the Company for the year ended 31 March 2017 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 12,462 against professional service rendered by ABAX Corporate Service during the year.

13 IMMEDIATE AND ULTIMATE PARENT

The directors consider NIIT Antilles N.V, a company incorporated in the Netherlands, and NIIT Limited, a company incorporated in India, as the Company's immediate parent and ultimate parent respectively.