



Magplus Inc,
404 Fifth Avenue, New York, NY 10018, USA

Standalone Balance Sheet as at 31 March 2017

Particulars	Note No.	As at 31 March 2017	As at 31 March 2017
		USD in Lacs	INR in Lacs
EQUITY AND LIABILITIES			
Shareholders' funds			
Share Capital	3	10.47	706.40
Reserves and surplus	4	(1.87)	(149.06)
		8.60	557.34
Current liabilities			
Trade payables	5		
Outstanding dues of creditors other than micro enterprises and small enterprises		3.67	237.75
Other current liabilities	6	0.06	3.88
		3.73	241.63
TOTAL		12.33	798.97
ASSETS			
Non-current assets			
Tangible assets	7A	0.36	23.23
Intangible assets	7B	0.50	32.49
		0.86	55.72
Long-term loans and advances	8	0.09	5.62
		0.95	61.34
Current assets			
Trade receivables	9	4.23	274.29
Cash and cash equivalents	10	5.95	385.56
Short-term loans and advances	11	1.20	77.78
		11.38	737.63
TOTAL		12.33	798.97
Significant accounting policies	2		
The notes form an integral part of the financial statements	1-22		

For and on behalf of **Magplus Inc,**

Yamini Tandon
Manager

Place: Gurugram
Dated: 10 May 2017



Magplus Inc,
404 Fifth Avenue, New York, NY 10018, USA

Standalone Statement of Profit and Loss for the period ended 31 March 2017

Particulars	Note No.	For the period ended 31 March 2017	For the period ended 31 March 2017
		USD in Lacs	INR in Lacs
Revenue from operations	12	24.07	1,614.83
Other income	13	0.21	14.07
Total revenue		24.28	1,628.90
Expenses			
Employee benefits expense	14	4.57	306.20
Depreciation and amortisation expense	7	0.31	21.05
Other expenses	15	20.27	1,360.57
Total expenses		25.15	1,687.82
Profit before exceptional items and tax		(0.87)	(58.92)
Exceptional items	16	1.00	66.92
Profit for the year		(1.87)	(125.84)
Earnings per share	18	(1,874.33)	(1,25,841.10)
Basic and Diluted (earning per equity share expressed in absolute amount in USD/INR)			
Significant accounting policies	2		
The notes form an integral part of the financial statements	1-22		

For and on behalf of **Magplus Inc,**

Yamini Tandon
Manager

Place: Gurugram
Dated: 10 May 2017

Notes forming part of the standalone Financial Statements

Note Particulars

1 Corporate overview

Magplus Inc, ("Company") was incorporated and registered as a Company under the laws of the Delaware in the United State of America and provides digital publishing platform for creating and distributing content to apps on mobile devices in the world.

2 Significant accounting policies

2.1 Basis of preparation of financial statements

The Standalone financial statements of the Magplus Inc, (the Company) have been prepared for the purpose of consolidation with MPS North America LLC., the Holding Company. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The financial statements have been prepared under the accrual basis of accounting, using the historical cost convention. The Company is a wholly owned subsidiary of MPS North America LLC and has been treated as a non integral foreign operation.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Examples of such estimates include the useful life and residual value of fixed assets, retirement benefits, income taxes, provision for doubtful debts and unbilled revenue. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 Current-non-current classification

Based on the nature of services / activities the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

2.4 Cash and cash equivalents

Cash comprises balances in current accounts with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Property, plant and equipment (tangible / intangible):

Fixed Assets are carried at cost less accumulated depreciation / amortization and impairment losses, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase / completion is capitalized, only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Intangible assets that are acquired by the company are measured initially at cost. After initial recognition, an intangible asset is carried at its costs less any accumulated amortization and any accumulated impairment loss if any. Intangible assets comprise of software where it is expected to obtain future enduring economic benefits. Capitalization costs include license fees and costs of implementation/system integration services. The Costs are capitalized in the year in which the relevant software is implemented for use.

2.7 Depreciation and amortisation

Depreciable amount for assets is the cost of an assets ,or other amounts substituted for cost ,less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Intangible assets are amortized between 2-5 year based on the economic benefits that are expected to accrue to the company over such period.

The estimated useful lives of the assets and the amortization period are reviewed at the end of each financial year and the amortization is revised to reflect the changed pattern, if any.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each financial year end.

2.8 Revenue recognition

Revenue is recognized when services are rendered and there is no significant uncertainty exists regarding the collection of amount of consideration.

Earnings in excess of billings are classified as unbilled revenue which is certain for realization while billing in excess of earnings are classified as deferred revenue.

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2.9 Other income:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Dividend income is accounted for when the right to receive it is established.

Rental income from operating leases is recognized on time proportionate basis over the period of rent.

2.10 Foreign currency transactions and transactions

The Financial statements of the non-integral foreign operations are translated into Indian Rupees as follows:

(i) All assets & liabilities, monetary and non-monetary are translated at the year/period end rate.

(ii) Income and expense items are translated at the average rates.

(iii) The Resulting net exchange difference is credited or debited to a foreign currency translation reserve and accumulated till the disposal of the net investment.

2.11 Employee benefits

The amount of employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits includes CPTO (Compensatory Paid Time Off) and 401(k) plan. CPTO are expected to occur after the end of the period in which the employee renders the related service. The cost of such compensated absences is recognized when employee render the services that increase their entitlement of future compensated absences. 401(k) Plan is a tax qualified, defined contribution plan where an employee can make contributions from the paycheck either before or after-tax, depending on the options offered in the plan.

2.12 Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. The total lease rentals in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss.

2.13 Earnings per share

Basic and diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.14 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of applicable Foreign tax laws.

Deferred tax is recognized on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are recognized for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realized. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.15 Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

2.16 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

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Standalone Cash Flow Statement for the period ended 31 March 2017

Particulars	For the period ended 31 March 2017	For the period ended 31 March 2017
	USD in Lacs	INR in Lacs
A. Cash flow from operating activities		
Net Profit before tax	(1.87)	(125.82)
<u>Adjustments for:</u>		-
Depreciation and amortization expense	0.31	21.06
Liabilities and provisions no longer required written back	(0.21)	(14.16)
Provision for doubtful debts	0.11	7.23
Bad debts and advance written Off	1.10	74.14
Operating cash flows before working capital changes	(0.56)	(37.55)
(Increase)/decrease in trade receivables	1.83	123.13
(Increase)/decrease in short-term loans and advances	(0.64)	(42.71)
(Increase)/decrease in long-term loans and advances	0.14	8.58
Adjustments for increase / (decrease) in operating liabilities:		
(Decrease)/increase in trade payables	1.89	126.88
(Decrease)/increase in other current liabilities	0.05	3.19
(Decrease)/increase in short term provisions	(0.05)	(3.36)
Cash generated from operations	2.66	178.16
Net income tax paid	-	-
Net cash provided by operating activities (A)	2.66	178.16
B. Cash flow from investing activities		
Acquisition of business	(10.47)	(706.40)
Net cash used in investing activities (B)	(10.47)	(706.40)
C. Cash flow from financing activities		
Proceeds from share capital	10.47	706.40
Net cash (used in)/ flow from financing activities (C)	10.47	706.40
Net (decrease) / increase in cash and cash equivalents (A+B+C)	2.66	178.16
Impact on Cash Flow on account of foreign currency translation	-	(14.85)
Cash and cash equivalents at the beginning of the year	3.29	222.25
Cash and cash equivalents at the end of the year*	5.95	385.56
*Comprises:		
(i) In cash	-	-
(ii) In current accounts	5.95	385.56
	5.95	385.56
The notes form an integral part of the financial statements	1-22	

For and on behalf of **Magplus Inc,**

Yamini Tandon

Yamini Tandon
Manager

Place: Gurugram

Dated: 10 May 2017

Magplus Inc,
Notes forming part of the standalone Financial Statements

Note 3 Share capital

Particulars	As at 31 March 2017		As at 31 March 2017	
	Number of shares	Amount in USD Lacs	Number of shares	Amount in INR Lacs
(A) Issued, subscribed and fully paid up share capital Shares of USD 100 each with voting rights (refer note (i) to (iv) below)	100	10.47	100	706.40
Share capital in US Dollar is translated into Indian Rupees.				
Total	100	10.47	100	706.40

Notes:

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at 31 March 2017		As at 31 March 2017	
	Number of shares	Amount in USD Lacs	Number of shares	Amount in INR Lacs
No. of Units				
At the beginning of the year	-	-	-	-
Add: Issue of shares during the year*	100	10.47	100	706.40
At the end of the year	100	10.47	100	706.40

* Note: On 1 July 2016, the Company has allotted 10,465 shares of the face value of USD 100 each to MPC North America LLC.

(ii) Rights, preferences and restrictions attached to shares

The Company has only one class of shares having a par value of USD 100 per share. Each share holder is entitled to one vote per unit. The shares are entitled to receive dividend as declared from time to time. In the event of liquidation of the Company, the share holders will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount, if any. The distribution will be in proportion to number of shares held by the share holders.

(iii) Details of shares held by the holding company, the ultimate holding company, their subsidiaries and associates:

Particulars	As at 31 March 2017	As at 31 March 2017
	Number of Shares	Number of Shares
Shares of USD 100 each fully paid up held by MPS North America LLC, the holding company	100	100

(iv) Details of Units held by each unitholder holding more than 5% units:

Name of share holder	As at 31 March 2017		As at 31 March 2017	
	Number of Shares held	% holding in that class of shares	Number of Shares held	% holding in that class of shares
Shares of USD 100 each fully paid up held by MPS North America LLC, the holding company	100	100.00%	100	100.00%

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Magplus Inc,
Notes forming part of the standalone Financial Statements

Note 4 Reserves and surplus

Particulars	As at 31 March 2017	As at 31 March 2017
	USD in Laos	INR in Laos
(a) Foreign currency translation reserve		
Add: Effect of foreign exchange rate variations during the year	-	(23.22)
At the end of the year	-	(23.22)
(b) (Deficit) in Statement of Profit and Loss		
Add: Profit for the period	(1.87)	(125.84)
At the end of the year	(1.87)	(125.84)
Grand Total	(1.87)	(149.06)

Note 5 Trade payables

Particulars	As at 31 March 2017	As at 31 March 2017
	USD in Laos	INR in Laos
Trade payables		
Outstanding dues of creditors other than micro enterprises and small enterprises	3.67	237.75
	3.67	237.75

Note 6 Other current liabilities

Particulars	As at 31 March 2017	As at 31 March 2017
	INR in USD	INR in Laos
(a)Employee Payable	0.00	0.07
(b) Other payables:		
(i) Statutory remittances*	0.06	3.81
	0.06	3.88

*(includes Provident Fund and Sales Tax)

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Magplus Inc.
Notes forming part of the standalone Financial Statements

Note 7 Property, plant and equipment

A. Tangible assets (Owned)	Gross block				Accumulated Depreciation				(INR in Lacs) Net Block	
	As at 01-Jul-2016	Additions	Disposals	Effect of foreign exchange differences	As at 31 March 2017	As at 01-Jul-2016	Depreciation expense for the period	Disposals	Effect of foreign exchange	As at 31 March 2017
(a) Plant and equipment	80.34	-	-	(3.26)	77.08	44.31	11.73	-	(2.19)	53.85
Total (A)	80.34	-	-	(3.26)	77.08	44.31	11.73	-	(2.19)	53.85
										23.23
										23.23

B. Intangible assets (Owned)	Gross block				Accumulated Depreciation				Net Block	
	As at 01-Jul-2016	Additions	Disposals	Effect of foreign exchange differences	As at 31 March 2017	As at 01-Jul-2016	Depreciation expense for the period	Disposals	Effect of foreign exchange	As at 31 March 2017
(a) Computers and software	61.23	-	-	(2.48)	58.75	17.98	9.32	-	(1.05)	32.49
Total (B)	61.23	-	-	(2.48)	58.75	17.98	9.32	-	(1.05)	32.49
Grand Total (A + B)	141.57	-	-	(5.74)	135.83	62.29	21.05	-	(3.24)	80.11
										55.72

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Magplus Inc,
Notes forming part of the standalone Financial Statements

Note 8 Long-term loans and advances

Particulars	As at 31 March 2017	As at 31 March 2017
	USD in Lacs	INR in Lacs
Security deposits		
Unsecured, considered good	0.09	5.62
	0.09	5.62

Note 9 Trade receivables (Unsecured)

Particulars	As at 31 March 2017	As at 31 March 2017
	USD in Lacs	INR in Lacs
Outstanding for a period exceeding six months		
Considered good	-	-
Doubtful	0.11	6.98
	0.11	6.98
Less: Provision for doubtful trade receivables	0.11	6.98
	-	-
Other trade receivables		
Considered good	4.23	274.29
	4.23	274.29

Note 10 Cash and cash equivalents

Particulars	As at 31 March 2017	As at 31 March 2017
	USD in Lacs	INR in Lacs
Cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
In current accounts	5.95	385.56
	5.95	385.56

Note 11 Short-term loans and advances

Particulars	As at 31 March 2017	As at 31 March 2017
	USD in Lacs	INR in Lacs
Prepaid expenses - Unsecured considered good	1.19	77.13
Others	0.01	0.65
	1.20	77.78

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Magplus Inc,
Notes forming part of the standalone Financial Statements

Note 12 Revenue from operations

Particulars	For the period ended 31 March 2017	For the period ended 31 March 2017
	USD in Lacs	INR in Lacs
Income from services	24.07	1,614.83
	24.07	1,614.83

Note 13 Other Income

Particulars	For the period ended 31 March 2017	For the period ended 31 March 2017
	USD in Lacs	INR in Lacs
(a) Other non-operating income (Refer note (i) below)	0.21	14.07
	0.21	14.07

Particulars	For the period ended 31 March 2017	For the period ended 31 March 2017
	USD in Lacs	INR in Lacs
Note (i) Other non-operating income comprises:		
Liabilities and provisions no longer required written back	0.21	14.07
Total -Other non-operating income	0.21	14.07

Note 14 Employee benefits expense

	For the period ended 31 March 2017	For the period ended 31 March 2017
	USD in Lacs	INR in Lacs
Salaries and wages	4.44	297.68
Contributions to provident and other funds	0.13	8.52
	4.57	306.20

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Magplus Inc,
Notes forming part of the standalone Financial Statements

Note 15 Other expenses

Particulars	For the period ended 31 March 2017	For the period ended 31 March 2017
	USD in Lacs	INR in Lacs
Outsourcing cost	0.55	36.69
Rent (Refer note 17)	0.60	40.46
Repairs and maintenance - Others	0.02	1.18
Repairs and maintenance - Plant and machinery	0.01	0.78
Insurance	0.02	1.47
Communication	0.25	16.74
Travelling and conveyance	0.06	4.25
Legal and professional	0.03	2.15
Royalty	14.17	951.39
Bad debts and advance written Off	1.10	72.70
Provision for doubtful debts	0.11	8.05
Miscellaneous expenses	3.35	224.71
	20.27	1,360.57

Note 16 Exceptional Items

Particulars	For the period ended 31 March 2017	For the period ended 31 March 2017
	USD in Lacs	INR in Lacs
Employee related severance pay*	1.00	66.92
	1.00	66.92

*The company during the year ended 31 March 2017, has decided to re-structure part of its operations. Accordingly, an amount of Rs. 66.92 Lacs pertaining to severance pay has been disclosed as an exceptional item.

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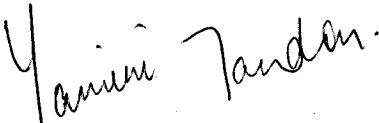
Magplus Inc,
Notes forming part of the standalone Financial Statements

Note	Particulars	For the period ended 31 March 2017	For the period ended 31 March 2017
		USD in Lacs	INR in Lacs
17	Details of leasing arrangements		
	<u>As Lessee</u>		
	The Company has entered into cancellable and non-cancellable operating leases for office premises. Lease rentals recognised in respect of such operating leases in the Statement of Profit and Loss is:	0.60	40.46
		0.60	40.46

Note	Particulars	For the period ended 31 March 2017	For the period ended 31 March 2017
		USD in Lacs	INR in Lacs
18	Earnings per unit		
	<u>Basic and Diluted</u>		
	Net profit for the year to the share holders	(1.87)	(125.84)
	Total number of units outstanding at the end of the year	100	100
	Weighted average number of units	100	100
	Earnings per unit - Basic and Diluted	(1,874.33)	(1,25,841.10)

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Magplus Inc,
Notes forming part of the standalone Financial Statements

Note	Particulars			
19	Related party transactions In the normal course of business ,the Company enters into transactions at arm's length with affiliated companies,its ultimate holding company, holding company and key management personnel. The names of the related parties of the company ,as required to be disclosed is as follows:			
19.a	Details of related parties:			
	Description of relationship	Names of related parties		
	(i) Ultimate Holding Company	MPS Limited		
	(ii) Holding Company	MPS North America LLC		
	(iii) Fellow Subsidiary	Mag+ AB		
	(iv) Key Managerial Personnel (KMP)	Ms. Yamini Tandon, Manager		
19.b	Details of related party transactions during the period ended 31 March, 2017 and balances outstanding as at 31 March, 2017:			
			INR in Lacs	
		Holding Company	Fellow Subsidiary	Total
	Equity Contribution	706.40	-	706.40
	Receiving of Services	-	951.39	951.39
	Balance Outstanding at the end of the year			
	Trade payables	-	81.14	81.14
	Note: 1. No amount has been written off / written back during the period in respect of dues from / to related parties.			
20	Particulars	For the period ended 31 March, 2017	For the period ended 31 March, 2017	
		USD in Lacs	INR in Lacs	
	Contingent liabilities and commitments (to the extent not provided for)	-	-	
21	Employee benefit plans Employee benefit plan includes 401K contribution of Rs.8.52 Lacs at the applicable rates.			
22	Segment information The Company operates in one business segment of providing digital publishing platform for creating and distributing content to apps on mobile devices and is considered to constitute a single segment in the context of segment reporting as prescribed by Accounting Standard 17 - "Segment Reporting".			
	<div>For and on behalf of Magplus Inc,</div> <div></div> <div>Yamini Tandon Manager</div> <div>Place: Gurugram Dated: 10 May 2017</div>			