

istreet

iStreet Network Limited*

27th
ANNUAL REPORT
2013-2014

*Formerly known as Principal Pharmaceuticals & Chemicals Limited

Founders & Promoters:

Mr. Pradeep Malu, Founder
Mr. Lakshya Malu, Co-Founder

Board of Directors:

Mr. Kushal C. Sacheti (wef 31st Jan, 2014)
Mr. Sanjeev Chhajed
Mr. Nilesh Bhandari
Mr. V. K. Jain (ceases wef 27th May, 2014)
Mr. Pradeep Malu, Managing Director

Audit Committee:

Mr. V.K. Jain (ceases wef 27th May, 2014)
Mr. Sanjeev Chhajed
Mr. Nilesh Bhandari (wef 27th May, 2014)
Mr. Pradeep Malu

Stakeholders Relationship Committee:

Mr. Pradeep Malu
Mr. Nilesh Bhandari

Share Transfer / Transmission Committee:

Mr. Pradeep Malu
Mr. Nilesh Bhandari

Nomination & Remuneration Committee:

Mr. Nilesh Bhandari
Mr. Sanjeev Chhajed
Mr. Kushal C. Sacheti

Auditors:

Jhawar Mantri & Associates
Chartered Accountants

Internal Auditors:

RRDL & Associates
Chartered Accountants

Banker:

HDFC Bank Ltd.

Registered Office:

513, Palm Spring, Link Road
Malad West,
Mumbai – 400 064

www.istreetnetwork.com

www.istreetbazaar.com

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of iStreet Network Limited (Old Name - Principal Pharmaceuticals & Chemicals Limited) will be held at 513, Palm Spring, Link Road, Malad West, Mumbai – 400 064 on Wednesday, the 27th August 2014 at 11:00 am. to transact the following businesses :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Accounts for the Year ended 31st March, 2014 and the Directors' and Auditors' Reports thereon;
2. To appoint a Director in place of Mr. Sanjeev Chhajed (DIN: 02849462) who retires by rotation and is eligible for reappointment.
3. To reappoint M/s. Jhavar Mantri & Associates, Chartered Accountants, Firm Registration No. 113221W as Statutory Auditors who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

SPECIAL BUSINESS :

4. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Kushal C. Sacheti (DIN: 06451345), who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019.”

5. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Sanjeev Chhajed (DIN: 02849462), who was appointed as an Independent Director pursuant to the provisions of the Listing Agreement be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019.”

6. To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Nilesh Bhandari (DIN: 00677511), who was appointed as an Independent Director pursuant to the provisions of the Listing Agreement be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to March 31, 2019.”

7. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the resolution passed under section 293(1)(d) of the Companies Act, 1956 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed there under, as may be amended from time to time, the consent of the members of the company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the company's bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set part for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 300 Crores.

“RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such monies, are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

8. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, read with the Rules framed there under, as may be amended from time to time, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company to the creation of mortgages, charges and hypothecation or creation of security, in any other form or manner as may be necessary, on such of the assets of the company both present and future, in such manner as the Board may direct, in favor of financial institutions, investment institutions and their subsidiaries, banks, mutual funds, trusts, other bodies corporate and trustees for the holders of debentures/ bonds and/or other instruments which may be issued on private placement basis or otherwise, to secure rupee terms loans together with interest thereon at the agreed rates, further interest, liquidated damages, premium on pre-payment or on redemption, costs, charges, expenses and all other moneys payable by the Company to the Trustee under the Trust Deed under the respective agreements entered / to be entered into by the Company in respect of the said borrowing.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to finalize with the Lending Agencies, the documents for creating the aforesaid mortgages, charges and/or hypothecations or any other security and to accept any modifications to or to modify, alter or vary the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this resolution.”

9. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution::

“RESOLVED THAT pursuant to provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and as may be enacted from time to time) read with the Companies (Meetings of Board and its Powers) Rules, 2014 as may be amended, from time to time and Articles of Association of the Company, approval of Shareholders of the Company be and is hereby given to the Board of Directors for:-

- (i) giving any loan to any person or other body corporate;
- (ii) giving any guarantee or providing security in connection with a loan to any other body corporate or person and/or;
- (iii) acquiring whether by way of subscription, purchase or otherwise, the securities of any other body corporate;

up to an amount, the aggregate outstanding of which should not exceed Rs 300,00,00,000 (Rupees Three Hundred Crores only), which shall be over and above the limits and may exceed 60% (Sixty per cent) of the Company's paid-up share capital, free reserves, and securities premium or 100% (One hundred per cent) of the Company's free reserves, and securities premium whichever is more as specified in Section 186(2) of the Companies Act, 2013.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to (i) negotiate and decide terms and conditions; (ii) execute necessary documents, papers, agreements etc., for investments to be made, loans / guarantees to be given and securities to be provided to

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any person and / or any Body Corporate;(iii) do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary, proper or desirable, (iv) settle any question, difficulty or doubt that may arise in this regard.”

10. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any of the Companies Act, 2013 read with the Rules framed thereunder, as may be amended from time to time, consent of the members of the Company be and is hereby accorded to amend the Articles of Association of the Company by adopting Table F of Schedule I of the Companies Act, 2013”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to this Resolution.

11. To consider and if thought fit to pass with or without modification, to ratify the appointment of Mr. Pradeep Malu as the Managing Director of the Company and pass the resolution as an Ordinary Resolution:

“RESOLVED THAT in accordance with the resolution passed in the previous Annual General Meeting held on 5th August 2013 and pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014, approval of the Company be and is hereby accorded to ratify the re-appointment of Mr. Pradeep Malu (DIN:00001959) as Managing Director of the Company who would be considered as a Key Managerial Person (KMP) for a period of Five years with effect from 05.08.2013, on the terms and conditions as passed in the Annual General Meeting dated 05.08.2013, with liberty to the Board to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Pradeep Malu, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedite to give effect to this resolution.”

Registered Office:
513, Palm Spring, Link Road
Malad West, Mumbai – 400 064.

By Order of the Board

Date: 21st July 2014

Pradeep Malu
Managing Director

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. HOWEVER PROXY FORMS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 19th August 2014 to 27th August, 2014 both days inclusive.
3. Explanatory Statement pursuant to the provisions of the Section 102 of the Companies Act, 2013 is annexed hereto.
4. Members are requested to notify their change of address, if any, to the Company at its Registered Office, quoting the Folio No.
5. Registrar and Transfer Agent (RTA) has initiated a process of ‘Know your Shareholder’ and compiling all the critical information of our shareholders. You must have received a communication to that effect from them. Kindly respond to the same directly to RTA.

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6. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
7. Details required under Clause 49 of the Listing Agreement entered with the Stock Exchanges in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, are given in the relevant section of the Corporate Governance Report included in the Annual Report.
8. Shareholders, who still continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic / dematerialized form. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
10. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.
11. Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Annual General Meeting, along with their copy of the Annual Report. Copies of the Annual Report will not be distributed at the Meeting. Members may also note that the Notice of the 27th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website www.istreetnetwork.com for their download.
12. Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote at 27th Annual General Meeting by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on 25/07/2014, are entitled to vote on the Resolutions set forth in this Notice. Members who have acquired shares after the despatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter

PROCEDURE FOR E-VOTING

The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting for AGM. The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. • In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to

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mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
 - (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xviii) The voting period begins on 20/08/2014 (9.30am) and ends on 22/08/2014 (5.30pm). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 25/07/2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
 - (xiv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

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- (xx) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 25/07/2014.
- (xxi) Mr. Dilip Bharadiya, Proprietor of M/s Dilip Bharadiya & Associates, Practicing Company Secretaries (Membership No. 19085, CP No. 6740) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxii) . The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xxiii) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.istreetnetwork.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No.:4

Mr. Kushal C. Sacheti was appointed by the Board as an Additional Director in the category of non-executive independent director of the Company w.e.f. 31st January, 2014 to hold office till the date of the ensuing Annual General Meeting.

The Company has received a notice as prescribed u/s 149, 150 and 152 of the Companies Act, 2013 from a member, signifying his intention to propose Mr. Kushal C. Sacheti as a Director.

Mr. Kushal C. Sacheti was co-opted as the member of the Board of Directors of the company as an Additional Director, in Independent category. Mr. Sacheti, aged 67 years, an American Citizen, has studied at BITS Pilani and IIT Kanpur and is engaged in Wholesale business in New York. He has extensive business experience and business network. The company shall benefit by his guidance for its eCommerce project with his experience and network.

The Board recommended for the appointment of Mr. Kushal C. Sacheti as Independent Director, eligible to retire by rotation, and proposes to pass the resolutions as set out in item No.4 of the Notice as an Ordinary Resolution.

Except, Mr. Kushal C. Sacheti, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financial or otherwise, in passing of the Resolutions set out in the Item No. 4.

Item No.:5 & 6

Pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, the appointment of the Independent directors is to be ratified by the shareholders for a period of 5 years.

Thus the item nos. 5 & 6 are commended by the Board of Directors.

Except Mr. Sanjeev Chhajed & Mr. Nilesh Bhandari respectively, none of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financial or otherwise, in passing of the Resolutions set out in the Item No. 5 & 6.

Item No.:7 & 8

Under Section 180 of the Companies Act, 2013, the Board can exercise such powers only with the consent of the members of the Company by way of Special Resolution.

1. Borrowing monies on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of the business) in excess of the aggregate of the paid up capital of the Company and its free reserves, subject to the total outstanding amount so borrowed not exceeding a sum of Rs. 300 Core at any point of time; and
2. Creation of a mortgage or charge for the said borrowings, as security by way of mortgage/ hypothecation on the Company's assets in favour of lending agencies and trustees for the amount borrowed, including interest, charges etc payable thereon.

The approval of the Members authorizing the Board for borrowings, as set out at item No. 7 of this Notice and securing the same by way of creation of charge, in the manner set out at Item No. 8 of this Notice, is therefore being sought, by way of Special Resolution.

The Directors recommend the resolutions set out at Item no. 7 & 8 of the accompanying Notice for the approval of the Special Resolutions.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financial or otherwise, in passing of the Resolutions set out in the Item No. 7 & 8.

Item No.:9

In the course of business, it is proposed to empower and permit the Board of Directors of the Company to grant loans, give guarantees, provide securities to and make investments in the securities of other bodies corporate which may be over and above the limits and may exceed 60% (Sixty per cent) of the Company's paid-up share capital, free reserves, and securities premium or 100% (One hundred per cent) of the Company's free reserves, and securities premium whichever is more as specified in Section 186(2) of the Companies Act, 2013. It is proposed to set a limit to the extent of Rs 300 crores (Rupees Three Hundred Crores only) in this regard.

The proposed special resolution as set out in item No.9 of the Notice is sought in view of the fact that Section 186 of the Companies Act, 2013 and the Rules made thereon requires shareholder's approval to such proposals through special resolutions, it is necessary to obtain the shareholders' approval by means of a special resolution.

The above proposal as set out in item no. 9 of the Notice is in the interest of the Company and your Directors commend the same for approval by the Members.

None of the Directors or Key Managerial Personnel or their relatives are in any way concerned or interested either financially or otherwise, in the proposed resolutions except to the extent of their shareholding, if any, in the Company. As per the provision to Section 102(2) of the Act it is clarified that the proposed special resolutions do not relate to or affect any other Company.

Item No.:10

With the promulgation of the Companies Act, 2013 together with various schedules thereto and the Rules made there under in replacement of the Companies Act, 1956, it has become necessary to modify the existing Articles of Association so as to have the effect of bringing various existing Articles, in consonance with the provisions of the Act, to the extent they are repugnant to and / or variance with the provisions thereof, with reference to the various sections of the Companies Act, 1956 being deemed to be and read as reference to the corresponding Sections of the Act, wherever appearing.

The Directors recommend the Adoption of new set of Article of Association set out at Item no. 10 of the accompanying Notice for the approval of the Special Resolutions.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financial or otherwise, in passing of the Resolutions set out in the Item No. 10.

Item No.:11

Pursuant to provisions of Section 203 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force) the Managing Director of the company is considered to be a Key Managerial Personnel. Thus, Mr. Pradeep Malu who was appointed as a Managing Director of the company w.e.f. 5th August, 2013 and ratified by the shareholders thereon is considered to be categorized in the group of Key Managerial Personnel.

The Board recommended the same and proposes to pass the resolutions as set out in item No.11 of the Notice as a Ordinary Resolution.

Profile of Founders & Directors

Pradeep Malu

DIN 00001959,
Founder and Managing Director

Mr. Pradeep Malu, aged 56 years, is a Chartered Accountant and an Entrepreneur. He founded iStreet Network Ltd. (Old Name - Principal Pharmaceuticals & Chemicals Ltd.) in the year 1986. The company set up a medium size "Specialty Chemicals & Pharmaceuticals" manufacturing unit in 1994. The company was producing Beta Blockers and Intermediates of ACE Inhibitors at different locations in Gujarat and Maharashtra. Due to wrong classification of its products by the environmental officials, the company's manufacturing plan was shut down for over two years and the company turned sick. However, with his continuous efforts, the company was brought back on track and it came out of sickness in September 2012. With this experience, with the help of his Board Members, he redefined company's business strategy by moving out of manufacturing of Pharmaceuticals and Intermediates to Digital Marketing and eCommerce business. He has been an eCommerce professional since 1999. He has conceptualized and executed large number of eCommerce projects in B2C, B2B and C2C space.

The company's new project - iStreet Bazaar – India's first chain of Internet Retail Stores is now being implemented in company by him along with Lakshya Malu. It is all about simplifying eCommerce for common people of India.

Lakshya Malu:

DIN05136358
Co-Founder

Lakshya Malu, aged 25 years, graduated as Mechanical Engineer from Boston University, State of Massachusetts, USA. After graduating he returned to India and has been working on various eCommerce projects since last 3 years. He worked on several projects in collaboration with various large brands and eCommerce platforms. During his tenure, he worked and studied – what is the present system of trade, its deficiencies, its non-transparent pricing system, its quality and authenticity process, end usage, consumer perception, how eCommerce benefits common people of India etc. As a part of one of the projects, he has also done millions of simulations on 'make your own jewelry' project.

He conceptualized iStreet Bazaar project and run pilots to see as how eCommerce can be simplified for the common people of India. iStreet Bazaar is now being implemented by the company in full commercial manner and has already opened over 100 stores in Gujarat till May 2014.

Prior to iStreet Bazaar Project, he has worked with Memorial Sloan-Kettering Cancer Center, New York as Research Assistant, Cyber Materials LLC, Boston as a Research Engineer and with Exploration School, Inc. as an instructor and Advisor.

Kushal C. Sacheti

DIN 06451345
Independent Director

Mr. Kushal C. Sacheti, aged 67 years, obtained his M. Tech. in Chemical Engineering from IIT Kanpur and B. Tech from BITS-Pilani. He was a co-founder at Centre for Desert Development Technologies at BITS Pilani. He is currently involved in various educational and technology initiatives at IIT-Kanpur, IIT-Gandhinagar, BITS Pilani and various other educational and social activities in India, Nepal and USA. He is also a founder of *Center for Curiosity* which aims at triggering curiosity as a educational aid, involved in *Akshaya Patra Foundation* which provides midday meals to school children in India, a co-founder of Unlimit Art - a not for profit organization for helping disabled artists and a director of Art Omi a not-for-profit arts organization with residency programs for international visual artists, writers, translators, musicians, and dancers.

Mr. Kushal C. Sacheti, is the Founder/CEO of Galaxy USA Inc and Key Items Inc, diamond and Jewelry business companies in New York.

Sanjeev Chhajed

DIN 02849462

Independent Director

Sanjeev Chhajed, aged 43 years, is a Fellow Member of the Institute of Chartered Accountants of India. He has rich experience in Finance and Taxation. He is practicing in Mumbai and advises large number of mid size companies in various fields of business. He is associated with the company as an Independent director for over nine years.

Nilesh Bhandari

DIN 00677511

Independent Director

Nilesh Bhandari, aged 36 years, is a commerce graduate. He has rich experience in building supply chain and has good business network. His commercial experience helps company in sourcing various product lines for its eCommerce platform.

DIRECTORS' REPORT
And Management Discussion & Analysis

To The Members

Your Directors have pleasure in presenting the Twenty Seventh Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2014.

1. FINANCIAL RESULTS:

	<i>Rs. in Lacs</i>	
	2013-14	2012-13
Sales and Other Income		
(a) Digital and ecommerce	60.24	31.14
(b) Pharmaceuticals & Intermediates	<u>13.89</u>	<u>20.56</u>
	71.13	51.70
Profit before Interest, Amortization, Depreciation and Tax	18.39	25.94
Less: Amortization & Depreciation	8.36	11.16
Profit/(Loss) before Taxation and Exceptional Item	10.03	14.78
Exceptional Items	16.47	-
Profit/(Loss) after Taxation and Exceptional Item	(6.44)	14.78
Balance of Profits brought forward	(322.17)	(336.95)
Balance carried forward to Balance Sheet	(328.61)	(322.17)

2. DIVIDEND :

In view of the losses, your Directors do not recommend any Dividend during the year.

3. DIRECTORS' RESPONSIBILITY STATEMENT:

The Directors hereby confirm that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for the year;
- (iii) they have taken proper and sufficient care for the maintenance of adequate Accounting Records in accordance with the provisions of Companies Act, 1956 for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities to the best of their knowledge and ability;
- (iv) they have prepared the Annual Accounts on a going concern basis.

4. **MANAGEMENT DISCUSSION & ANALYSIS:**

In order to avoid duplication between the Directors' Report and the Management Discussion and Analysis, we present below a composite summary of performance of the business and functions of the company.

The discussion here in below is divided in two portions – Pharmaceutical & Intermediate Business and Digital & eCommerce Business for the sake of clarity and keeping in mind the future business strategy of the company.

PHARMACEUTICALS & INTERMEDIATES

The company had set up a mid size Pharmaceutical and Intermediate manufacturing unit in Gujarat in the year 1994-95. It was doing well till the year 2000-01. Later, due to closure notice issued by the local pollution board, the unit was shut down for a long period of time. After getting necessary clearances, the company re-started its operations at the unit but in view of its financial condition, it decided to carry out only job work. The company entered into Job work arrangement with few companies. In the year 2012-13, it decided to diversify into Digital and eCommerce business as its Pharmaceutical and Intermediate business was not growing and the industry was under various regulatory compliances which the job worker company was unable to comply with. The job worker company even failed to maintain the unit in a good condition. Consequently, the company terminated its arrangement of job work with effect from 1st August, 2013 though small work continued till November 2013 at the plant with the same company. Consequent upon the termination of the arrangement, the company forfeited the security deposit of Rs. 10 lacs paid by the job worker company. The job worker company also had an option to buy the manufacturing assets of the company but they failed to complete the transaction on or before the appointed date. The company terminated the transaction. The job worker company has preferred to refer both the matters for Arbitration.

In May, 2014, the job worker approached the company and showed its willingness to buy its manufacturing assets. And towards that, it has paid all its pending dues to various government authorities, paid dues to GIDC on behalf of the company and paid token money as commitment charges to the company. As on signing this report, the process of disposal of such assets is in progress and it is expected to get complete in next couple of weeks. The job worker has agreed to pay Rs. 355 lacs for the manufacturing assets of the company on as is where is basis. A slump sale agreement is being executed between the company and the job worker.

You had already authorized the Board of Directors in its Extra Ordinary General Meeting held on 25th March, 2013 to dispose off all such assets which are related to the pharmaceutical and manufacturing activities, either on as is basis or dismantled condition on top priority to unlock the company resources for its new business activities.

During the year company's total revenue from this business segment was Rs. 13.89 lacs as against previous year Rs. 20.56 lacs.

DIGITAL & E-COMMERCE

As per the BSE Ltd. classification, the company operates in the 'Internet & Catalogue Retail' segment.

General – Internet and eCommerce Business:

"The e-Commerce market in India grew to USD 9.5 billion in 2012 and is expected to reach USD 12.6 billion – a 34% y-o-y growth since 2009. This is still the tip of the iceberg since we believe this market to grow multifold over the next 5 years. This growth would be driven by key factors providing wider economic opportunities such as innovative business models, introduction of new product / service categories and **penetration into non-metros and rural areas.**" (Source – IAMAI KPMG Report 2013).

According to the report, few of the Key Insights are as under:

- e-Commerce industry is estimated to contribute to 4 percent of GDP by 2020. It is a significant growth from existing contribution of 0.46 percent
- Growth in e-Commerce transactions will boost government's revenue share through increased tax collection
- Revenues for logistics companies from e-tailing alone are estimated to grow 70 times to ~ USD 2.6 Billion (INR 14,300 crores) by 2020
- 1 million direct and 0.5 million indirect jobs would be created by 2021 by e-tailing alone.

Business

The company now mainly operates in the 'Internet & Catalogue Retail' segment. It is setting up India's first chain of Internet Retail Stores - 'iStreet Bazaar' to take benefit of eCommerce to smaller towns and villages to the common man. In its first phase, the company plans to set up 200 such network stores. The company has launched the project in March this year and has set up over 100 stores till May 2013 in Gujarat.

iStreet Bazaar aims to penetrate the remote areas of India by providing reliability, affordability, dependability and, above all, ease. It would give the common man the benefits, comfort and joy of shopping thru the Internet. iStreet Bazaar through its world class platform and network stores will offer thousands of products and hundreds of brands at extremely competitive prices so that customers in smaller towns and villages can easily buy products which otherwise won't be available in their area.



iStreet Bazaar Process

The process is depicted here below which simplifies eCommerce for common people of India. These iStreet Bazaar stores will eliminate payment related issues that arise when transacting online. iStreet Bazaar stores also put a face to the online transaction since the customers will be transacting at a store with a person behind the counter. This increases the level of *trust* that is necessary during any online purchase. In the Indian scenario this definitely becomes a big advantage for the stores since trust is one of the key factors in the adoption of eCommerce. Anyone, literally anyone, can buy at an iStreet Bazaar Store.



iSB shop is run and managed by Network Partner in their respective locations / areas.

Opportunity & Our Focus

eCommerce is transforming business world over. However, in India the story is a bit different. India is the second most populous country in the world and still e-commerce has touched only 2 percent (or even less) of the population. The reasons for such low penetration are – poor infrastructure, accessibility, lack of knowledge, mode of payment, lack of trust etc. If some assistance is provided, eCommerce has the potential of reaching millions of more people in India. Hence it is a great opportunity.

iStreet Bazaar simply means an internet *ka* bazaar for the common man of Bharat. It aims to penetrate the remote areas of India by providing reliability, affordability, dependability and, above all, ease.

Major focus of the company during FY 2014-15 is to build the capacity of its network of its Internet Stores and product catalogue. It expects to create around 1100 stores during FY 2014-15.

Development of Network Partners

Through its world class platform and network stores, iStreet Bazaar shall offer thousands of products of hundreds of brands at extremely competitive prices and ease. A security guard would now be able to buy a cell phone on Internet with ease. A vegetable vendor would now be able to buy a value for money camera for his family. The objective of iStreet Bazaar is to enable every common person to buy what he / she wants with ease and at great online prices. iStreet Bazaar is an eCommerce store for *Sab ke Liye*.

The company has opened over 100 such stores so far. The company has drawn the plan to set up 1,100 stores during FY 2014-15 and take these numbers to 2,800 by end of FY 2015-16.

Customer Development

To enhance the footfalls into the stores of iStreet Bazaar, the company has already tied up with few of media companies and in the process for few more. The idea of creating 'neighborhood store' is pretty strong at the core of the company's strategy. With the continuous training program, network partners of the company shall be equipped to handle and build strong customer base in their areas.

Supply Chain

How many categories and how many products do the company's platform offers is the key for success. iStreet Bazaar platform is already offering over 25,000 products with a good pipeline. With continuous efforts of its team, the company shall be able to expand its category and product base very fast.

Logistic / Fulfillment

Efficient fulfillment system is critical for success of any eCommerce venture. The company has tied up with large number of courier and logistic companies to ensure that fulfillment of orders are done in the shortest possible time.

Human Resources

The Company had outsourced its major activities so the human resources, expert in their respective fields, in the initial stage of its project and therefore it did not employ much people. Now the company has started building its own core team and has already hired few key people.

Finance & Accounts – Risk and Internal Adequacy

During the year company's total revenue has grown from Rs. 51.70 lacs to Rs. 71.13 lacs registering a growth of 38% whereas Digital and eCommerce segment has grown over 90%.

The company has parked extra surplus funds with couple of companies as Inter corporate Deposit bearing interest on call basis. The company further raising resources by disposing off its underperforming / non-productive manufacturing assets.

In addition, to expand and its activities, the Board of Directors of the company has decided to raise further Rs. 100 crores in by various ways including debt, equity thru preferential route etc. or any other method as may be suggested by the Financial Advisors of the company, subject to the necessary approvals by the regulators and shareholders.

The Company has a proper and adequate system of internal control to ensure that all activities are monitored and controlled against any unauthorized use or disposition of assets and that the transactions are authorized, recorded and reported correctly.

Legal Compliances & Branding

The company is legally compliant and taken all the necessary steps to protect its brand image at all levels.

Challenges, Risk & Concern

Risks related to this business are:

- Competition from online and off line market

- Non performance of the Network partner
- High Media Cost
- Raising financial resources for the project

The company however, shall be taking due steps in order to expand and protect its business through the legal framework available in the country and evolving, designing and executing more robust strategies.

5. BORAD OF DIRECTORS:

Mr. K. C Sacheti is proposed to be appointed as Independent Directors for the next five years at the ensuing Annual General Meeting. He was appointed as Additional Director during the year.

Mr. Sanjeev Chhajed and Mr. Nilesh Bhandari, who both are Independent Directors of the company, are proposed to be appointed as Independent Director for the term of five years.

Mr. V.K. Jain resigned as an Independent Director of the company and his resignation was accepted by the Board on 28th May, 2014. The Board places on record appreciation for his contribution towards the growth of the company during his tenure as an Independent Director.

6. DEPOSITS:

The Company has not accepted any deposits from the public under the provisions of Section 58-A of the Companies Act, 1956.

7. AUDITORS' REPORT:

There is no qualification by the Independent Auditors. However, qualifications in Quarterly Review Reports by the Auditors were disclosed and dealt with in the manner required by them and therefore do not call for any comments.

8. LISTING:

The Shares of the Company will continue to be listed on the Bombay Stock Exchange (the BSE Ltd.) situated at Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai – 400 001.

9. CORPORATE GOVERNANCE:

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, Corporate Governance Report regarding Compliance of Conditions of Corporate Governance is made a part of the Annual Report and annexed herewith.

10. INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956:

The information as required under Section 217(2A) of the Companies Act, read with Companies (particulars of employees) Rules, 1975 (as amended) is not applicable to the Company as Company has not employed any employees who was receiving remuneration of Rs.60,00,000/- p.a. or Rs. 5,00,000/- p.m. if employed part of the year.

11. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

As the company remained out of operations for its own production and its plant was operated by third party on job work basis, the information required under section 217(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars) in the Report of the Board of Directors Rules, 1988 is not applicable hence not provided.

12. AUDITORS:

M/s. Jhawar Mantri & Associates, Chartered Accountants, bearing Firm Registration No. 113221W retire as Auditors of the Company and being eligible, offer themselves for re-appointment.

13. ENVIRONMENT AND SOCIAL OBLIGATIONS:

The Company's plant is managed by 3rd party – Job worker and therefore, this is not applicable to the company.

14. ACKNOWLEDGEMENTS:

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all level. Our growth was made possible by their hard work, solidarity, cooperation and hard support.

15. CAUTIONARY STATEMENT:

Statement in this report, particularly those which relate to Management Discussion and Analysis, describing company's objectives, projections, estimates and expectations may constitute forward looking statement within the meaning of applicable laws and regulations and actual results might differ.

On Behalf of Board of Directors

MUMBAI.
DATED : 21st July, 2014

Pradeep Malu
Managing Director

Annexure to the Directors' Report

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO :

- (a) Consumption of Energy : Not Applicable
We consume only Electricity for maintaining office and our systems.
- (b) Technology Absorption, Research & Development (R&D) :
- (i) Technology imported and absorbed. : We build process of consuming technology internally and also by the common people of India. Most the technology is outsourced and also available thru open source. Technology is more towards building eCommerce platform and back end process.
- (ii) Expenditure on R&D : Nil (Previous year Nil)
- (c) Foreign exchange earnings and outgo
- (i) Foreign exchange earnings : Nil (Previous year Nil)
- (ii) Foreign exchange outgo : Nil (Previous year Nil)

CORPORATE GOVERNANCE

Corporate Governance is about commitment to values, ethical business conduct and how an organization is managed. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders.

Corporate Governance is primarily the responsibility of the Board as a group. The Board performs its duties with the support of managerial staff and Committees. Timely and accurate disclosure of information regarding the financial situation, performance, ownership, compliances with laws and governance of the Company is an important part of corporate governance. This improves public understanding of the structure, activities and policies of the organization. Consequently, the organisation is able to enhance the trust and confidence of the stakeholders.

The Company is committed to sound principles of Corporate Governance with respect to all its procedures, policies, disclosures and practices. Comprehensive disclosures, structured accountability in exercise of powers, adhering to best practices and commitment to compliance with regulations and statutes have enabled the Company to enhance shareholder value.

To succeed, we believe, requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. Our Corporate Governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate Governance standards should go beyond the law;
- To ensure the fullest commitment of the Management and the Board for the maximisation of shareholder value;
- To ensure that adequate control systems exist to enable the Board in effectively discharging its responsibilities to all the stakeholders of the Company;
- To ensure that the decision making process is fair and transparent, maintaining high degree of disclosure levels;

1. BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business.

The company's Board presently consists of a majority of non-executive / independent Directors, many of whom are acknowledged as professionals in their respective fields. The Board comprises of one (1) Executive Director and three (3) Independent Directors. The detailed profiles of the members of the Board of Directors are provided else where in this report.

The composition of Board is as given below:

Name	Executive/ Non Executive/ Independent	Date of Joining	Directorship in other Companies	Membership of Committees of the Company
Pradeep Malu	Executive	26/6/1986	6	3
Nilesh Bhandari	Independent	13/01/2005	-	4
Sanjeev Chhajed	Independent	13/01/2005	-	2
Vijendra Kumar Jain*	Independent	10/12/2012		1
K C Sacheti	Independent	31/01/2014	2	1

*Resigned on 27th May 2014.

2. APPOINTMENT, TENURE AND TRAINING OF DIRECTORS

The Directors of the Company are appointed by Members at the General Meetings. In accordance with the Articles of Association of the Company, Directors who are liable to retire by rotation, except the Managing Director, step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election. The Managing Director of the Company is appointed for a term of five years as per the requirement of the statute. The Executive Directors on the Board serve in accordance with the terms of their contract of service with the Company.

Upon appointment, Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal induction programme. The new Directors, both Executive and Non-Executive, are given briefing on their legal and regulatory responsibilities as Directors and the Chief Executive Officer provides a briefing on Company's current structure and performance of business. The induction for Non-Executive Independent Directors include interactive sessions with Management Committee Members, Business and Functional Heads, visit to market / plant, etc. The induction process for Directors is designed to:

- build an understanding of the Company, its businesses and the markets and regulatory environments in which it operates;
- provide an appreciation of their roles and responsibilities;
- fully equip them to perform their roles on the Board effectively;
- build links to Company's people and build an understanding of Company's key relationships.

Strategy Board meetings are held where Business and Functional Heads share with the Board their short term and long term plans, major activities, likely risks and challenges with actions to mitigate them in their respective areas. The Board's suggestions and comments are incorporated in the business plans of the Company.

3. BOARD EVALUATION

The Board of Directors has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis.

4. ATTENDANCE OF DIRECTORS AT BOARD MEETING AND ANNUAL GENERAL MEETING

The Board meets at regular intervals to discuss and decide on Company / business policy, performance and strategy apart from other Board business. The Board / Committee Meetings are pre-scheduled and a tentative annual calendar of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The notice of Board meeting is given well in advance to all the Directors. Usually, meetings of the Board are held in Mumbai. The Agenda of the meeting is circulated a week prior to the date of the meeting. The Agenda for the Board and Committee meetings includes detailed notes on the items to be discussed at the meeting to enable the Directors to take an informed decision. Directors also can participate in the Board or committee meetings thru video conference.

The Board of the Company met Seven times during the last financial year, on the dates 31/05/2013, 29/06/2013, 31/07/2013, 05/08/2013, 21/09/2013, 15/11/2013 & 31/01/2014.

The attendance at the Board Meetings and Annual General Meeting were as under:

Name of Director	Number of Board Meeting during the year 2013-14		Whether attended last AGM & EGM
	Held	Attended	
Mr. Pradeep Malu	7	7	Yes
Mr. Nilesh Bhandari	7	7	No
Mr. Sanjeev Chhajer	7	7	Yes
Mr. Vijendrakumar Jain*	7	4	No
Mr. K C Sacheti**	-	-	No

* Resigned as the Director w.e.f. 27th May 2014

**Appointed as the Director w.e.f. 31st January 2014

5. INDEPENDENT DIRECTORS' MEETINGS

The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives. They also have a separate meeting with the Non-Executive Chairman, without any of the Executive Directors being present, to discuss issues and concerns, if any. This is being made effective from FY 2014-15.

In addition to the formal meetings, interactions outside the Board meetings also take place between the Chairman and Independent Directors.

6. REMUNERATION OF DIRECTORS

Details of remuneration paid to the Chairman and Managing Director during the year ended 31.03.2014 is as follows.

Name	Salary	Commission	Contribution to Provident Fund and other funds	Perquisites	Total
Mr. Pradeep Malu	9,00,000	Nil	Nil	Nil	9,00,000

7. AUDIT COMMITTEE

The Company's Audit Committee comprises of two independent directors and one Managing Director - Mr. Sanjeev Chhajed and Mr. Nilesh Bhandari, both Independent Directors and Mr. Pradeep Malu, Managing Director. The Audit Committee is headed by Mr. Sanjeev Chhajed. The members of the Committee have relevant experience in financial matters. The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- recommending the appointment and removal of external auditors, fixation of audit fee and approval for payment of any other services;
- reviewing with management the quarterly and annual financial results before submission to the Board;
- reviewing with management the annual financial statements of the subsidiary companies;
- reviewing the adequacy of internal control systems with the management, external auditors and internal auditor;
- reviewing the adequacy of internal audit function;
- discussing with internal auditor any significant findings and reviewing the progress of corrective actions on such issues;
- reviewing the findings of any internal investigations by the internal auditor in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and then reporting such matters to the Board;
- discussing with external auditors, before the audit commences, the nature and scope of audit as well as having post-audit discussions to ascertain areas of concern, if any

The Audit Committee also meets with the Internal and External Auditors separately, without the presence of the Management representative.

The Audit committee met five times during the year on 31/05/2013, 29/06/2013, 31/07/2013, 15/11/2013, & 31/01/2014.

8. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Independent Directors Mr. Nilesh Bhandari, Mr. Kushal C. Sacheti and Mr. Sanjeev Chhajed as members of the Committee

The role of Nomination and Remuneration Committee is as follows:

- determining / recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- determining / recommending the criteria for qualifications, positive attributes and independence of Directors;
- identifying candidates who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal;
- reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, pension, etc.;
- reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria;
- determining policy on service contracts, notice period, severance fees for Directors and Senior Management;
- evaluating performance of each Director and performance of the Board as a whole;

The Nomination and Remuneration Committee has just been constituted in the Board Meeting held on 28th May, 2014.

9. STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee comprises Mr. Pradeep Malu, Managing director and Mr. Nilesh Bhandari, Independent director as members of the Committee.

The role of Stakeholders' Relationship Committee is as follows:

- considering and resolving the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc.;
- ensuring expeditious share transfer process in line with the proceedings of the Share Transfer Committee;
- evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company;
- providing guidance and making recommendations to improve service levels for the investors.

The Stakeholder Relationship Committee has just been constituted in the Board Meeting held on 28th May, 2014.

10. SHARE TRANSFER / TRANSMISSION COMMITTEE

The Shareholders/Investors Grievance Committee has been renamed as Share Transfer / Transmission Committee to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures. The Committee comprises of Mr. Pradeep Malu, Managing director and Mr. Nilesh Bhandari, Independent director of the Board. The Committee inter alia considers applications for transfer, transmission, split, consolidation of share certificates and cancellation of any share certificate in compliance with the provisions in this regard. The Committee is authorised to sign, seal or issue any new share certificate as a result of transfer, consolidation, splitting or in lieu of share certificates lost, defaced or destroyed. The Committee meets at regular intervals to approve the share transfers and other related matters.

During the financial year ended 31st March, 2014, NIL complaints were received from the shareholders.

The Share Transfer/ Transmission Committee met three times during the financial year ended 31st March 2014 on 07/06/2013, 30/08/2013, 01/11/2013.

11. COMPANY POLICIES

Code of Business Principles

The Code of Business Principles (CoBP) is the Company's statement of values and represents the standard of conduct which all employees are expected to observe in their business endeavors. It forms the benchmark against which the world at large is invited to judge the Company's activities. The Code reflects the Company's commitment to principles of integrity, transparency and fairness. The copy of the Code of Business Principles is available on the website of the Company. www.istreetnetwork.com

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The Code of Business Principles of the Company, among other things, sets out the rules for dealing with conflict of interest situations. The proposal for appointment of any Senior Management Personnel of the Company to serve as Director, Supervisory Director, Trustee, etc. on outside Board, whether for commercial ventures or for non-profit making bodies, is subject to prior internal approvals.

The Management Committee and Business / Unit Heads is responsible for ensuring that the Code is understood and implemented throughout the Company. The Code is also applicable to everyone with whom the Company is associated. The complaints, issues and concerns received under the CoBP framework are duly investigated and reviewed by the CoBP Committee(s). Appropriate actions are taken after completion of investigation. The Company periodically cascades the principles embodied under CoBP across the organisation.

Preventing Conflict of Interest

The Board of Directors is responsible for ensuring that rules are in place to avoid conflict of interest by the Board members. The Board has adopted the Code of Conduct for the members of the Board and Senior Management Team. The Code provides that the Directors are required to avoid any interest in contracts entered into by the Company. If such an interest exists, the Directors are required to make disclosure to the Board and to abstain from discussion, voting or otherwise influencing the decision on any matter in which the concerned Director has or may have such interest. The members of the Board and the Management Committee annually confirm the compliance of the Code of Conduct to the Board. The Code of Conduct is in addition to the Code of Business Principles of the Company. A copy of the said Code of Conduct is available on the website of the Company www.istreetnetwork.com. In addition, members of the Board also submit, on an annual basis, the details of individuals to whom they are related and entities in which they hold interest and such disclosures are placed before the Board. Transactions with any of the entities referred above are placed before the Board for approval. Details of all related party transactions are placed before the Audit Committee on an annual basis.

Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide appropriate avenues to the employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The Company has provided e-mail addresses info@istreetnetwork.com for reporting such concerns. Alternatively, employees can also send written communications to the Company. The employees are encouraged to raise any of their concerns by way of whistle blowing and none of the employees have been denied access to the Audit Committee. Mr. Pradeep Malu, Managing Director is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy. All cases registered under the Code of Business Principles and the Whistle Blower Policy of the Company are reported to the Audit Committee. The Whistle Blower Policy is available on the website of the Company www.istreetnetwork.com.

Share Dealing Code

In accordance with the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has established systems and procedures to restrict insider trading activity and has framed a Share Dealing Code. The Share Dealing Code of the Company is an important governance code to prevent any insider trading activity by dealing in shares of the Company. The Code restricts the Directors of the Company and other specified employees to deal in securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company.

The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors and employees. The code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violation. A copy of the Share Dealing Code of the Company is made available to all employees of the Company and compliance of the same is ensured. The Share Dealing Code is available on the website of the Company www.istreetnetwork.com

12. AFFIRMATION AND DISCLOSURE

All the members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on 31st March, 2014 and a declaration to that effect, signed by the Managing Director is attached and forms part of this Report. There were no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors for the financial year ended 31st March, 2014 that may have a

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potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in this Annual Report and they are not in conflict with the interest of the Company at large.

12. GENERAL BODY MEETINGS

The location and time of the Annual General Meeting held during the last 3 years is as follows :

General Body Meetings	Date	Time	Venue	Special Resolution
24 th AGM	30 th Sept, 2011	10.00 A.M.	513, Palmspring, Link Road, Malad (W), Mumbai - 400 064	-
25 th AGM	30 th July, 2012	10.00 A.M.	513, Palmspring, Link Road, Malad (W), Mumbai - 400 064	-
EGM	25 th March, 2013	10.00 A.M.	513, Palmspring, Link Road, Malad (W), Mumbai - 400 064	For change in company name
26 th AGM	5 th Aug, 2013	10.00 A.M.	513, Palmspring, Link Road, Malad (W), Mumbai - 400 064	For appointment of Managing Director – Mr. Pradeep Malu

14. MEANS OF COMMUNICATION

The annual, half-yearly and quarterly results are regularly submitted to the Stock Exchange in accordance with the listing Agreement and published on the website of the company.

15. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

- Date & Time 27th August, 2014 at 11.00 A.M.
- Venue 513, Palmspring, Link Road Malad West, Mumbai-400 064

b) Financial Calendar

- Financial Reporting for
- Quarter ending June 30, 2014 End of July 2014
 - Half year ending September 30, 2014 End of October 2014
 - For the quarter ending December 31, 2014 End of January 2015
 - For the year ending March 31, 2015 May/June 2015
- Annual General Meeting for the year ending March 31st 2015 August/September 2015

c) Date of book closure

19th August, 2014 to
27th August, 2014

d) Registered office

513, Palmspring, Link Road
Malad (W), Mumbai-400 064.

e) Listing of Equity Shares on Stock Exchanges

BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001.

f) Stock Exchange Code

Code 524622

The Company has paid Annual Listing Fees to The Stock Exchange up to the financial year 2014-15.

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- g) Market Price data, high, low during each month in the last financial year and Performance in comparison to broad-based indices such as BSE Sensex is as under:

Month	High	Low	Volume
April 2013	3.31	2.88	1798
May 2013	3.30	3.30	1
June, 2013	No Data	No Data	No Data
July 2013	3.79	3.28	4636
August 2013	3.43	2.72	9725
September 2013	2.59	2.20	4193
October 2013	2.14	1.68	15139
November 2013	1.75	1.60	4448
December 2013	1.86	1.40	11419
January 2014	2.58	1.85	11625
February 2014	4.99	2.70	9546
March 2014	6.32	5.23	15643

- h) Distribution of shareholding as 31st March 2014:

Slab of shareholdings	No of Shareholders	Percentage	Amount in Rs	Percentage
0-500	8045	86.73	7768832	9.77
501-1000	787	8.48	2502828	3.15
1001-2000	253	2.73	1536532	1.93
2001-3000	78	0.84	794364	1.00
3001-4000	25	0.27	354724	0.45
4001-5000	30	0.32	561976	0.71
5001-10000	36	0.39	1057896	1.33
10001 & Above	22	0.24	64922848	81.66
TOTAL	9276	100.00	79500000	100.00

- i) According to categories of shareholders as on 31st March, 2014:

Sr. No.	Categories	No of Shares	Percentage
1.	Resident Individuals	3743123	18.83
2.	Non Resident Individuals	204889	1.03
3.	Corporate Bodies – Promoter	7075525	35.60
4.	Corporate Bodies	4047037	20.36
5.	Director – Promoter	4533475	22.81
6.	Directors Relative – Promoter	268100	1.35
7.	Clearing Member	226	0.00
8.	Corporate Body – Broker	2625	0.01
	Total	19875000	100.00

- j) Details of Shares held by Directors as on 31st March 2014:

Name of Directors	No. of Equity Shares Held
Pradeep Malu	4533475
Nilesh Bhandari	NIL
Sanjeev Chhajed	NIL
Vijendra Kumar Jain*	NIL
K C Sacheti	NIL

*Resigned wef 27th May, 2014

k) Performance of the share price of the Company in comparison to the BSE Sensex

The Share Price of the Company in comparison to the BSE Sensex is negligible as the Company Shares had not been frequently traded during the year. Thus, the graph indicating the comparison has not been provided.

l) Statement Showing Shareholding Pattern As on 31st March, 2014:

Category code	Category of Shareholder	No. of Shareholders	Table (I)(a)		Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
			Total number of shares	No. of shares held in dematerialized form	As a percentage of (A+B)1	As a percentage of (A+B+C)	No. of shares	As a percentage
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VIII)/(IV)*100
(A)	Shareholding of Promoter and Promoter Group2							
1	Indian							
(a)	Individuals/ HUF	0	0	0	0.00	0.00	0	0.00
(b)	Central Govt./ State Govt.(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	1	7075525	7075525	35.60	35.60	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)							
(e-i)	Directors Relatives	4	268100	268100	1.35	1.35	0	0.00
(e-ii)	Directors	1	4533475	4533475	22.81	22.81	0	0.00
	Sub Total (A)(1)	6	11877100	11877100	59.76	59.76	0	0.00
2	Foreign							
A	Individuals (NRI/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
B	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
C	Institutions	0	0	0	0.00	0.00	0	0.00
D	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
E	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	Sub Total (A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	6	11877100	11877100	59.76	59.76	0	0.00
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00

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(i)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	Sub-Total (B)(1)	0	0	0	0.00	0.00	0	0.00
	B 2 Non-institutions							
(a)	Bodies Corporate	107	4049662	4034962	20.38	20.38	0	0.00
(b)	Individuals							
I	Ind-Hold nominal share capital upto Rs.1L	8865	3498158	2191458	17.60	17.60	0	0.00
II	Ind-Hold nominal shr capital in excess of Rs.1L	4	244965	244965	1.23	1.23	0	0.00
(c)	Qualified Foreign Investor	0	0	0	0.00	0.00	0	0.00
(d)	Any Other (specify)							
(d-i)	Clearing member	3	226	226	0.00	0.00	0	0.00
(d-ii)	NRIs	291	204889	47689	1.03	1.03	0	0.00
	Sub-Total (B)(2)	9270	7997900	6519300	40.24	40.24	0	0.00
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	9270	7997900	6519300	40.24	40.24	0	0.00
	TOTAL (A)+(B)	9276	19875000	18396400	100.00	100.00	0	0.00
	(C) Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
2	Public -	0	0	0	0.00	0.00	0	0.00
	Sub-Total (C)	0	0	0	0.00	0.00	0	0.00
	GRAND TOTAL (A)+(B)+(C)	9276	19875000	18396400	100.00	100.00	0	0.00

m) **Dematerialization of shares and liquidity:**

As on 31st March, 2014, 92.56% of the total equity share capital of the Company is held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share as the trading in equity shares of the Company is permitted only in dematerialized form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Share Registrars and Transfer Agents for assistance in this regard.

n) **Outstanding GDRs / ADRs / Warrants / Convertible instruments and their impact on equity:**

The Company does not have any outstanding GDRs / ADRs / warrants / convertible instruments as on 31st March 2014.

o) **Plant Location**

325/1 & 2, G.I.D.C., Panoli, Ankleshwar - 394 115

Post Balance Sheet Event:

Various assets situated at the plant 325/1 & 2, G.I.D.C., Panoli, Ankleshwar - 394 115 have been disposed off as on the date of signing this report. It has been done as per the approval of the Members in Extra Ordinary General Meeting held on 25th March, 2013. Documentation for the same is under process.

p) **Registrar and Transfer Agent :**

The company has appointed Registrar and Transfer Agent to handle the share transfer work and to solve the complaints of shareholders.

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Members holding shares in physical form are requested to advise any change of address immediately to the Company's Share Registrars and Transfer Agents. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Share Registrars and Transfer Agents (RTA). RTA has initiated a process of 'Know your Shareholder' and compiling all the critical information of our shareholders. You must have received a communication to that effect from them. Kindly respond to the same directly to RTA as per the address given below.

Name, Address and telephone number of Registrar and Transfer Agent is given hereunder:

Adroit Corporate Services Pvt. Ltd.
19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road,
Marol Naka, Mumbai 400 059
Tel No: 2859 0942 / 2859 4060 / 2859 6060
Email : adroits@vsnl.net

q) **Investor Correspondence Address :**

iStreet Network Limited
(Old Name - Principal Pharmaceuticals & Chemicals Ltd.)
513, Palm Spring, Link Road
Malad west, Mumbai-400 064.
Tel No. 022 4257 6767
Email : principal@vsnl.com ; info@istreetnetwork.com

r) **Green Initiative:**

In connection with the Green Initiative in Corporate Governance taken by the Ministry of Corporate Affairs(MCA), Govt. of India vide Circular No. 17/2011 dated 21st April, 2011, and Circular No. 18/2011 dated 29.04.2011, it had allowed paperless compliances by the companies. It had permitted companies to issue Annual Report and other documents by email to the shareholders. The Listing Agreement with the Stock Exchanges, amended recently, now requires a company to send soft copies of the report and Accounts to the members who register their email addresses with the Company.

We request you to join us in this noble initiative and look forward to your consent to receive the Annual Report from now onwards in electronic form. Please complete a tear off portion appended here in after and return the same to our Registrar & Transfer Agent in the postage paid envelope enclosed herewith.

Please note that the Annual Report will also be available on the Company's website under link Annual Report, for your ready reference. The shareholders of the Company are entitled to request and receive a printed copy of the Annual Report of the Company.

We request you to register your email Id and opt for receiving Annual Report in electronic Form.

GREEN INITIATIVE IN CORPORATE GOVERNANCE – ANNUAL REPORT IN ELECTRONIC FORM

Dear Shareholder,

In connection with the Green Initiative in Corporate Governance taken by the Ministry of Corporate Affairs(MCA), Govt. of India vide Circular No. 17/2011 dated 21st April, 2011, and Circular No. 18/2011 dated 29th April, 2011, it had allowed paperless compliances by the companies.

It had permitted companies to issue Annual Report and other documents by email to the shareholders. The Listing Agreement with the Stock Exchanges, amended recently, now requires a company to send soft copies of the report and Accounts to the members who register their email addresses with the Company.

In its constant endeavor the company proposes to enhance sustainability to the environment and cutting down on consumption of paper, proposes to given an option to the shareholders to receive Annual Report in electronic Form at their email address registered with their respective Depository Participant (DP)accounts(in the records of the Depositories, viz. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). Shareholders holding shares in physical form will receive the Annual Report at their email address registered with/ provided to the Company's Registrar & Transfer Agents (RTA).

We request you to join us in this noble initiative and look forward to your consent to receive the Annual Report from now onwards in electronic form. Please complete a tear off portion appended below and return the same to our Registrar & Transfer Agent in the postage paid envelope enclosed herewith.

Please note that the Annual Report will also be available on the Company's website www.istreetnetwork.com under link Annual Report, for your ready reference. The shareholders of the Company are entitled to request and receive a printed copy of the Annual Report of the Company.

We are sure that you would appreciate the GREEN INITIATIVE taken by the Company and opt for receiving Annual Report in electronic Form.

Thanking You
For **iStreet Network Limited**

Managing Director

To,
Adroit Corporate Services Pvt. Ltd.,
19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road,
Marol Naka, Mumbai 400 059

Re: Consent of shareholders to receive Annual Report in Electronic Form

Dear Sir,
I give my consent to receive the Annual Report in the electronic Form at my following e-mail address.

Name of the Shareholder	
Folio No./ DP.ID & Client ID:	
Email ID	
Phone Number	

Thanking You.

Signature of the first named shareholder

MANAGING DIRECTOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

**The Board of Directors
iStreet Network Limited
(Old Name - Principal Pharmaceuticals & Chemicals Ltd.)
513, Palm Spring, Link Road
Malad West, Mumbai-400 064**

On the basis of the review of the financial statements and the cash flow statement for the financial year ended 31st March 2014 and to the best of my knowledge and belief I hereby certify that:

- (a) I, the undersigned, in my capacity as Managing Director of iStreet Network Limited ('the Company), to the best of my knowledge and belief certify that:
 - (i) these results and statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) these results and statements together present a true and a fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) there are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) I hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (d) I accept responsibility for establishing and maintaining internal control systems of the Company and we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
- (e) I have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) to the best of my knowledge and belief, there are no instances of fraud involving either the Management or employee having a significant role in the Company's internal control system over financial reporting

**Place: Mumbai
Date: 28.05.2014**

**Pradeep Malu
Managing Director**

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of,
iStreet Network Ltd.
(Old Name - Principal Pharmaceuticals & Chemicals Ltd.)
Mumbai

We have examined the compliance of conditions of corporate governance by M/s. iStreet Network Ltd. (Old Name - Principal Pharmaceuticals & Chemicals Ltd.) for the year ended 31st March 2014, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Jhawar Mantri & Associates
Chartered Accountants
(Firm Registration No. 113221W)

B.P. Mantri (M. No. 45701)
Partner
Mumbai
Date: 28.05.2014

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
iStreet Network Limited

Report on the Financial Statements

We have audited the accompanying financial statements of iStreet Network Limited ('the Company') which comprises the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under 'the Companies Act, 1956' of India (the "Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, (hereinafter referred as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order

2. As required by section 227(3) of the Act, we report that:
- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) in our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the Balance Sheet and Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated September 13,2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representations received from the directors as on 31 March, 2014, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For Jhavar Mantri & Associates
Chartered Accountants
(Firm Registration No. 113221W)

B.P. Mantri (M. No. 45701)
Partner

Place : Mumbai
Date: 28.05.2014

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph (1) under the heading of "Report on other Legal and Regulatory Requirements" of our Report of even date.

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) Fixed Assets of the company have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
(c) During the year, the company has not disposed off any part of the Fixed Assets.
2. (a) As explained to us, inventories except stock in transit have been physically verified by the management at reasonable intervals.
(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
(c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories. No material discrepancies were noted on verification, between physical stocks and book records.
3. (a) The company has not granted any loans, secured or unsecured to the companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) In our opinion and according to the information and explanations given to us, since there are no loans given by the company to parties listed in the register maintained under section 301 of the Companies Act, 1956 hence question of whether the rate of Interest and other terms and conditions on which loans has been given are not *prima facie*, prejudicial to the interest of the company does not arise.
(c) Since there are no such loans, question of regular in repaying the principal or interest amounts as stipulated does not arise.
(d) There is no overdue amount of loans taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act. 1956.
(e) The company has not taken any loan from parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirement of clause (iii) (f) and (iii) (g) of paragraph 4 of the order are not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered into register in pursuance of Section 301 of the Companies Act, 1956 exceeding the value of rupees five lakhs in respect of any party during the year have been made at price which are *prima facie* reasonable having regard to prevailing market prices available at the relevant time except in case of certain transactions of purchase for which alternate quotations are not always available.
6. In our opinion and according to the information and explanations given to us, the company has not accepted deposit from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under
7. In our opinion, the company has an internal audit system commensurate with its size and nature of its business.

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8. Products manufactured by the company for 3rd party are not covered by the order issued under section 209(1)(d) prescribed by the Central Government and therefore the company has not made and maintained such accounts and records.
9. The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Employees provident fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other statutory dues applicable to it except Service Tax where some delays are observed in payment, however there are no outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
10. The company have accumulated losses at the end of the financial year which are not less than fifty percent of its net worth. The company has not incurred cash losses during the financial year and in the financial year immediately preceding the current financial year.
11. There are no dues payable by the company to any bank and financial institution; hence this clause is not applicable.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
13. In our opinion, the company is not a chit fund or a *nidhil* mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The company has maintained the proper records of the transactions of investment in shares, securities, debentures and other investment and timely entries have been made also the shares and securities have been held by the Companies in its own name.
15. In our opinion and according to the information and explanation given to us, the company has not given guarantees for loans taken by others. Therefore, the provisions of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
16. In our opinion and according to the information and explanation given to us the company has not taken terms loans. Therefore, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
17. The company has not raised any funds short term or long term during the year. Therefore, the provisions of clause 4 (xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
19. According to the information and explanations given to us, during the period covered by our audit report, the company had not issued debentures. Therefore, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
20. During the year the company has not raised money by way of public issue. Therefore, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For Jhavar Mantri & Associates
Chartered Accountants
(Firm Registration No. 113221W)

B.P. Mantri (M. No. 45701)
Partner
Place : Mumbai
Date: 28.05.2014

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BALANCE SHEET AS AT 31st MARCH, 2014

	Note No.	As At 31.03.2014 Rs	As At 31.03.2013 Rs
I) <u>EQUITY AND LIABILITIES</u>			
(1) <u>Shareholders Funds</u>			
(a) Share Capital	3	79,500,000	79,500,000
(b) Reserves and Surplus	4	(32,861,045)	(32,216,773)
Total Shareholder Funds		46,638,955	47,283,227
(2) <u>Current Liabilities</u>			
(a) Trade Payables	5	144,865	17,105
(b) Other Current Liabilities	6	4,836,956	3,020,501
Total Current Liabilities		4,981,821	3,037,606
Total		51,620,776	50,320,833
II) <u>ASSETS</u>			
(1) <u>Non-Current Assets</u>			
a) Fixed Assets			
(i) Tangible Assets	7.1	8,209,285	9,045,626
(ii) Intangible Assets	7.2	3,736,242	
(b) Non-Current Investments	8	119,200	119,200
(c) Long-Term Loans and Advances	9	202,038	202,038
Total Non-Current Assets		12,266,765	9,366,864
(2) <u>Current Assets</u>			
(a) Trade Receivables	10	15,439	24,141
(b) Cash and Bank Balances	11	247,352	117,182
(c) Short-Term Loans and Advances	12	15,351,037	20,321,646
(d) Other Current Assets	13	23,740,183	20,491,000
Total Current Assets		39,354,011	40,953,969
Total		51,620,776	50,320,833

Notes to the financial statements are integral part of this Balance Sheet

As per our report of even date
For Jhwar Mantri & Associates
Firm Registration No. 113221W
Chartered Accountants

For iStreet Network Limited

B.P. Mantri
Partner
Membership No. 045701

Pradeep Malu
Managing Director

Sanjeev Chhajed
Director

Place : Mumbai
Dated : 28.05.2014

Place : Mumbai
Dated : 28.05.2014

**iStreet Network Ltd.
Annual Report 2013-14**

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2014

<u>Particulars</u>	<u>Note No.</u>	<u>Year Ended 31.03.2014 Rs</u>	<u>Year Ended 31.03.2013 Rs</u>
<u>INCOME</u>			
I. Revenue from operations	14	5,849,352	3,442,307
II. Other Income	15	1,563,503	1,728,026
Total		7,412,855	5,170,333
<u>EXPENSES</u>			
Purchase of Stock in trade		3,793,277	1,067,094
Employee benefit expense	16	705,774	675,000
Depreciation and amortization expenses	7.1	836,341	1,116,222
Other Expenses	17	1,074,451	834,187
Total		6,409,843	3,692,503
IV. Profit before exceptional and extraordinary item and tax		1,003,012	1,477,831
V. Exceptional Items	18	1,647,284	-
VI. Profit before extraordinary items and tax (IV-V)		(644,272)	1,477,831
VII. Extraordinary Items (Net of Income)		-	-
VIII. Profit / (Loss) Before Tax (VI-VII)		(644,272)	1,477,831
IX. Tax expenses:		-	-
X. Profit/(Loss) for the period (VIII-IX)		(644,272)	1,477,831
Profit carried to Balance Sheet		(644,272)	1,477,831
No. of Equity Shares (*On weighted average basis)		19,875,000	147,45,663*
EPS - Basic & Diluted	25		
-Before Exceptional Items		0.05	0.10
-After Exceptional Items		(0.03)	0.10

Notes to the financial statements are integral part of this Statement of Profit and Loss.

As per our report of even date
For Jhavar Mantri & Associates
Firm Registration No. 113221W
Chartered Accountants

For iStreet Network Limited

B.P. Mantri
Partner
Membership No. 045701

Pradeep Malu
Managing Director

Sanjeev Chhajed
Director

Place : Mumbai
Dated : 28.05.2014

Place : Mumbai
Dated : 28.05.2014

**iStreet Network Ltd.
Annual Report 2013-14**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH,2014

<u>Particulars</u>	<u>Year Ended 31.03.2014</u> Rs	<u>Year Ended 31.03.2013</u> Rs
A. <u>CASH FLOW FROM OPERATING ACTIVITIES:</u>		
Net Profit/(Loss) before tax as per Statement of Profit and Loss	(644,272)	1,477,831
Adjustments for :		
1. Depreciation	836,341	1,116,222
2. Interest/Dividend/other Income	(1,538,995)	(1,688,800)
 Operating Profit/(Loss) before working capital changes	 (1,346,926)	 905,253
Adjustments for :		
1. Trade and other receivables	(3,180,331)	(18,734,849)
2. Inventories	-	-
3. Trade and other payables	1,944,215	2,270,574
 Cash used/generated in/ from operating activities	 (2,583,041)	 (15,559,022)
Income Tax , FBT	-	-
Net cash used in /generated from operating activities	(2,583,041)	(15,559,022)
 B. <u>CASH FLOW FROM INVESTING ACTIVITIES:</u>		
Purchase of Fixed Assets Inclusive of Capital WIP	(3,736,243)	-
Short Term Loans and Advances	4,970,609	(20,135,233)
Dividend/Rent/other Received	1,538,995	1,688,800
Net cash from Investing activities	2,773,361	(18,446,433)
 C. <u>CASH FLOW FROM FINANCING ACTIVITIES:</u>		
Proceeds from Issue of share capital	-	36,004,000
Repayment of Borrowing (Net of Restructured liabilities)	-	(2,733,160)
Net Cash used in Financing activities	-	33,270,840
 Net Increase in Cash and Cash equivalents	 190,320	 (734,615)
 Cash and cash equivalents as at (Opening Balance)	 57,032	 791,647
Cash and cash equivalents as at (Closing Balance)	247,352	57,032

As Per Our Report Of Even Date Attached

For Jhawar Mantri & Associates
Firm Registration No. 113221W
Chartered Accountants

For iStreet Network Limited

B. P. Mantri
Partner
Membership No. 045701

Pradeep Malu
Managing Director

Sanjeev Chhajer
Director

Place : Mumbai
Dated : 28.05.2014

Place : Mumbai
Dated : 28.05.2014

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH,2014

1. iStreet Network Ltd. (Old Name - Principal Pharmaceuticals and Chemicals Ltd) is a public limited company and listed on BSE stock Exchange. The company is an Internet & Retail Catalogue company and sells products of various brands through online platforms and network stores. The company also has a manufacturing facility at Panoli, Ankleshwar and the same is operated on job work basis. However, company has decided to dispose off these assets it has been turned junk/scrap.

2. **Significant Accounting Policies**

(a) Basis of Preparation of Financial Statement

The financial statements are prepared on under historical cost convention on an accrual basis and in accordance with the requirements of the Companies Act, 1956 and comply with the Accounting Standard issued by the Institute of Chartered Accountants of India to the extent applicable. For recognition of Income and Expenses, mercantile system of accounting is followed.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made, that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting year. Differences between actual results and estimates are recognized in the year in which the results are known /materialize.

(c) Fixed Assets

- (i) Lease hold land is valued at cost less amount amortized. Cost includes finance costs incurred during the Pre-operative period.
- (ii) Other Tangible Fixed Assets are stated at the cost of acquisition less accumulated depreciation. Cost includes inward freight, duties, finance costs incurred during the Pre-operative period and other expenses incidental to acquisition and installation of assets.
- (iii) Capital work in progress is valued at cost incurred regarding pre-operative/installation period.
- (iv) Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably, in lines with AS -26 issued by the ICAI .

(d) Depreciation and Amortization

- (i) Depreciation on Fixed Assets other than capital work in progress is provided on straight line method at the rates specified in schedule XIV to the Companies Act, 1956 on pro-rata basis with regard to the operational period of the asset.
- (ii) Leasehold land is amortized over the period of lease.
- (iii) Intangible assets having finite useful lives are amortised on a straight-line basis over next 4 years, from the year during which it was incurred.

(e) Inflation

Assets and liabilities are recorded on the basis of "Historical Cost". These costs are not adjusted to reflect the changing value in the purchasing power of the money.

(f) Investments

Long-term investments are stated at cost less provisions, if any, for permanent diminution in value of such investments. Current investments are carried at the lower of cost and fair value.

(g) Inventories

- (i) Raw materials and work-in-progress are valued at cost.
- (ii) Finished Goods are valued at the lower of cost or market value.

(h) Retirement Benefit

Gratuity: Liabilities in respect of gratuity to Employees were covered under the Group Gratuity Scheme of Life Insurance Corporation of India and premium thereof charged to revenue.

(i) Borrowing Cost

Borrowing costs incurred in relation to the acquisition, construction of assets are capitalized as the part of the cost of such assets upto the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which these are incurred.

(j) Revenue Recognition

Sales are stated net of trade discounts, sales return, sales tax and all such sales generating expenses charges by various eCommerce platforms.

(k) Taxes on Income

- (i) Tax expense comprises of Current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.
- (ii) Deferred tax is recognised, subject to consideration of prudence on timing difference, being the difference between the taxable and accounting income/expenditure that originate in one year and are capable of reversal in one or more subsequent year(s). Deferred tax assets are not recognised unless there is virtual certainty that sufficient future taxable income will be available, against which such deferred tax asset will realise.
- (iii) Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Profit and Loss account and shown as MAT Credit Entitlement. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(l) Provisions, Contingent Liabilities And Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement.

(m) Other Accounting Policies

These are consistent with the generally accepted accounting practices in India.

		31.03.2014 Rs	31.03.2013 Rs
3	Share Capital		
	(i) <u>Authorised</u>		
	25,000,000 Equity Shares of Rs.4/- each		
	(Previous Year 25,000,000 Equity Shares of Rs.4/- each)	100,000,000	100,000,000
	(ii) <u>Issued, Subscribed & Fully Paid</u>		
	19,875,000 Equity Shares of Rs.4/- each fully paid up	79,500,000	79,500,000
	(P.Y.19,875,000 Equity Shares of Rs.4/- each fully paid up)	79,500,000	79,500,000

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(iii)	<u>Reconciliation of the number of shares outstanding</u>	No. of shares	No. of shares
	At the beginning of the year	19,875,000	10,874,000
	Add: Shares Issued to promoters and associates as per BIFR Order	-	9,001,000
	At the end of the year	19,875,000	19,875,000

(iv)	<u>Details of Shareholders Holding More Than 5% Shares</u>		
	<u>Name of Shareholder</u>	<u>No. of Shares</u>	<u>%</u>
	Pradeep Malu*	4,533,475	22.81
	Inovent Solutions Ltd [#]	7,075,525	35.60
	Cardioid Plasteel Pvt Ltd [#]	-	-
	Crest Latex Pvt Ltd [#]	-	-
	Devkant Synthetics (I) Pvt. Ltd.	3,916,975	19.71
		15,525,975	78.12
		15,525,975	78.12

* Includes 28,82,500 Equity Shares locked in till 30th March, 2015

Locked in till 30th March, 2015

- (v) The Equity shareholders are entitled to receive dividends as and when declared; a right to vote in proportion to holding etc. and their rights, preferences and restrictions are governed by / in terms of their issue under the provisions of the Companies Act, 1956.

4 Reserves and Surplus

Opening Balance	(32,216,773)	(33,694,604)
Add: Net Profit/(Net Loss) for the current year	(644,272)	1,477,831
Closing Balance	(32,861,045)	(32,216,773)
Total	(32,861,045)	(32,216,773)

5 Trade Payables

Trade Payables	144,865	17,105
	144,865	17,105

The company is in the process of compiling the information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The management does not envisage any material impact on the financials in this regard, which has been relied upon by the Auditors.

6 Other Current Liabilities

(i)	Statutory Dues	61,611	207,193
(ii)	Advance from Customer	-	3,416
(iii)	Outstanding for Expenses	543,011	224,842
(iv)	Security Deposit	-	1,000,000
(v)	Other Payables	4,232,334	1,585,050
		4,836,956	3,020,501

8 Non Current Investment

(Long Term, Other than trade)

	Unquoted, At Cost :		
(i)	<u>Investments in Equity Instruments;</u>		
	Fully Paid		
	1000 Equity Shares of Rs.10/-each fully paid up of The Saraswat Co-op Bank Ltd.	10,000	10,000
	100 Equity Shares of Rs.10/- each fully paid up of The Malad Sahakari Bank Ltd.	1,000	1,000
	560 Equity Shares of Rs.10/- each fully paid up of Bharuch Enviro Infrastrcuture Ltd.	5,600	5,600
	Partly Paid		
	13,600 Equity Shares of Rs.10/- each of Panoli Enviro Technologies Ltd (Refer note 8.1 below)	47,600	47,600
(ii)	<u>Investments in Government or trust securities;</u>		
	National Saving Certificate (Lodged with Department of Prohibition, Gujarat Govt.)	50,000	50,000
	National Saving Certificate (Lodged with Sales Tax Authority, Mumbai)	5,000	5,000
		119,200	119,200
	Aggregate amount of unquoted investments	119,200	119,200

Note 8.1

The Company has not paid and accounted unpaid called amount of Rs. 6.50 per share aggregating to Rs. 88,400/- in respect of investment of 13600 Equity Shares of Rs. 10/- each of Panoli Enviro Technologies Ltd.

9 Long-Term Loans and Advances

Security Deposits	202,038	202,038
	202,038	202,038
	202,038	202,038

10 Trade Receivables

(Unsecured, considered good except stated otherwise)

(i)	Due For a Period Exceeding Six Month	-	-
(ii)	Other Debts	15,439	24,141
		15,439	24,141
		15,439	24,141

11 Cash and Bank Balances

(i)	<u>Cash and cash equivalents</u>		
	Cash in hand	105,143	45,822
	Balance with Scheduled bank	142,209	11,210
(ii)	<u>Other Bank Balances</u>		
	In Margin against Bank Guarantee	-	60,150

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		247,352	117,182
12	Short-Term Loans and Advances		
	<u>Unsecured, Considered Good</u>		
	(i) Inter Corporate Deposit	15,000,000	18,800,000
	(ii) Others (Interest Receivable on Inter Corporate Deposit)	351,037	1,521,646
		15,351,037	20,321,646

13 Other Current Assets

	<u>Unsecured, Considered Good</u>		
	(i) Amount Recoverable in Cash or Kind	5,354,003	20,909
	(ii) Trade Advances to Related Parties [Refer Note No.13.1]	17,247,022	19,489,159
	(iii) Interest Receivable	26,447	28,154
	(iv) TDS Receivable	1,048,649	952,778
	(v) Service Tax, VAT Credits	50,978	-
	(vi) Prepaid Expense	13,084	-
		23,740,183	20,491,000

Note 13.1

Advance and deposits for trade given to an Associate enterprise Inovent Solution Ltd. towards expanding eCommerce and digital marketing activities and using their complete infrastructure, human knowledge, experience, resources and brand name.

14 Revenue From Operation

	(i) Other operating revenue - Job work Charges	1,389,200	2,017,600
	(ii) Sales Income	4,460,152	1,424,707
		5,849,352	3,442,307

15 Other Income

	(i) Dividend Received -on long-term investments	1,840	2,840
	(ii) Interest Received on Income Tax Refund	12,717	13,691
	(iii) Interest Income	8,797	4,812
	(iv) Miscellaneous Receipts	1,154	315
	(v) Sundry Balance Written off/ Written back	-	17,569
	(vi) Interest Received by eCommerce division	1,538,995	1,688,800
		1,563,503	1,728,026

16 Employee Benefit Expense

	(i) Salary to Director (Refer Note 16.1)	675,000	675,000
	(ii) Salary to Others	30,774	-
		705,774	675,000

Note 16.1

Salary paid to Director Rs. 2.25 lacs has been capitalized towards project cost.

17 Other Expenses

(i)	Payment to Auditors:		
	- As Auditors	25,000	25,000
	- For Other Services	8,500	18,062
	- Out of Pocket Exp	536	-
(ii)	Annual Listing & Depository Fee	85,832	260,053
(iii)	Advertisement Expenses	6,725	-
(iv)	Conveyance Expenses	52,420	71,338
(v)	Fulfillment Expense	483,485	-
(vi)	Insurance	26,169	-
(vii)	Legal & Professional Charges	82,500	80,655
(viii)	Membership & Subscription	-	10,000
(ix)	Miscellaneous Expenses	26,962	78,267
(x)	Packaging & Forwarding Exps	12,804	-
(xi)	Postage, Telegram & Courier	117,904	38,416
(xii)	Printing & Stationery	18,250	11,335
(xiii)	Rates & Taxes	17,305	82,685
(xiv)	Repairs to Others	-	1,750
(xv)	Share Transfer Expenses	23,613	61,600
(xvi)	Sundry Balance W/o	7,194	-
(xvii)	Travelling Expenses – Others	37,000	-
(xviii)	Travelling Expenses – Director	42,252	95,025
		1,074,451	834,187
		1,074,451	834,187

18 Exceptional Item (Net of Income)

(i)	Gujarat Industrial Development Corporation (GIDC) (for Land) (Refer Note 18.1)	2,218,577	-
(ii)	Panoli Notified Area (Refer Note 18.2)	428,707	-
(iii)	Job Work Security Deposit Forfeited (Refer Note 18.3)	(1,000,000)	-
		1,647,284	-
		1,647,284	-

Note 18.1

Total liability towards interest, penal interest and lease rentals payable to GIDC has been determined and provided during the current financial year which pertains to previous years.

Note 18.2

Total liability towards cess, interest, and penal interest payable to Panoli Notified Area has been determined and provided during the current financial year which pertains to previous years. However, no provision has been made for the liability / such charges which are on account of 3rd party who were carrying out Job Work at the unit of the company. This is as per the arrangement with them and shall be borne by them.

Note 18.3

Security deposit of Rs. 10 Lacs paid by Job work company has been forfeited on account of various reasons, interalia, breach of terms of arrangement, regulatory non-compliances.

19 Contingent Liabilities and Commitments

- (i) **Contingent Liabilities**
Claim against the company / disputed liabilities not acknowledged as debt in respect of others Rs. 20,00,000 (Previous Year Rs. 20,00,000/-) A suit has been filed by the party against the company.
- (ii) **Commitments**
Company has not paid and accounted unpaid called amount of Rs. 6.50 per share aggregating to Rs. 88,400/- in respect of investment of 13600 Equity Shares of Rs. 10/- each of Panoli Enviro Technologies Ltd.

20 In the opinion of the Board of Directors of the Company

- (i) The current assets are approximately of the value stated, if realized in the ordinary course of business
- (ii) The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

21 Outstanding balances of the debtors, creditors, loans and advances are subject to confirmation and reconciliation, if any.

22 The Company has unabsorbed depreciation and carry forward business losses available for set off under the Income Tax Act, 1961. In view of the uncertainty of future taxable income, the extent of net deferred tax assets, which may be adjusted in the subsequent years, is not ascertainable with virtual certainty at this stage and accordingly, the same has not been recognized in these accounts.

23 The company has identified two business segments viz .Digital & eCommerce and Pharmaceuticals & Intermediates as per Accounting Standard – 17 issued by the Institute of Chartered Accountants of India

	<u>31.03.2014</u>	<u>31.03.2013</u>
(i) <u>Segment Revenue</u>		
(a) Digital and ecommerce	6,023,655	3,113,807
(b) Pharmaceuticals & Intermediates	1,389,200	2,056,526
Total Income From Operations	<u>7,412,855</u>	<u>5,170,333</u>
(ii) <u>Segment Result</u>		
Profit/(Loss) Before Tax And Extraordinary Items		
(a) Digital and ecommerce	450,153	1,986,572
(b) Pharmaceuticals & Intermediates	552,859	(328,741)
Total Segment Results	<u>1,003,012</u>	<u>1,657,831</u>
Less:		
(a) Interest and other financial charges	-	-
(b) Un-allocable Expenditure	-	(180,000)
Total Profit Before Tax and Exceptional Item	<u>1,003,012</u>	<u>1,477,831</u>
Less: Exceptional Item	<u>1,647,284</u>	-
Total Profit Before Tax	<u>(644,272)</u>	<u>1,477,831</u>
(iii) <u>Capital Employed</u>		
(Segment Assets -Segment Liabilities)		
(a) Digital and ecommerce	41,285,076	39,831,613
(b) Pharmaceuticals & Intermediates	5,353,880	7,451,614
Total Capital Employed In Segments	<u>46,638,956</u>	<u>47,283,227</u>

24 Related Party Disclosures

Related party disclosures, as required by Accounting Standard – 18 on 'Related Party Disclosure' issued by the Institute of Chartered Accountants of India, are given below

(i)	Key management personnel and their relatives		
	(a) Mr. Pradeep Malu		
(ii)	Other parties where key Management Personnel and /or their relatives have significant influence		
	(a) Inovent Solutions Ltd.		
	(b) Cardioid Plasteel Pvt. Ltd.		
	(c) Crest Latex Pvt. Ltd.		
(iii)	Details relating to person referred to in items (i) above:	<u>31.03.2014</u>	<u>31.03.2013</u>
	Remuneration	900,000	675,000
(iv)	The following transactions were carried out with the related parties referred to in item (ii) above in the ordinary course of business	<u>31.03.2014</u>	<u>31.03.2013</u>
	Trade Advance [With (ii)(a)]		
	Opening Balance	19,489,159 Dr	171,742 Cr
	Trade Advance given during the year	7,817,547 Dr	23,890,380 Dr
	Trade Advance settled during the year	10,059,684 Cr	4,229,479 Cr
	Closing Balance	17,247,022 Dr	19,489,159 Dr
	Sale of Investment [With (ii)(b)]	3,003,000	-
	Sale of Investment [With (ii)(c)]	2,997,000	-
(v)	Year End Outstanding		
	Mr. Pradeep Malu	15,311 Cr	-
	Inovent Solutions Ltd.	17,247,022 Dr	19,489,159 Dr

25 Earning Per Share

Particulars	<u>31.03.2014</u>	<u>31.03.2013</u>
Net Profit/(Loss) Before Exceptional Items	1,003,012	1,477,831
Net Profit/(Loss) after Tax (Rs.)	(644,272)	1,477,831
No. of Equity Shares outstanding	19,875,000	19,875,000
Weighted average number of equity shares	19,875,000	14,745,663
EPS - Basic & Diluted		
-Before Exceptional Items	0.05	0.10
-After Exceptional Items	(0.03)	0.10

iStreet Network Ltd.
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26 Additional information pursuant to the provisions Revised Schedule VI to the Companies Act, 1956 (As certified by the Management)

	<u>31.03.2014</u>	<u>31.03.2013</u>
(i) Value of imports calculated on C.I.F basis	Nil	Nil
(ii) Expenditure in foreign currency	Nil	Nil
(iii) (a) Total value of all imported raw materials, spare parts and components consumed	Nil	Nil
(b) Total value of indigenous raw materials, Spare parts and components consumed	Nil	Nil
(iv) The amount remitted during the year in foreign currencies on account of dividend	Nil	Nil
(v) Earnings in foreign exchange	Nil	Nil
(vi) The amount of dividend proposed to be distributed	Nil	Nil

27 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classifications/disclosures.

For Jhawar Mantri & Associates
Firm Registration No. 113221W
Chartered Accountants

For iStreet Network Limited

B.P. Mantri
Partner
Membership No. 045701

Pradeep Malu
Managing Director

Sanjeev Chhajed
Director

Place : Mumbai
Dated : 28.05.2014

Place : Mumbai
Dated : 28.05.2014

PROXY FORM

**iStreet Network Limited
(CIN: U51900MH1986PLC040232)**

Registered Office: 513, Palm Spring, Link Road Malad West, Mumbai 400 064

Email: info@istreetnetwork.com , website : www.istreetnetwork.com Tel No. 022 4257 6767

Name of the member (s) :

Registered address :

E-mail Id :

Folio / DP ID-Client ID No. :

I/We being the member(s) of _____ shares of the above named Company hereby appoint:

(1) Name _____

Address _____

E-mail Id: _____

Signature _____

or failing him

(2) Name _____

Address _____

E-mail Id: _____

Signature _____

or failing him

(3) Name _____

Address _____

E-mail Id: _____

Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Wednesday, 27th August, 2014 at 11.00 a.m. at 513, Palmspring, Link Road Malad West, Mumbai-400 064 and at any adjournment thereof in respect of such resolutions as are indicated below:

**iStreet Network Ltd.
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Resolution No.	Resolution	Optional	
		For	Against
Ordinary Business:			
1	Adoption of Audited Financial Statements for the year ended 31st March 2014		
2	Re-appointment of Mr. Sanjeev Chhajed who retires by rotation		
3	Appointment of M/s Jhavar Mantri & Associates, Chartered Accountants, as Statutory Auditors and fixing their remuneration.		
Special Business:			
4	Appointment of Mr. Kushal C. Sacheti as an Independent Director		
5	Appointment of Mr. Sanjeev Chhajed an Independent Director		
6	Appointment of Mr. Nilesh Bhandari as an Independent Director		
7	Pursuant to provisions of Section 180(1)(c) of the Companies Act, 2013 Borrowings any sum or sums of monies, which together with the monies already borrowed by the Company not exceeding Rs. 300 Crores.		
8	Pursuant to provisions of Section 180(1)(a) of the Companies Act, 2013 Creation of a mortgage or charge for the said borrowings, as security by way of mortgage/ hypothecation on the Company's assets in favour of lending agencies and trustees for the amount borrowed, including interest, charges etc payable thereon		
9	Pursuant to Section 186 of Companies Act, 2013, the Inter-corporate investments, loans and advances not to exceed Rs. 300 Crores.		
10	Adoption of New Set of Articles of Association.		
11	Ratification of Appointment of Mr. Pradeep Malu, Managing Director of the Company as the Key Managerial Personnel		

Signed this..... Day of..... 2014

Signature of shareholder.....

Signature of Proxy holder(s)

Affix 1 Re. Revenue Stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 27th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission.

**iStreet Network Limited
(CIN: U51900MH1986PLC040232)**

Registered Office: 513, Palm Spring, Link Road Malad West, Mumbai 400 064
Email: info@istreetnetwork.com , website : www.istreetnetwork.com Tel No. 022 4257 6767

ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the meeting venue.

Folio No.	No. of shares held
Name and address of the shareholders	

I certify that I am a registered shareholder/proxy for the registered shareholder of the Company. I hereby record my presence at the 27th Annual General Meeting of the Company held a on Wednesday, 27th August, 2014 at 11.00 a.m. at 513, Palmspring, Link Road Malad West, Mumbai-400 064

.....
Proxy's Name in Block Letters

.....
Member's/Proxy's Signature

Notes:

1. This Meeting is of Members only and you are requested not to bring with you any person who is not a Member.
2. Shareholders/Proxy holders are requested to bring the attendance slips with them when they come to the Meeting and hand over at the entrance after affixing their signature on them.
3. Shareholders are requested to bring their copy of the Annual Report along with them to the Annual General Meeting, as copies of the Report will not be distributed again at the Meeting, in view of the increasing cost of the Annual Report.
4. If it is intended to appoint a proxy, the Form of Proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.