

**NOTICE**

NOTICE is hereby given that the 28<sup>th</sup> Annual General Meeting of iStreet Network Limited will be held at On Toes One-up Banquets, 1st floor, Palm Spring, Link Road, Malad West, Mumbai – 400064 on Wednesday, 23<sup>rd</sup> September, 2015 at 11 am. to transact the following businesses :

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Accounts for the Year ended 31<sup>st</sup> March, 2015 and the Directors' and Auditors' Reports thereon;
2. To appoint a Director in place of Mr. Pradeep Malu who retires by rotation and is eligible for reappointment.
3. Appointment of Auditors  
To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**"RESOLVED that** pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s Jhavar Mantri & Associates, Chartered Accountants (Firm Registration No.113221W), be and is hereby re-appointed as Auditors of the Company to hold office for two consecutive years from the conclusion of this Annual General Meeting (AGM) till the conclusion of 30<sup>th</sup> AGM of the Company, subject to ratification at 29<sup>th</sup> AGM, on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors."

**SPECIAL BUSINESS:**

**4. Appointment of Ms. Meethu Malu as Director**

To consider and if thought fit, to pass, 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, Ms. Meethu Malu (DIN: 00444932), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of the 28<sup>th</sup> Annual General Meeting of the Company 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 her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**5. Appointment of Mr. Naval Choudhary as an Independent Director**

To consider and if thought fit, to pass, 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. Naval Choudhary (DIN:00192164), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of the 28<sup>th</sup> Annual General Meeting of the Company 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 commencing from 20<sup>th</sup> May 2015 to 19<sup>th</sup> May 2020."

**6. To approve the material related party transactions with iStreet Bazaar Private Limited, Subsidiary of the Company**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, Clause 49 of the Listing Agreement, approval of the Company be and is hereby accorded to the Board of Directors, to enter into any contracts/arrangements/transactions as specified under 188(1)(a) to 188(1)(g) with iStreet Bazaar Private Limited, subsidiary of the Company and a Related Party under Section 2(76) of the Companies Act, 2013 and Clause 49(VII)(B)(2) of the Listing Agreement related to transfer or receipt of products, goods, materials or services for an estimated amount around Rs. 500 crores (Rupees Five Hundred Crores only) every financial year on such terms and conditions as may be mutually agreed between the Company and iStreet Bazaar Private Limited."

**"RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to decide upon the nature and value of the products, goods, materials or services to be transacted with iStreet Bazaar Private Limited within the aforesaid limit."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this Resolution."

**"RESOLVED FURTHER THAT** the aforesaid resolution shall hold mutatis mutandis to all transactions that happen even after dilution of the stake of the Company, consequent upon which iStreet Bazaar Pvt Ltd ceases to a subsidiary of the Company."

**7. To approve the material related party transactions with Inovent Solutions Limited (iStreet Network Limited is an associate of Inovent Solutions Limited (ISL))**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, Clause 49 of the Listing Agreement, approval of the Company be and is hereby accorded to the Board of Directors, to enter into contracts/arrangements/transactions as specified under 188(1)(a) to 188(1)(g) with Inovent Solutions Limited, a Related Party under Section 2(76) of the Companies Act, 2013 and Clause 49(VII)(B)(2) of the Listing Agreement related to transfer or receipt of products, goods, materials or services for an estimated amount around Rs. 300

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crores (Rupees Three Hundred Crores only) every financial year on such terms and conditions as may be mutually agreed between the Company and Inovent Solutions Limited.”

“**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to decide upon the nature and value of the products, goods, materials or services to be transacted with Inovent Solutions Limited within the aforesaid limit.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do and perform all such acts, deeds, matters and things as may be considered necessary, desirable or expedient for giving effect to this Resolution.”

**8. Revision in remuneration of Managing Director**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

“**RESOLVED that** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof), read with Schedule V to the Companies Act, 2013 and in partial modification of the relevant resolution passed at the Annual General Meeting of the Company held on 05.08.2013, consent of the Company be and is hereby accorded to the revision in the remuneration of Mr. Pradeep Malu, (DIN: 00001959), Managing Director of the Company, from a yearly remuneration not exceeding Rs. 24,00,000 (Rupees Twenty Four Lacs Only) to Rs. 60,00,000 (Rupees Sixty Lacs only) w.e.f. 05.08.2015, on such terms and conditions as recommended by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the Notice, for the remaining period three years of his tenure i.e. upto 04.08.2018.”

“**RESOLVED FURTHER that** Mr. Pradeep Malu, Managing Director of the Company shall also be entitled for the Perquisites detailed in Section IV, Part II, Schedule V of Companies Act, 2013 and the same shall not be included in computation of the aforesaid ceiling on remuneration .”

“**RESOLVED FURTHER that** except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Managing Director of the Company, as approved by the resolution passed at the Annual General Meeting of the Company held on 05.08.2013, shall remain unchanged. “

“**RESOLVED FURTHER that** the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Pradeep Malu, Managing Director, including the monetary value thereof, to the extent recommended by the Nomination and Remuneration committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.”

“**RESOLVED FURTHER that** any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution.”

Place: Mumbai  
Date: 17<sup>th</sup> August 2015  
**Registered Office:**  
513, Palm Spring, Link Road  
Malad West,  
Mumbai – 400 064

**By Order of the Board of Directors**  
For iStreet Network Limited

Ruchi Seksaria  
Company Secretary

**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 16<sup>th</sup> September 2015 to 23<sup>rd</sup> September 2015 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.
6. Shareholders seeking any information with regard to Accounts are requested to write to the Company by 13<sup>th</sup> September, 2015 so as to enable the management to keep the information ready.
7. 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).
8. 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.
9. 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.

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10. 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 28<sup>th</sup> Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website [www.istreetnetwork.com](http://www.istreetnetwork.com) for their download.
11. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 28<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
12. The facility for voting through polling paper voting shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through polling paper voting.
13. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
14. The remote e-voting period commences on 19<sup>th</sup> September 2015 (9:00 am) and ends on 22<sup>nd</sup> September 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 16<sup>th</sup> September 2015 may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

**PROCEDURE FOR REMOTE E-VOTING**

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :

- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - [Login](#)
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "iStreet Network Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [scrutiniser@istreetnetwork.com](mailto:scrutiniser@istreetnetwork.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. In case a Member receives physical copy of the Notice of AGM for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

- (i) Initial password is provided by a separate letter enclosed in the envelope containing the Annual Report  
**EVEN (Remote e-voting Event Number)    USER ID    PASSWORD/PIN**
- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- II. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- III. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IV. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 16<sup>th</sup> September 2015
- V. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e 16<sup>th</sup> September 2015 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [investors@istreetnetwork.com](mailto:investors@istreetnetwork.com)

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

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- VI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM
- VII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- VIII. Mr. Dilip Bharadiya, Practicing Company Secretary (FCS 7956) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- IX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Poling Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- X. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.istreetnetwork.com](http://www.istreetnetwork.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

**EXPLANATORY STATEMENT**

**EXPLANATORY STATEMENT AS REQUIRED BY SECTION 102 (1) OF THE COMPANIES ACT, 2013 ('THE ACT')**

**Item No. 2**

As on the date of Notice, the Company's Board consists of 6 Directors, out of which 3 are Independent Directors, not liable to retire by rotation in terms of Section 149 of the Companies Act, 2013. Two Directors are additional directors who cease to hold office as on the date of AGM, although recommended for appointment by this Notice item no. 4 and 5. Hence, Mr. Pradeep Malu, Managing Director though appointment for fixed term of 5 years, offers himself to retire by rotation at the ensuing Annual General Meeting for the purpose of Section 152 of the Companies Act, 2013.

This resolution is for the purpose of compliance with the provision of the Act, and will not bear any impact on the existing terms and conditions by which he is appointed as Managing Director by the members of the Company through a resolution passed at the 26<sup>th</sup> AGM held on 05.08.2013 and the Company shall continue to bind by the agreement executed with him for the purpose.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Pradeep Malu, Managing Director, Ms. Meethu Malu, Director are concerned or interested, financially or otherwise, in the said Resolution.

**Item No. 3**

M/s Jhavar Mantri & Associates have been the Auditors of the Company since 2003. As per the provisions of section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, M/s Jhavar Mantri & Associates, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on 17<sup>th</sup> August, 2015, proposed the appointment M/s Jhavar Mantri & Associates as the statutory auditors of the Company for a period of two consecutive years to hold office from the conclusion of this AGM till the conclusion of the 30<sup>th</sup> AGM of the Company. The Board recommends the Resolution at Item No. 3 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 3 of the accompanying Notice.

**Item No.: 4**

Ms. Meethu Malu, was appointed by the Board as an Additional Director in the category of Non-Executive Non Independent Director of the Company w.e.f. 31<sup>st</sup> March 2015 to hold office till the date of the 28<sup>th</sup> Annual General Meeting of the Company. The Company has received a notice as prescribed u/s 160 of the Companies Act, 2013 from a member along with the necessary deposit, signifying his intention to propose Ms. Meethu Malu as a Director. The Company shall benefit immensely with her rich education background and expertise. The Board of Directors recommends the appointment of Ms. Meethu Malu, as a Director, liable 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, Ms. Meethu Malu, Mr. Pradeep Malu, and their relatives none of the other Directors and Key Managerial Personnel of the Company is concerned or interested, financial or otherwise, in the resolution.

**Item No.: 5**

Mr. Naval Choudhary, was appointed by the Board as an Additional Director in the category of Independent Director of the Company w.e.f. 20<sup>th</sup> May 2015 to hold office till the date of the 28<sup>th</sup> Annual General Meeting of the Company. The Company has received a notice as prescribed u/s 160 of the Companies Act, 2013 from a member alongwith the necessary deposit, signifying his intention to propose Mr. Naval Choudhary as a Director. The Board of Directors recommends the appointment of Mr. Naval Choudhary, as an Independent Director, for a term of 5 consecutive years from 20<sup>th</sup> May 2015 to 19<sup>th</sup> May 2020 and proposes to pass the resolutions as set out in item No.5 of the Notice as an Ordinary Resolution.

Except, Mr. Naval Choudhary and his relatives none of the other Directors and Key Managerial Personnel of the Company is concerned or interested, financial or otherwise, in the resolution.

**Item no.6**

iStreet Bazaar Private Limited (iSBPL) is an wholly owned subsidiary of the Company and a related party within the meaning of Section 2(73) of the Companies Act, 2013 and Clause 49 – VII (B) (2) of the Listing Agreement. In terms of Section 188 of the Companies Act, 2013 the contracts/arrangements/transactions with iStreet Bazaar Private Limited relating to the following:-

- a. Sale, purchase or supply of any goods or material,
- b. Selling or otherwise disposing of, or buying, property of any kind,
- c. Leasing of property of any kind
- d. Availing or rendering of services
- e. Appointment of any agent for purchase or sale of goods, material, services or property
- f. Such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company and
- g. Underwriting the subscription of any securities or derivatives thereof, of the Company.

are likely to exceed the value stipulated under the Companies (Meetings of Board and its Powers), Rules 2004 and in terms of proviso 2 of Clause 49 – VII (C) of the Listing Agreement, are material in nature as these transactions are likely to exceed 20% of net worth of the Company as per the audited financial statements of the Company as on March 31, 2015.

In terms of Section 188 of the Companies Act, 2013 and Clause 49 –VII (E) of the Listing Agreement, the contracts/arrangements/transactions with related parties requires the approval of shareholders of the Company who are unrelated vis-a-vis the subject matter of contract by a Special Resolution. However, exemption is provided to wholly owned subsidiary from compliance of this Clause.

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Although, transaction between holding company and wholly owned subsidiary are exempted from the provisions of related party transaction, approval is sought as a measure of abundant caution and also to cover transaction that happen subsequently after dilution of stake of holding company in iSBPL, even if iSBPL ceases to be a subsidiary of the Company.

The particulars of contracts/arrangements/transactions are as under:

(a) Name of Related Party	iStreet Bazaar Private Limited
(b) Name of Director or Key Managerial Personnel who is related	Mr. Pradeep Malu, Managing Director and Ms. Meethu Malu, Additional Director
(c) Nature of relationship	iStreet Bazaar Private Limited is a wholly owned subsidiary of iStreet Network Limited
(d) Nature, material terms and particulars of the contract or arrangements:	Any contract that falls under section 188 (1) (a) to 188 (1) (g) of the Companies Act, 2013.
(e) Monetary value	Estimated amount around Rs. 500 crores (Rupees Five Hundred Crore only) every Financial Year.
(f) Any other information relevant or important for the members to make a decision on proposed transaction:	None
(g) Extent of shareholding interest of Promoter, Director, KMPs of the Company in iSBPL	Nil as it is wholly owned subsidiary of the Company.

The Board of Directors therefore recommends the resolution as set out in item no. 6 of the Notice for approval of shareholders of the Company who are unrelated vis-a-vis the subject matter of contract by a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Pradeep Malu, Managing Director, Ms. Meethu Malu, Director are concerned or interested, financially or otherwise, in the said Resolution.

**Item no.7**

Inovent Solutions Limited (ISL) is a related party within the meaning of Section 2(73) of the Companies Act, 2013 and Clause 49 – VII (B) (2) of the Listing Agreement. iStreet Network Limited is an “Associate Company” of ISL within the meaning of Section 2(6) of the Companies Act as it holds more than 20% of total share capital of the Company.

In terms of Section 188 of the Companies Act, 2013 the contracts/arrangements/transactions by the Company with Inovent Solutions Limited relating to the following:-

- a. Sale, purchase or supply of any goods or material,
- b. Selling or otherwise disposing of, or buying, property of any kind,
- c. Leasing of property of any kind
- d. Availing or rendering of services
- e. Appointment of any agent for purchase or sale of goods, material, services or property
- f. Such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company and
- g. Underwriting the subscription of any securities or derivatives thereof, of the Company.

are likely to exceed the value stipulated under the Companies (Meetings of Board and its Powers), Rules 2004 and in terms of proviso 2 of Clause 49 – VII (C) of the Listing Agreement, are material in nature as these transactions are likely to exceed 20% of net worth of the Company as per the audited financial statements of the Company as on March 31, 2015.

In terms of Section 188 of the Companies Act, 2013 and Clause 49 –VII (E) of the Listing Agreement, the contracts/arrangements/transactions with related parties requires the approval of shareholders of the Company who are unrelated vis-a-vis the subject matter of contract by a Special Resolution. However, exemption is provided to wholly owned subsidiary from compliance of this Clause.

The particulars of contracts/arrangements/transactions are as under:

(a) Name of Related Party	Inovent Solutions Limited
(b) Name of Director or Key Managerial Personnel who is related	Mr. Pradeep Malu, Managing Director, Ms. Meethu Malu , Additional Director are related
(c) Nature of relationship	iStreet Network Limited is an Associate Company of Inovent Solutions Limited (ISL) within the meaning of 2(6) of the Companies Act, 2013 as ISL hold more than 20% of total share capital in the Company
(d) Nature, material terms and particulars of the contract or arrangements:	Any contract that falls under section 188 (1) (a) to 188 (1) (g) of the Companies Act, 2013.
(e) Monetary value	Estimated amount around Rs. 300 crores (Rupees Three Hundred Crores only) every Financial Year
(f) Any other information relevant or important for the members to make a decision on proposed transaction:	The extent of shareholding of ISL in the Company is 35.33% as on 31.03.2015
(g) Extent of shareholding interest of Promoter, Director, KMPs of the Company in ISL	85% of the Shareholding of ISL is held by promoter and promoter group of the Company.

The Board of Directors therefore recommends the resolution as set out in 7 of the Notice for approval of shareholders of the Company who are unrelated vis-a-vis the subject matter of contract by a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Pradeep Malu, Managing Director, Ms. Meethu Malu, Director are concerned or interested, financially or otherwise, in the said Resolution.

**Item No.8**

The re-appointment of Mr. Pradeep Malu as Managing Director of the Company was approved at the 26<sup>th</sup> Annual General Meeting of the Company with effect from 05.08.2013 for a period of 5 years on a yearly remuneration not exceeding Rs. 24 lacs. During that time, the Company was in initial phase of developing Digital & eCommerce business hence the salary fixed was low and not as per the Industry standards. Now, the Company has entered into a growth phase and on a different scale of operations. It is building more business transactions and executing a very aggressive expansion plans.

The Nomination & Remuneration Committee at its meeting held on 17<sup>th</sup> August 2015 considered that the prevailing managerial remuneration in Digital & eCommerce industry. Although, the Company might not be able to match Industry remuneration standards as of now, but it was considered appropriate to revise Mr. Pradeep Malu's remuneration to the maximum permissible limit under the Companies Act, 2013. Hence, the Committee recommended the increase in salary of Mr. Pradeep Malu, Managing Director from the present Rs. 24,00,000 per annum to Rs. 60,00,000 for the remaining three year period of his tenure i.e., from 05.08.2015 to 04.08.2018. The Board of Directors of the Company has also approved the same.

Except for the aforesaid revision in salary, all other terms and conditions of his appointment as the Managing Director of the Company as approved earlier, shall remain unchanged.

As the terms for revision in remuneration proposed above are well in conformity with the relevant provisions of the Companies Act, 2013, and within the limits prescribed under Schedule V to the said Act, Central Government approval is not necessary for the above revision in remuneration.

In terms of Part II of Schedule V of the Companies Act, 2013, the following additional information is required in case of loss/inadequacy of profits :-

**I. General Information :**

- (i) Nature of Industry: - The Company is engaged in Digital & eCommerce business. BSE classification is Internet Retail Catalogue
- (ii) Date or expected date of commencement of commercial production: The Company was incorporated in the year 1986 and currently engages in Digital and eCommerce sector.
- (iii) In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: N.A.
- (iv) Financial performance based on given indicators

(Rs. In lacs)

Particulars	2013-14	2014-15
Sales	44.60	71.75
Net Loss	6.44	57.30

- (v) Foreign investments or collaborations, if any – The Company has allotted shares and warrants to Non Resident Indian on non- repatriation basis on receipt of INR 60 lacs as Securities application money.

**II. Information about the appointee:**

- (i) Background details: Mr. Pradeep Malu, is a Chartered Accountant and an Entrepreneur. He is the founder of iStreet Network Limited earlier known as 'Principal Pharmaceuticals & Chemicals Ltd. With his innovative approach, he redefined company's business from Pharmaceuticals & Intermediates manufacturing to Digital Marketing & eCommerce in 2013 and led the Company's foray into retail e-commerce segment in India. He has been an eCommerce professional since 1999 and has conceptualized and executed large number of eCommerce projects in B2C, B2B and C2C space.
- (ii) Past remuneration: He has drawn Rs. 23,44,009 in FY 2014-15.
- (iii) Recognition or awards : Project 'iStreet Bazaar' launched under the leadership of Mr. Pradeep Malu got recognition at various places like - Silicon India has listed the Project 'iStreet Bazaar' as the 'Startups of the year 2014'; The project was selected as Alpha exhibitor in The Summit 2014 held in Dublin, Ireland. He was also recipient of a very special Certificate of Appreciation from Mr. John Donahoe, Global CEO of eBay Inc, USA for successful execution of the Indian Premier League promotions at eBay.
- (iv) Job profile and his suitability: The job requires a visionary, a leader who drives the organization towards attainment of Company's mission and long term vision. The position requires substantial exercise of controls, powers under the directions of Board of Directors. Mr. Pradeep Malu is an innovator, who has rich experience in the field of eCommerce. He is responsible for overall working affairs of the Company. He is managing under his direct control, the core departments of the Company. Considering his academic credentials, successful tenure, and hands on experience, he is well suited for the responsibility of Managing Director of the Company.
- (v) Remuneration proposed: Yearly remuneration not exceeding Rs. 60,00,000.
- (vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person - the remuneration proposed is lower with respect to industry, commensurate with the size of the Company, profile of the position and the person and responsibilities.
- (vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any: - Mr. Pradeep Malu is the promoter of the Company. Apart from this, he doesn't have any relationship with any managerial personnel of the Company

**III. Other information:**

- (i) Reasons for loss or inadequate profit: The new project 'iStreet Bazaar' was launched in January, 2014. In FY 2014-15, the Company's major focus was on building the capacity in terms of network of stores, employees, technology, fulfillments etc. Since the project has just started and is in its gestation period, the generation of Revenue was low as compared to its expenditure, which is the main reason for inadequate profit or losses.
- (ii) Steps taken / proposed for improvement: This year FY 2015 – 16, the Company is putting more emphasis on building of business and transactions. The Company is placing efforts on building product portfolio and development of customer base, in order to significantly improve revenues from operation. However, the Company will continue to incur losses till it reaches to a scale of operations. Steps have been taken for building business aggressively. Another major step is being taken by the Company to transfer this business to its subsidiary in order to bring in more capital resources from various other sources during the FY 2015-16.
- (iii) Expected increase in productivity and profits in measurable terms: It is evident from the results of Quarter 1 FY2015-16 where the Company has increased number of transactions by over FIVE times as compared to the numbers in immediately previous quarter. As per the guidance given by the Company, it is expected to achieve over 15 lacs transactions in FY2015-16 as compared to around 40,000 transactions in FY2014-15. The Company continues to expand its capacity and plans to have over 4,000 iStreet Bazaar stores by end of FY 2015-16.

**IV. Disclosures:**

The details regarding remuneration package of directors are produced in Corporate Governance Report, annexed to the Directors' Report.

**Additional information required in terms of Secretarial Standard – 2 are hereunder:-**

- (i) **Age** – 57 years
- (ii) **Qualification** – Chartered Accountant
- (iii) **Experience** – He is the Promoter of the Company and an eCommerce professional since 1999
- (iv) **Details of remuneration sought to be paid** – Yearly remuneration not exceeding Rs. 60,00,000
- (v) **Last drawn remuneration** – Last year he has drawn Rs. 23,44,009 (exclusive of Provident Fund contribution)
- (vi) **Date of first appointment in the Board** – Since Inception 26/16/1986
- (vii) **Shareholding in the Company** – He holds 20.77% of the total shares of the Company as on 30.06.2015
- (viii) **Relationship with other Director / KMPs** – He is related to Ms. Meethu Malu, Additional Director on the Board. Apart from her, Mr. Pradeep Malu does not have any relationship with other Board members and KMP.
- (ix) **Number of Board Meeting attended during the last year** – He has attended 10 Board Meetings during last year.
- (x) **Membership/Chairmanship of Committees of other Boards** - Nil

Mr. Pradeep Malu and his relatives (including Ms. Meethu Malu, Additional Director) may be deemed to be concerned or interested in the said resolution. No other Director, key managerial personnel or their relatives are concerned or interested in the said resolution.

**ADDITIONAL INFORMATION OF DIRECTOR RECOMMENDED FOR APPOINTMENT AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT:-**

**(i) Ms. Meethu Malu**

**Brief Resume and expertise:** - Ms. Meethu Malu has done her Masters in Computer Science from Cornell University, USA. She is pursuing PhD at the University of Maryland – College Park. She has written and presented several research papers on computer and wearable devices interaction and usability. She has worked with Techved Consulting, Re-imagination Research lab and Bank of America, NY USA.

*Names of companies (other than iStreet Network Limited) in which the person also holds the directorship and the membership of Committees of the Board - Nil*

Shareholding in iStreet Network Limited- Ms. Meethu Malu holds 100,000 (One Lac only) Equity Shares of the Shares as on the date of this Notice.

**(ii) Mr. Naval Choudhary**

**Brief Resume and expertise:** - Mr. Naval Choudhary is a PGDBM from Indian Institute of Management, Ahmadabad (IIMA), B.E (Mechanical) from University of Rajasthan. He has rich experience of more than 35 years and has served as the Managing Director of Albright & Wilson Chemicals India Limited and Rhodia Specialty Chemicals India. He has experience in various management disciplines such as Strategic Planning, Marketing, Finance & Banking, Production & Inventory Control.

*Names of companies (other than iStreet Network Limited) in which the person also holds the directorship and the membership of Committees of the Board - Mr. Naval Choudhary holds Directorship in Gammon India Limited, Gammon Power Limited, Gammon Billimora Limited, Transrail Lighting Ltd., SAE Transmission India Ltd., MNC Chemical India Pvt Ltd, Indo Swiss Fabrics Pvt Ltd. He holds membership of Audit Committee, Remuneration Committee, Shareholders Grievance Committee of Gammon India Ltd.*

Shareholding in iStreet Network Limited: Mr. Naval Choudhary holds 500 (Five hundred only) Equity Shares of the Shares as on the date of this Notice.

Place: Mumbai

Date: 17<sup>th</sup> August 2015

**Registered Office:**

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

**By Order of the Board of Directors**

For iStreet Network Limited

Ruchi Seksaria  
Company Secretary