

Investment Guidance Note:

We (iStreet Network Ltd.) are engaged in Internet Retail.

eCommerce is transforming business world over. However, it's India story is a bit different. India is the second most populous country in the world and still eCommerce (non-travel) has touched only TWO percent of the population. India just does not adopt technologies and processes the way they operate elsewhere around the world. Few inherent reasons like reach, education (know-how), trust etc. keep it away from the last mile. It prompted us to innovate and adapt eCommerce process for India. We have evolved iStreet Bazaar. The process is innovative and we call it Internet Retail.

We are driven by innovation. We innovate new processes in order to identify new markets, new customers, and application of new technologies. We simplify the process **to consume technology** so that millions of people can improve their day to day life.

It is important for our investors to understand our approach and direction of the business and risk associated there with. There are several risks associated with the investments in the companies driven by 'innovation'. Investing money in a company is purely the investors' decision as - how they perceive the risk and safety, how they value tangible and intangible, how they understand value of innovation etc. We thought it appropriate to put this section on our website for the benefit of our existing and new investors. We expect our investors to ensure that investing in the company is consistent with their investment philosophy, risk taking capabilities and their view on long term v/s short term investments etc.

1. Profitability:

The company shall not be able to make any profits in its initial years of business. Majority of the expenses are incurred for building its network, supply chain, technology backbone, fulfilment infrastructure and brand. All these spending charged to Revenue in Profit & Loss Account though this spending creates a huge intangible asset for the company. However, in absence of relevant Accounting Standards available, it does not get reflected in the financial data of the company. In these initial years of operations, profit, P/E and other criteria to judge a normal company may not be relevant to us. As the company is not expected to make profits in its initial years – short to medium period, investment in the company carries a HIGH risk in short to medium term.

2. Building of Assets:

The company operates an 'asset light' business model. It does not create any tangible assets. Hence, there are no major Tangible / Fixed Assets in the company. Majority of the assets created by the company are of intangible nature. Losses of the company are like investment in building brand, technology and infrastructure, hence according to us, it is an intangible asset for the company which gets set off in the years of profits subsequently. As the company is an asset light company and all the spending is of Revenue nature and does not create any Fixed Tangible assets, the investment in the company carries a HIGH risk in short to medium term.

3. Retailers' Network:

Our principal asset is our Network of our Retailer. As our business model is, we offer our products to end consumer thru our network retailers. However, if for some reason, the network retailer becomes inactive our business gets impacted negatively. The company has to incur very high cost on continuous basis to keep network retailers active.

4. Customers:

As the business model is, end consumers are our real customers. For buying products, these customers shall have to visit the neighbourhood iStreet Bazaar store, see the products online with the help of the retailer, pay for the product to the retailer and get the product's delivery in next 4/5 days' time. Thru this process, we are offering great assortment of products, easy access to such iStreet Bazaar Store in the neighbourhood area, good prices and of course, great buying experience. However, it involves a change in habit of the customer the way he has been buying. The process is very slow and the company has to continuously make efforts for the same. Acquiring and acquainting customers with our process for their buying may take longer than expected time which may slow down the expected results and impact the business of the company.

5. Last Mile Logistic Infrastructure

There is very poor infrastructure for last mile delivery of the products – cost is very high and the time taken to deliver the products is abnormally very high. Though the company is working with local logistic companies to solve this last mile delivery problem however, it is taking extra ordinary cost and time. It gives a bad experience to the customers as their delivery of products is not within the reasonable time. And this bad experience can't win the customers. Due to high last mile delivery cost, the company may incur losses on unit basis till the infrastructure is improved.

6. High Technology Obsolescence

Back bone of our business is technology. A continuous investment (huge) is required to sustain the growth. If the financial resources are not mobilized on timely basis and investment in technology stops, the business of the company would suffer adversely. A continuous investment in technology is key to success for our business.

7. Competition with deep pockets:

We face competition from modern retail (large format retail) and eCommerce companies which have deep pockets of resources. Prices of these competitors are normally subsidized by them and that becomes a comparison bench mark for our products. As per our financial policy, we don't subsidize products generally. Our network retailers get influenced with such prices and stop showcasing our products to the customers. This directly brings down our sales.

8. Financial Resources:

The company needs to spend and invest in the iStreet Bazaar project continuously during its initial few years. The company has been making efforts for raising resources since quite some time. However there has been a very little success. Delays in raising resources may impact operations and the growth plan of the company to a great extent.

It is also advisable to all our investors and shareholders to read financial and other documents on our website www.istreetnetwork.com Investors' Section or on Bombay Stock Exchange.

Should you need any further understanding or clarification with respect to the business of the company, please feel free to write to us at investors@istreetnetwork.com. We shall be happy to provide you all the necessary information.

Safe Harbour statement

This document, which has been prepared by iStreet Network Limited (the "Company"), is solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

Statements in this document relating to future status, events, or circumstances, may differ materially from those included in this document for a variety of reasons, including, but not limited to - changes in political, business, and economic conditions; foreign exchange rate fluctuations; the impact and integration of recent and future acquisitions; our need to successfully react to the social aspect of commerce; an increasingly competitive environment for our businesses; the complexity of managing an increasingly large and growing enterprise with a broad range of businesses; our need to manage regulatory, tax and litigation risks (including risks); and our need to timely upgrade and develop our systems, infrastructure, and customer service capabilities at reasonable cost while maintaining site stability and performance and adding new products and features.

The Company assumes no obligation to update any forward-looking information contained in this document. Any forward-looking statements and projections made by third parties included in this document are not adopted by the Company and the Company is not responsible for such third party statements and projections.