

# iStreet Network Limited

CIN L51900MH1986PLC040232

K-18, Sonal Industrial Estate, Opp. Movietime Cinema,

Link Road, Malad West, Mumbai-400064

Tel.: +91-22-42576767 Email: [info@istreetnetwork.com](mailto:info@istreetnetwork.com)

Website: [www.istreetnetwork.com](http://www.istreetnetwork.com)

**istreet**

Release -16<sup>th</sup> November, 2017 – Q2/H1 2017-18 results

## **iStreet Bazaar – Great Internet Retail Concept**

**Impacted by Graded Surveillance Measure**

**Non Promotion hits the operations; Losses reduced substantially**

We are a company driven by Innovation. We innovated eCommerce process to take the benefit to large part of Indian population by engaging Micro and Small Retailers by reengineering their business without any further investment and risk on their part. We launched the new business idea and empowered a large number of such Micro & Small retailers with huge virtual inventory which can be offered to their customers who don't have Internet access or willingness to buy online. We call it Internet Retail. An absolute new concept in Retail – a physical store with virtual inventory. Till 31<sup>st</sup> March, 2017, we had signed up with over 13,000 such retailers to do business who had access to over 15 cr. Indian population of common people across 1,200+ cities and towns. It is a process of Retailing where the company orchestrates 3rd party physical micro & small retail stores with virtual inventory and connects with the customers.

It (the Retail Network and the Customers) is a great intangible asset of the company which was created by investing huge resources in the last three years. However, for the reasons of non existing of Accounting Standards for the business like ours, this asset can't be reflected in its financial statement of the company and all the spending had to be charged to Profit & Loss account as expenses which results in huge losses in the financial statements of the company.

To sustain and expand its business and its retail network and customer base, the company needs resources in developing technology, infrastructure, marketing, promotions, business process and fulfillment and needs to raise fresh money in small tranches on a continuous basis. It requires huge investment till it reaches the breakeven point and turns profitable.

### **Graded Surveillance Measure and its Impact :**

In March 2017, the company has been classified into the Graded Surveillance Measure (GSM) list by BSE. The criteria for classifying the company into GSM are not made known to us. The impact of classifying company in GSM by BSE has led to 'trading restrictions' in its security at BSE and it came as a complete 'roadblock' in terms of raising additional capital from new investors. Thus new fund raising has become an extremely challenging and a daunting task.

According to GSM, the buyer has to pay an Additional Surveillance Deposit (ASD) of 100% - 200% (depending upon the stage) of trade value to BSE besides lot many other restrictions like weekly trading etc. There are no buyers in the market to purchase the shares since nobody is interested to invest their hard earn money with 100% - 200% Additional Surveillance Deposit (ASD). No new investors' participation was possible in this restricted trading environment. And consequently, the business of the company got completely destroyed in absence of promotions and marketing. GSM devastated the whole business of the company and destroyed the shareholders value completely.



Following table shows the impact of GSM:

Particulars	Pre GSM (1/1/17- 13/3/17)	GSM Stage 1 (14/3/17- 24/4/17)	GSM Stage 2 (25/4/17- 21/6/17)	GSM Stage 3 (21/6/17- 9/10/17)	GSM Stage 2 (10/10/17- 13/11/17)
No. of trades	2,628	11,716	561	1	7
Avg. No. of trades per day	55	418	14	1	2
Wt. Avg. Price (WAP)	19.15	15.94	10.66	6.27	5.55
Market Capital (in Cr)	35.25	35.63	13.48	12.82	11.01
Avg. – Average; Wt.-weighted					

The company is unable to raise any fresh money for its business from the Investors. Consequently, the company stopped all its promotional activities of its virtual Inventory Retail Store model with effect from April 2017.

The company has presented its case of classification of the company in GSM and its consequential effect to SEBI and BSE and requested them remove its name from GSM list due to nature of its business. We are hopeful for a positive result shortly. In any case, the company has already taken steps to modify its business model where it has lesser capital requirement and can move faster towards the profitability. Necessary changes in technology, business process and supply chain are being done.

#### Financials for Q2 and H1:

The company did no promotional activities during the quarter and hence there was a negligible business. However, losses for the current quarter have gone down drastically to Rs. 17.82 lacs as against loss of Rs. 82.92 lacs for the corresponding quarter of the previous year.

For iStreet Network Ltd.

  
**Surabhi Pal**  
 Company Secretary



#### About iStreet Network Limited

iStreet Network Limited is based in Mumbai and is listed on the Bombay Stock Exchange. Its mission is to simplify and deliver eCommerce to the last mile. It operates in the 'Internet & Catalogue Retail' segment and has successfully incubated its Internet Retail Store project through its network of 'iStreet Bazaar'. For more information log on to [www.istreetnetwork.com](http://www.istreetnetwork.com)

#### Safe harbor statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.