

# iStreet Network Limited

Annual Report 2018-19

**Safe Harbor Statement:**

This Annual Report is solely for information & reporting 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.

This Annual Report may also contain product demonstrations (or reference to such new products), some of which are conceptual and may not be developed or launched in the same form, with all of the -same features or at all.

Our actual results may differ materially from those included in this Annual Report for a variety of reasons, including, but not limited to – timely raising funds for the project, 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 increasing importance of internet, internet or online commerce, mobile payments and mobile commerce and 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 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 Annual Report. Any forward-looking statements and projections made by third parties included in this Annual Report are not adopted by the Company and the Company is not responsible for such third party statements and projections.

**Board of Directors:-**

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	<b>DIN</b>
Naval Choudhary details Independent Director (Upto 29.03.2019)	00192164
Shantaram Hande <i>Independent Director</i>	08341346
Neeraj Gupta <i>Independent Director</i>	05327106
Sanjeev Chhajer <i>Independent Director</i>	02849462
Mahesh Palshetkar <i>Managing Director</i>	00152552
Meenu Malu <i>Non Executive Non Independent Director</i>	00444932
Pradeep Malu <i>Director</i>	00001959
Dinesh Trivedi <i>Director &amp; Chief Financial Officer</i>	08065117

**Company Secretary & Compliance Officer:**

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Surabhi Pal

**Statutory Auditors:**

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SMMP & Associates. Chartered Accountants

**Secretarial Auditors:**

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Mr. Deepak Rane  
Practicing Company Secretaries

**Registered Office:**

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03, C-2 Compound, 04th Bldg,  
Near Hotel Abbot, Vashi, Navi Mumbai- 400703  
CINL51900MH1986PLC040232www.istreetnetwork.com

## **NOTICE**

NOTICE is hereby given that the 32<sup>nd</sup> Annual General Meeting of iStreet Network Limited will be held on Saturday 28th September 2019 at 03, C-2 Compound, 04th Bldg, Near Hotel Abbot, Vashi, Navi Mumbai- 400703 at 11 am to transact the following businesses:

### **ORDINARY BUSINESS:**

#### **Item No. 1:— Adoption of Financial Statements**

To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and the Auditors thereon.

#### **Item No. 2:— To appoint a director in place of Mr. Pradeep Malu who retires by rotation and being eligible, offers himself for re- appointment**

“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, the approval of the members of the Company be, and is hereby accorded to the reappointment of Mr. Dinesh Trivedi (DIN: 00001959) as a director, to the extent that he is required to retire by rotation”.

### **SPECIAL BUSINESS:**

#### **Item No. 3:— Appointment of Mr. Sanjeev Chhajed as an Independent Director of the company**

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

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Sanjeev Chhajed (DIN 02849462), who was appointed as an Independent Director at the 27<sup>th</sup> Annual General Meeting of the Company and who holds office up to 26<sup>th</sup> August 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from August 27, 2019 upto August 26, 2024.”

#### **Item No. 4:— Appointment of Mr. Shantaram Hande as an Independent Director of the company**

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

“RESOLVED that Mr. Shantaram Hande (DIN: 08341346) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 01<sup>st</sup> February 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”), who is eligible for appointment and be and is hereby appointed as Director of the Company.”

“RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the appointment of Mr. Shantaram Hande who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing 01<sup>st</sup> February 2019 to 31<sup>st</sup> January, 2024, be and is hereby approved.”

#### **Item No. 5:— Appointment of Mr. Mahesh Palshetkar as Managing Director of the company**

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

“RESOLVED THAT in accordance with the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mahesh Palshetkar (DIN: 00152552), who was appointed as an Additional Director of the Company with effect from 01<sup>st</sup> February 2019 pursuant to Section 161 of the Act and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting, be and is hereby appointed as a Managing Director of the Company, not liable to retire by rotation.

**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.”

Place: Mumbai  
Date : 14<sup>th</sup> August, 2019

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

**Registered Office:**

03, C-2 Compound, 04th Bldg,  
Near Hotel Abbot, Vashi, Navi Mumbai- 400703

**Mahesh Palshetkar**  
**Managing Director**

**NOTES:**

1. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday , September 21, 2019 to Saturday , September 28, 2019 (both days inclusive) for the purpose of the AGM.
5. Members seeking any information with regard to accounts are requested to write to the Company at least 3 working days in advance so as to enable the Management to keep the information ready at the AGM.
6. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you communications including annual report, notices etc. in electronic mode.
7. Members holding shares in Electronic (Demat) Form are advised to inform the particulars of their bank account, change of address and Email ids to their respective Depository Participants with whom they are maintain their demat accounts. The Company or its Registrar and Transfer Agents i.e Adroit Corporate Services Pvt. Ltd cannot act on request received directly from the members holding shares in demat mode for changes in any bank mandate or other particulars etc., and such instructions shall be given directly to the Depository Participants by the members.
8. Members holding shares in Physical Form are advised to Submit your PAN, Address, Bank details and email ids to Adroit Corporate Services Pvt. Ltd. 19/20 Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai 400 059 by quoting the folio no.
9. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by members at the meeting.
10. Members are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, members are requested to bring their folio number /demat account number/DP-ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.
11. Members may note that the Notice of 32<sup>nd</sup> Annual General Meeting, Annual Report, Attendance Slip, Proxy Form and e- voting instructions are also available on the Company's website i.e [www.istreetnetwork.com](http://www.istreetnetwork.com) in the 'Investor Relations' section. The physical copies of the documents will also be available for inspection at the Company's registered office for inspection during normal business hours on working ays.
12. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
13. Details as required pursuant to Secretarial Standards on General Meeting (SS-II) and Regulation 36(3) of the Listing Regulations in respect of the Director seeking appointment / re-appointment at the Annual General Meeting is furnished as annexure to this notice of the Annual Report. Requisite consent/declarations have been received from the Director seeking appointment / re-appointment as required under Companies Act, 2013 and rules made thereunder.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 a.m to 6.00 p.m) on all working days up to and including the date of the Annual General Meeting.
15. Only bonafide members of the Company whose name appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves the right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
16. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve

Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.

17. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their e-mail address with the Company or Depository Participant(s).

#### 18. E-voting

- (i) Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its Members facility to exercise their right to vote on the resolutions proposed to be passed at AGM through the electronic voting service facility arranged by National Securities Depository Limited ("NSDL"). The Members may cast their votes using an electronic voting system from a place other than the venue of the AGM ("remote E-voting") which will be provided by National Securities Depository Limited(NSDL)
- (ii) The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote E-voting shall be able to exercise their right at the meeting through ballot paper.
- (iii) A Member can opt for only one mode of voting i.e. either through remote e-voting or at the meeting. If a member casts votes by both modes, then voting done through remote e-voting shall prevail.
- (iv) Members who cast their votes by remote E-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.
- (v) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday , September 20, 2019, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. The e- period will commence at (9 a.m. IST) on Tuesday September 25, 2019and will end at (5 p.m. IST) on Friday, September 27, 2019. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 27, 2019, 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.

**The procedure to login to e-Voting website consists of two steps as detailed hereunder:**

#### Step 1 : Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:<https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at<https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below:
  - a) **For Members who hold shares in demat account with NSDL:** 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID isIN300\*\*\*12\*\*\*\*\*).
  - b) **For Members who hold shares in demat account with CDSL:** 16 Digit Beneficiary ID (For example if yourBeneficiaryIDis12\*\*\*\*\*thenyouruserIDis12\*\*\*\*\*).
  - c) **For Members holding shares in Physical Form:** EVEN Number followed by Folio Number registered with the company (For example if folio number is 001\*\*\* and EVEN is101456 then user ID is101456001\*\*\*).
5. Your password details are given below:
  - a. If you are already registered for e-Voting, then you can use your existing password to login and cast yourvote.
  - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
  - c. How to retrieve your 'initial password'?
    - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Opentheemailandopentheattachmenti.e.a.pdf file.Openthe.pdf file.Thepasswordtoopenthe .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a. Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on[www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b. "[Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c. If you are still unable to get the password by aforesaid two options, you can send a request at[evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the checkbox.

8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.
9. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail [1234.nitin@gmail.com](mailto:1234.nitin@gmail.com) to with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
10. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL by email at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on.: 1800 222 990.

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 [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the declaration of result by the Managing Director or a person authorized by him in writing and the same shall be communicated to the BSE Limited, Mumbai where the shares of the Company are listed. The results will also be available for inspection at the registered office of the company.

Date : 14<sup>th</sup> August, 2019  
Place: Mumbai

**By Order of the Board of Directors**  
**For iStree tNetwork Limited**

**Registered Office:**  
03, C-2 Compound, 04th Bldg,  
Near Hotel Abbot, Vashi, Navi Mumbai- 400703

**Mahesh Palshetkar**  
**Managing Director**

**EXPLANATORY STATEMENT**

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)**

Pursuant to Section 102 of the Companies Act, 2013 (“the Act”), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 5 of the accompanying Notice dated 14<sup>th</sup> August 2019

**Item No. 3**

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Sanjeev Chhajed (DIN 02849462) as Independent Director, for a second term of five years from August 27, 2019 upto August 26, 2024 not liable to retire by rotation, Mr. Sanjeev Chhajed who was appointed as an Independent Director at the 27<sup>th</sup> Annual General Meeting of the Company and who holds office up to 26<sup>th</sup> August 2019.

The Company has received a notice along with deposit of requisite amount under Section 160 of the Companies Act, 2013 from a member signifying their candidature as Independent Director of the Company. They are not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given their background, experience and contribution, the continued association of Mr. Sanjeev Chhajed would be beneficial to the Company and it is desirable to continue to avail the services as Independent Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

None of the other Directors or Key Managerial Personnel of the Company are concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolution as set out in Item No. 3 and 4 of the Notice for your approval.

#### **Item No.4**

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Mr. Shantaram Hande (DIN:08065117) as an Additional Director of the Company in the category of Independent Director with effect from 01<sup>st</sup> February 2019. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Shantaram Hande shall hold office up to the date of the forthcoming Annual General Meeting.

The Company has received a notice along with deposit of requisite amount under Section 160 of the Companies Act, 2013 from a member signifying her candidature as Director of the Company. Mr. Shantaram Hande is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Act and has given his consent to act as an Independent Director.

None of the other Directors or Key Managerial Personnel of the Company are concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolution as set out in Item No. 4 of the Notice for your approval.

#### **Item No.5**

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Mr. Mahesh Palshetkar (DIN: 00152552), as a Managing Director of the Company. The principal terms and conditions of re-appointment of Mr. Mahesh Palshetkar as Managing Director inter alia contain the following.

Terms and condition of the appointment of Mr. Mahesh Palshetkar, as Managing Director are as follow:

The remuneration including the perquisites payable to Mr. Mahesh Palshetkar as Managing Director with effect from 01<sup>st</sup> February 2019 for a period of 03 years

1. Salary  
Basic Salary: Rs. 12,00,000/- p.a (Twelve Lacs) per annum  
The net salary shall however not exceed Rs. 12,00,000/- p.a (Twelve Lacs) per annum.
2. Perquisites
  - i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.
  - ii. The Managing Director shall be entitled to leave in accordance with the Rules of the Company. Privilege Leave earned but not availed by the Managing Director is encashable in accordance with the Rules of the Company.
  - iii. Commission: Such remuneration by way of commission, in addition to the salary and perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year, subject to the overall ceilings stipulated in Sections 197 and applicable provisions of the act. The specific amount payable to the Managing Director will be based on performance as evaluated by the Board or a Committee thereof duly authorized in this behalf and will be payable annually after the Annual Accounts have been approved by the Board.

None of the other Directors or Key Managerial Personnel of the Company are concerned or interested, financially or otherwise, in this resolution.

The Board commends the Ordinary Resolution as set out in Item No. 5 of the Notice for your approval.



**Annexure to the Notice dated**

**Details of Directors seeking appointment at the Annual General Meeting pursuant to Secretarial Standards on General Meeting (SS-II) and Regulation 36(3) of the Listing Regulations:**

<b>Name of Director</b>	<b>Mahesh Palshetkar</b>	<b>ShantaramHande</b>	<b>SanjeevChhajer</b>
<b>Director Identification Number (DIN)</b>	00152552	08341346	02849462
<b>Date of Birth/Age</b>	40	59	48
<b>Date of first appointment on the Board</b>	01/02/2019	01/02/2019	13/01/2005
<b>Expertise in specific General functional area</b>	Automobile industry	Automobile industry	Finance and taxation
<b>Qualification</b>	Diploma in Automobile Engineering	Commerce and Law graduate	Chartered Accountant
<b>Shareholding in the Company</b>	NIL	NIL	NIL
<b>Relationship with other Director/KMPs</b>	No	No	No
<b>No. of Board meetings held during the tenure and attended during FY 18-19</b>	1	1	3
<b>List of outside Directorships held(Public Limited Companies)</b>	0	0	0
<b>Chairman/Member of the Committee of the Board of Directors of the Company</b>	NIL	a) Audit Committee b) Stakeholders Relationship Committee c) Stakeholders Relationship Committee	a) Audit Committee b) Stakeholders Relationship Committee c) Stakeholders Relationship Committee
<b>Chairman/Member of the Committee of Directors of other Public Limited Companies in which he/she is a Director</b>	NIL	NIL	NIL
<b>Remuneration last drawn (including sitting fees, if any)</b>	Nil	Nil	Nil
<b>Remuneration proposed to be paid</b>	1,00,000 (per month)	Nil	Nil

Date :14<sup>th</sup> August 2019

Place: Mumbai

**Registered Office:**

03, C-2 Compound, 04th Bldg,  
Near Hotel Abbot, Vashi, Navi Mumbai- 40070

**By Order of the Board of Directors**

**For iStreet Network Limited**

**Mahesh Palshetkar**

**Managing Director**

## DIRECTORS' REPORT

Dear Members,

Your Company's Directors are pleased to present the 32<sup>nd</sup> Annual Report of the Company along with the Audited Financial Statements of the Company for the financial year ended March 31, 2019.

### 1. FINANCIAL RESULTS:

Rs.In lacs

Particulars	March 31,2019	March 31,2018
Total Revenues	193.95	8.45
Total Expenditure	230.13	73.81
Earning before interest, tax, depreciation and amortization	(36.18)	(65.34)
Other Income (Net)	8.78	21.58
Finance Cost	-	-
Depreciation and amortization expense	6.60	14.99
Profit/(Loss) before exceptional item and tax	(34.00)	(58.75)
Exceptional Item	-	(150.00)
Profit /(Loss) before tax	(34.00)	(208.75)
Tax Expense	-	-
Net Profit /(Loss) for the year after tax	(34.00)	(208.75)
Balance carried forward to Balance Sheet	(1285.23)	(1251.23)

### 2. THE STATE OF COMPANY'SAFFAIRS:

Overall business during the year was not very impressive due to resource constraints. However, the company continue to look for the new opportunities other than Retail like in Green Mobility solution. The company is in the process of testing the newer technology in this area thru Citycycle India Pvt. Ltd. As announced earlier, the company has announced to acquire Citicycle India Pvt. Ltd. as wholly owned subsidiary. During the year, the company had conducted pilot of Online B2B business and the total revenue was Rs. 193.95 lacs. However, didn't find it viable as the business needed huge capital infusion. Based on various research conducted by the company for fixing its business model for faster profitability, it has evaluated various businesses to be conducted thru its retail network. It is in process of acquiring the business of M/s. Citicycle India Private Limited, which is in the business of green mobility solution and in process exploring different models for launching.

Your company is placed under Graded Surveillance Mechanism (GSM) stage-1andtheBombay Stock Exchange (BSE) started putting several restrictions in FREE tradability of the shares of the company. GSM had led to trade restrictions and a complete roadblock in terms of raising additional capital from new investors.

### 3. DIVIDEND:

In view of the losses, your Directors do not recommend any dividend during the year 18-19

### 4. MANAGEMENT DISCUSSION AND ANALYSISREPORT:

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation") is presented in a separate section forming part of this Annual Report.

### 5. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year, based on the recommendation of the Nomination and Remuneration Committee,

- Mr. Mahesh Palshetkar was appointed as Managing Director of the company w.e.f 01<sup>st</sup> February 2019 in place of Mr. Pradeep Malu, who tendered his resignation from the post of Managing Director and continues to remain as non- executive director of the company.
- Mr. Shantaram Hande was appointed as Additional Independent Director of the company w.e.f 01<sup>st</sup> February 2019
- Mr. Naval Choudhary had tendered his resignation from the post of Independent Director w.e.f29<sup>th</sup> March 2019

The appointment of Mr. Mahesh Palshetkar and Mr. ShantaramHande is proposed to be regularized in this Annual

General Meeting.

The brief resume of the Directors seeking appointment in the forthcoming Annual General Meeting, in pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Annual General Meeting Notice.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company. The Company has received declarations from all Independent Directors of the Company that they meet the criteria of Independence prescribed under the Act and the Listing Regulations.

**Board Evaluation:** Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the formal annual evaluation was carried out for the Board's own performance, its committee & Individual directors. The manner and detail in which evaluation was carried out is explained in the Corporate Governance Report.

**Nomination and Remuneration Policy:** The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report.

**Meetings of the Board:** During the year 5 (five) Board Meetings (other than Meeting of Independent Directors) were convened and held, details of which are given in the Corporate Governance Report which is annexed to this report and forms a part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Independent Directors affirmation:** The Independent Directors of your Company have given the certificate of independence to your Company stating that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as independent director during the year.

**Familiarisation Programmes for Independent Directors:**

The Company has put in place a system to familiarise its Independent Directors with the Company, their roles, rights & responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of such familiarization programme is put up on the website of the Company at <http://istreetnetwork.com/wp-content/uploads/2015/04/Familiarisation-prog.pdf>

**Key Managerial Personnel:**

During the year, Mr. Pradeep Malu resigned as Managing Director of the Company w.e.f 01<sup>st</sup> February 2019. The Directors place on record their appreciation for the contribution made by him during his tenure. The Board at its Meeting held on 01<sup>st</sup> February 2019 has appointed Mr. Mahesh Palshetkar as Managing Director of the company.

Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are:

- Mr. Mahesh Palshetkar- Managing Director,
- Mr. Dinesh Trivedi- Chief Financial Officer and;
- Ms. Surabhi Pal- Company Secretary.

**6. DIRECTORS RESPONSIBILITY STATEMENT:**

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and the reviews performed by the relevant Board Committees, including the Audit Committee of the Board, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended March 31, 2019. Accordingly, pursuant to Section 134 (5) of the Companies Act, 2013, based on the above, the Board of Directors, to the best of their knowledge and ability confirms that:

- (i) in the preparation of the Annual Accounts, the applicable Indian Accounting Standards (IndAS) have been followed and that no material departures have been made from the same;
- (ii) they have selected such accounting policies and applied them consistently and made judgments 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 losses of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls which are adequate and are operating effectively during the year ended March 31, 2019; and
- (vi) there is a proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively during the year ended March 31, 2019.

**7. WHISTLE BLOWER POLICY:**

The Company has a Whistle Blower Policy with a view to provide vigil mechanism to Directors, employees and other stakeholders to disclose instances of wrongdoing in the workplace and report instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct policy. The Whistle Blower Policy also states that this mechanism should also provide for adequate safeguards against victimization of Director(s)/ Employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy has been posted on the website of the Company and the details of the same are explained in the Report on Corporate Governance forming part of this Annual Report. The Whistle blower Policy is available at the website of the Company <http://istreetnetwork.com/wp-content/uploads/2013/08/Whistleblower-Policy.pdf>

**8. SUBSIDIARY , JOINT VENTURE AND ASSOCIATES:**

The Company does not have any subsidiary, joint venture or Associates as on March 31, 2019 except as stated in the Audited Financials of the company.

**9. MATERIAL CHANGES AND COMMITMENTS AFTER THE DATE OF FINANCIAL STATEMENTS:**

There are no material changes and commitments affecting the financial position of your Company between the end of the financial year and the date of this report. There has been no change in the nature of business of the Company.

**10. INTERNAL FINANCIAL CONTROLS:**

The Companies Act, 2013 has mandated the Company to have a formal framework of Internal Financial Controls (IFC) and has also laid down specific responsibilities on the Board, Audit Committee, Independent Directors and Statutory Auditors with regard to IFC.

The financial control system and framework is required to ensure:

- The orderly and efficient conduct of its business,
- Safeguarding of its assets,
- The prevention and detection of frauds and errors,
- The accuracy and completeness of the accounting records and,
- The timely preparation of reliable financial information.

The Board reviews the effectiveness of controls documented as part of IFC framework, and take necessary corrective actions where weaknesses are identified as a result of such reviews. This review covers entity level controls, process level controls, fraud risk controls and Information Technology environment. Based on this evaluation, no significant events had come to notice during the year that have materially affected, or are reasonably likely to materially affect, our IFC. The Management has also come to a conclusion that the IFC and other financial reporting was effective during the year and is adequate considering the business operations of the Company.

The Statutory Auditors of the Company has audited the IFC over Financial Reporting and their Audit Report is annexed to this report.

**11. RISK MANAGEMENT:**

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. Some of the identified risks are related to adoption of the new and innovative business concept by the consumers and retailers, capabilities of our network partners to deliver the desired experience to the customers, not able to raise resources and funds for reaching to a sustainable level of business, high technology obsolesce, competition with deep pockets, logistic infrastructure etc. In order to give risk perception of our business to the investors, the Company has attempted to provide "Investor Guidance" on the website which can be accessed from the link <http://istreetnetwork.com/investors/investor-guidance/>. This section contains the risk factors as identified by the Company which shall be updated on a timely basis.

**12. DISCLOSURE UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013:**

The Company has a 'Prevention of Sexual Harassment Policy 'in force in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The objective of this Policy is to ensure a safe, secure and congenial work environment where employees will deliver their best without any inhibition, threat or fear. The Company has Zero Tolerance to any form of harassment especially if it is sexual in nature. There were no complaints pending for the redressal at the beginning of the year and no complaints received during the financial year.

**13. CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES:**

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available on the Company's website at <http://istreetnetwork.com/wp-content/uploads/2013/08/Related-party-transaction-policy.pdf>. The Policy intends to ensure that proper reporting; approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the Ordinary Course of Business and

are at Arm's Length.

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies

Act, 2013 in Form AOC-2 is not applicable. There are no materially significant related party transaction's that may have potential conflict of interest with the Company at large. The details of related party disclosure form a part of the notes to the financial statements provided in the annual report.

#### **14. PUBLICDEPOSITS:**

During the year, your Company has not accepted any deposits under Section 73 of the Act, and as such, no amount on account of principal or interest on public deposits was outstanding as of March 31, 2019.

#### **15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Particulars of loans, guarantees and investments have been disclosed in the financial statements.

#### **16. COMMITTEES OF THE BOARD:**

The Board of Directors has the following Committees:

- (vii) Audit Committee
- (viii) Nomination and Remuneration Committee
- (ix) Stakeholders' Relationship Committee
- (x) Securities Allotment Committee
- (xi) Business Review Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

#### **17. EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in form MGT-9 is displayed in the website of the company at the following web link <http://istreetnetwork.com/annual-report/>

#### **18. AUDIT COMMITTEE:**

Audit Committee currently comprises of Mr. Shantaram Hande, Mr. Neeraj Gupta and Mr. Sanjeev Chhajed. Further, details relating to the Audit Committee are provided in the Corporate Governance Report, which forms a part of this report.

#### **19. LISTING:**

The Shares of the Company will continue to be listed on the Bombay Stock Exchange (the BSE Ltd.) which is situated at Phiroze Jeejeebhoy Towers, 25<sup>th</sup> Floor, Dalal Street, Mumbai – 400 001. The Company has partly paid the listing fees up to the financial year 2018-19.

#### **20. CORPORATE GOVERNANCE:**

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2019, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of this Annual Report. The requisite Certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance annexed herewith as "**Annexure – 1**"

#### **21. CERTIFICATION:**

The Managing Director and CFO certification on the financial statement is annexed hereto as "**Annexure- 2**"

#### **22. SECRETARIAL AUDIT:**

Section 204 of the Companies Act, 2013 read with rules made thereunder inter-alia requires every listed company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in Practice, in the Form MR-3. The Board of Directors has appointed Mr. Deepak Rane, Practicing Company Secretaries, as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2018-19. The report did not contain any qualification, reservation or adverse remark. The Secretarial Audit report is annexed herewith as "**Annexure – 4**" and forms an integral part of this Report.

#### **23. CONSERVATION OF ENERGY, 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. : NIL (Previous year- Nil)

(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)

**24. GREENINITIATIVES:**

Electronic copies of the Annual Report 2018-19 and Notice of the 32<sup>nd</sup> Annual General Meeting are sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email address, physical copies are sent in the permitted mode.

**25. COMPULSORY DEMAT OF PHYSICAL SHARES:**

**a) BSE circular no. vide LIST/COMP/15/2018 dated July 05, 2018**

Transfer of shares held in physical form by a shareholder is not possible with effect from 5<sup>th</sup> December, 2018; this restriction, however, shall not be applicable in case of transmission or transposition of shares. In view of the regulatory requirements referred to above, in the event the member wish to transfer any shares of the Company held in physical form will not be able to do so. Members may therefore, in their own interest, get such shares dematerialised.

**b) SEBI circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018**

Members with physical shares whose ledger folios have incomplete details with respect to PAN and Bank particulars are mandatorily required to furnish these details to the Company/RTA for registration in their respective folio.

Form for complying the aforesaid circular is attached with the annual report.

**26. STATUTORY AUDITORS:**

In terms of the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. SMMP & Associates., Chartered Accountants were appointed as the Statutory Auditors of the Company in AGM held on 29<sup>th</sup> September, 2018 for 5 years till the conclusion of 36<sup>th</sup> AGM of your Company.

**27. EXPLANATION OR COMMENTS BY THE BOARD ON EVERY QUALIFICATION, RESERVATION OR ADVERSE REMARK OR DISCLAIMER MADE:**

The reports of Statutory Auditor and Secretarial Auditor are free from any qualification, reservation or adverse remark or disclaimer.

**28. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

Disclosures pertaining to remuneration and other details as required under section 197(12) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "**Annexure – 3**" to this report.

In accordance with the provisions of Section 197(12) of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the names and other particulars of employees drawing remuneration in excess of the limits set out in the aforesaid Rules, forms part of this Report. However, in line with the provisions of Section 136(1) of the Act, the Report and Accounts as set out therein, are being sent to all Members of your Company excluding the aforesaid information about the employees. Any Member, who is interested in obtaining these particulars about employees, may write to the Company Secretary at the Registered Office of your Company.

**29. EMPLOYEE STOCK OPTIONS:**

There are no options outstanding at the end of the financial year.

**30. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:**

Objective appraisal systems based on Key Result Areas (KRAs) are in place for senior management staff. This is a part of Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

**31. GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the financial year 2018-19:

- a) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees Stock Option Scheme as referred to in this Report.
- c) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future except as stated above about Graded Surveillance Mechanism policy introduced by BSE which impacted the company's fund raising capabilities.

- d) The Company does not have any scheme of provision of money for the purchase of its own shares by employees for the benefit of employees.
- e) No fraud has been reported by the Auditors to the Audit Committee or the Board.

**32. ACKNOWLEDGEMENTS:**

We thank all our stakeholders for their continued support during the difficult year. We place on record our appreciation of the contribution made by our employees at all levels.

**CAUTIONARY STATEMENT:**

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

**For and on Behalf of Board of Directors**

Date : 14<sup>th</sup> August 2019  
Place : Mumbai

**Mahesh Palshetkar**  
**Managing Director**  
**DIN: 152552**

**Neeraj Gupta**  
**Director**  
**DIN: 5327106**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Industry and the Company Business Model:

The company is an Internet & Retail Catalogue company and sells products and services through its Internet Retail Stores known as 'iStreet Bazaar'. iStreet Bazaar – the Internet Retail Store is a physical store in a neighborhood area which runs on virtual inventory. Common people who have constraints in buying products online, can do so at these stores. The network of Internet Retail Stores is one of the major assets for the company to run its business. These network retailers give eCommerce shopping experience to customers based on trust and relationship. This model is unique and innovative.

### Discussion on Financial Position Relating to Operational Performance:

There is no change in the Share capital and Securities Premium account of the company. The other comparative expenses are given below:

Particulars	FY 2018-19 ( Rs. In Lakhs.)	FY 2017-18 (Rs. In Lakhs.)	Change (Rs. In Lakhs)	Remarks
Share Capital	852.00	852.00		No change
Reserves & Surplus:				
(i) Securities Premium Account	228.36	228.36		No change
(ii) Capital Reserve	8.60	-		Share warrants money transferred
(iii) Profit and Loss	(1285.24)	(1251.23)	34.01	Loss during the year
Money Received Against Share Warrants	-	8.60		Transferred to Reserve
Short Term Borrowings	0	0		-
Trade Payables	25.23	72.30		Paid or Settled or no longer payable
Other Current Liabilities	41.65	29.89		Unpaid expenses
Fixed Assets : Tangible Assets	0.88	1.45		Depreciation charged during the FY
Intangible Assets	0.74	6.72		
Non-Current Investments	0.66	0.66		No change
Long-Term Loans and Advances	-	-		-
Inventories	0	0		No inventory at the end of the year
Trade Receivables	0	63.64		-
Cash and Cash Equivalents	1.55	0.28		-
Short-Term Loans and Advances	0	0		-
Other Current Assets	18.08	18.17		

### Performance of Business:

The company has invested huge resources to build its business. The present accounting standards does not recognize such spending as 'value of intangibles assets' like network of retailers, technology, last mile delivery infrastructure, supply chain, branding etc.

In March 2017, the company had been classified into the Graded Surveillance Measure (GSM) list by BSE. The criteria for classifying the company into GSM was not very clear to us. At present the company is placed in stage I of GSM list. Consequent to classifying into GSM, and its restriction of FREE tradability of it's shares, the company was unable to raise fresh capital for the business and hence suspended it's operation wef April, 2017.



The company Is implementing its new business strategy with a focus on ‘profitability’ with available internal resources. The company carried out a pilot of B2B market place however, could not take this forward due to certain trade practices like credits, delivery, GST etc. However, it has controlled its operational expenses to a great extent while working on the new business opportunity.

The comparative performance and the reasons of variation is given in the following table:

Particulars	FY 2018-19 (Rs. in Lakhs)	FY 2017-18 (Rs. in Lakhs.)	Change (Rs. in Lakhs.)	Remarks
Revenue from Operations	193.95	8.46	185.49	Pilot of B2B business
Employee Benefit Expense	5.05	26.32	21.28	Low level of ops.
Depreciation & Amortization Expenses	6.60	14.99	8.39	Charged as required
Finance Cost	0	0	0	
Other Expenses	32.10	39.16	7.06	Not a significant change.
Net Profit/(Loss)	(34.00)	(208.75)	174.74	Last year, prov. Was made for doubtful debts

### Overall Business during FY2018-19

#### Business details

Overall business during the year was not very impressive due to resource constraints. However, the company continue to look for the new opportunities other than Retail like in Green Mobility solution. The company is in the process of testing the newer technology in this area thru Citycycle India Pvt. Ltd. As announced earlier, the company has announced to acquire Citicycle India Pvt. Ltd. as wholly owned subsidiary.

#### Legal Compliances:

The Company is legally compliant and taken all the necessary steps to protect its brand image at all levels. The company timely complies with all the mandatory compliances to be done with regulatory authorities

#### Internal controls:

The Company is responsible for establishing and ongoing maintenance of adequate and effective internal controls and for the preparation and presentation of the financial statements, in particular, the assertions on the internal financial controls in accordance with broader criteria established by the Company. We have established an internal control system for the Company, comprising of the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation and presentation of reliable financialinformation.

#### Opportunity & Our Focus:

Retail in India is changing very rapidly and hence, there exist a huge opportunity. The company is also looking at various other opportunities in the space of Banking, Financial Services and Insurance (BFSI) to deliver thru its existing retail network. However, all would be dependent upon how the company is able to infuse fresh money.

The company is also evaluating various opportunities including in green mobility solution thru an acquisition which is under process.

#### Risk & Concerns

Challenges and Risks are classified as Internal and External.

#### External Challenges identified are:

- Competition with Discounters
- Time taken to fulfill orders
- Inactive Network Partners
- Customer Experience by Network Partners
- Brand / Manufacturers support

#### Internal challenges are:

- Fundraising

- Organization Scaling
- Tax and Regulatory Structure
- Risk, Fraud and Cyber Security
- Compliance Framework
- Technology resources
- Improper quality checks

#### **Fund Raising:**

Our Business is an Asset Light Business – Internet Retail which require huge capital to funds its project. The company faced this as the biggest risk during the recent times. The Company has been making efforts to raise money through various routes like Preferential Issue, Venture funds, Private Equity etc. However, there has been no major success so far. The funds are required for running and scaling business in various heads like technology, marketing, branding, fulfillment infrastructure etc. While the company was finding it hard to raise money for funding the project, it became further difficult due to classification of the Company's shares into Graded Surveillance Measure (GSM) list by Bombay Stock Exchange (BSE). It has led to a complete roadblock in terms of raising of further capital and thus new fund raising has become an extremely challenging and a daunting task.

However the company is making necessary efforts to raise funds for its new business opportunity.

#### **Future Outlook**

The company is working on different models of business driven thru Internet + Retail. The possible segments are retail aggregation, assisted online buying, change in products, adding services like Banking and Financial Services and Insurance (BFSI) etc. The company has also reduced its operating expenses in order to minimize the losses of the company during this period and has been able to do it successfully. For update, we request you to keep visiting our website

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

The new project in Green Mobility looks promising. The key is in execution of the project and the technologybacking the project on which the company is working thru its proposed subsidiary arrangements.

#### **Cautionary Statement**

The report contains forward-looking statements, identified by words like 'plans', 'expects', 'will', 'anticipates', 'believes', 'intends', 'projects', 'estimates' and so on. All statements that address expectations or projections about the future, but not limited to the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. Since these are based on certain assumptions and expectations of future events, the Company cannot guarantee that these are accurate or will be realised. The Company's actual results, performance or achievements could thus differ from those projected in any forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any such statements on the basis of subsequent developments, information or events. The Company disclaims any obligation to update these forward-looking statements, except as may be required bylaw.

## CORPORATE GOVERNANCE REPORT

[Pursuant to Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 “SEBI Listing Regulations”]

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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.

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.

While practicing good Corporate Governance the company strives to communicate, all the material developments and its financial performance in a timely, meaningful and truthful manner. The Company has infused the philosophy of Corporate Governance into all its activities. Fairness, accountability, disclosures and transparency are the four strong pillars supporting the foundation of the Company's philosophy of Corporate Governance.

### 2. BOARD OF DIRECTORS

The Company believes that an active, well-informed and Independent Board is necessary to ensure the highest standards of Corporate Governance. The Board oversees the performance of the Company and ensures shareholder protection and maximization of their long term values. 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.

The Board is duly supported by the Senior Management Personnel in ensuring effective functioning of the Company.

#### Composition and category of Directors:

The Company has a balanced and diverse Board, which includes independent professionals and confirms to the provisions of the Companies Act, 2013 and the Listing Regulations. Your Company's Board represents a confluence of experience and expertise from diverse areas of industry, management, export and financial background. The Company is managed by the Board of Directors in coordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Board consists of six Directors as on March 31, 2019. 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 composition of the Board is in conformity with the listing agreement. The day-to-day management of the Company is carried on by

Mr. Mahesh Palshetkar Managing Director of the Company subject to the supervision and control of Board of Directors.

Name	Date of Appointment	Category of Director	Directorship in other Companies (excluding iStreet Network)	No of Board Committees in which Member/ Chairman (excluding iStreet Network)
Mr. Mahesh Palshetkar	01/02/2019	Managing Director	NIL	NIL
Mr. Pradeep Malu	26/06/1986	Director	1	NIL
Mr. Neeraj Gupta	18/09/2014	Independent Director	NIL	NIL
Mr. Sanjeev Chhajed	13/01/2005	Independent Director	NIL	NIL
Ms. Meenu Malu	08/02/2017	Non- Executive Director	1	NIL
Mr. Shantaram Hande	01/02/2019	Independent Director	NIL	NIL

#### Note:

- (i) As per regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other directorships exclude directorship of private limited companies, foreign companies and companies under Section 8 of the Act. Chairmanships/Membership of Board Committees shall only include Audit Committee and Stakeholders Relationship Committee.

- (ii) None of the Directors on the Board hold membership of more than 10 committees nor any director is the Chairman of more than 5 committees across all companies where he/she holds directorships.

**a) Directors' Profile:**

The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures. The Company's Board presently consists of a majority of non-executive / independent Directors, many of whom are senior, competent and highly respected persons from their respected fields. The brief profiles of the Board of Directors of the Company are as hereunder:-

**Mahesh Palshetkar, Managing Director, DIN 00152552**

Mahesh Shashikant Palshetkar is an entrepreneur and co founder of the company named Citicycle India Pvt. Ltd. Mr. Mahesh has completed diploma in automobile engineering. Mr. Mahesh Palshetkar is a sharp business acumen with superior technical knowledge. He is well assisted by dedicated team of management of the firms Transport Division, who lends their support through their novel ideas and managerial skills. Together, their optimistic outlook and proficiency in management affairs has always ensured profitable results for the Firm.

His sharp business acumen, huge contacts, wide ranging public services, focused vision and consistent efforts have helped the group attain a unique position in its line of activity. He joined the Transport industry in 2007 and since then has been closely involved with the trade. He has been instrumental in promoting Citicycle India Pvt. Ltd with a practical experience of more than 10 years in the industry; he has successfully developed and monitored each venture undertaken by the Group. Apart from entrepreneurial intelligence, it is his technical brilliance that has been his major asset. His ability to anticipate the future trends, experiment and develop the desired products is a major factor responsible for the growth of the firm. Besides, his foresight, his ambitious outlook and risk aware approach have always ensured a stable and progressive base for the firm. Presently, he monitors the operational, technical, marketing, finance of the group.

**Neeraj Gupta, Independent Director, DIN 05327106**

Mr. Neeraj Gupta is a Commerce Graduate with Diploma in Export Management. He has vast and versatile experience of over 37 years across various industries. He maintains excellent relationship with all the stakeholders across industries. He has in-depth knowledge of culture and beliefs of different states of India, which help Company immensely while planning for expanding its network across the geography of India.

**Sanjeev Chhajed, Independent Director, DIN 02849462**

Sanjeev Chhajed 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 ten years.

**Meenu Malu, Director, DIN 00444932**

Meenu Malu holds a Bachelor of Science degree. She has been active throughout her life in various business and social activities. She serves on the Board of several companies and as a Managing Director of Inovent Solutions Ltd. - an eCommerce services company. She has also served as a Merchandiser in past for product categories ranging from Apparel to Fashion to Jewellery to Ethnic products.

**Pradeep Malu, Director, DIN 00001959**

Mr. Pradeep Malu, is a Chartered Accountant and an Entrepreneur. An eCommerce professional since late 90's and has set new rules for business growth using eCommerce. He has conceptualized and executed large number of eCommerce projects in B2C, B2B and C2C space. As a Managing Director, he is responsible for exercise of overall control, driving the team with his vision, implementing ethical and good governance practices.

**Shantaram Hande, Independent Director, DIN: 08341346**

Mr. Shantaram Balshiram Hande is a commerce and law graduate with additional educational degrees like DTM., DAM., DLL., DSW., Mr. Shantaram started his career as Clerk in MSRTC Corporation, Mumbai Central and later got promoted as a Traffic Inspector, Asstt. Traffic Supdt., Depot Manager and Divisional Traffic Officer.

He has been honoured with Merit Award as stood first in the all India Exam held for Diploma in Transport Management and special service certificate for innovative ideas implemented in MSRTC.

**b) Appointment, tenure and training of Directors:**

The Directors of the Company are appointed by Members at the General Meetings. The Managing Director and the Independent Directors of the Company is appointed for a term of five years as per the requirement of the statute. The Executive Director on the Board is appointed as per the provisions of the Companies Act, 1956/2013 and serve in accordance with the terms of their contract of service with the Company.

At the time of appointing a Director, a formal letter of appointment is given to him, which *inter-alia* explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him

under Companies Act, 2013, SEBI Listing Regulations and other various statutes and an affirmation is obtained. The Managing Director also has a one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters *inter-alia* covering the Company's businesses and operations, industry and regulatory updates, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarization programme for Directors are available on the Company's website –<http://istreetnetwork.com/wp-content/uploads/2015/04/Familiarisation-prog.pdf>

**c) Board Support**

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the meetings of the Board and its Committees, either in the capacity of Secretary of the Committees or Member of the Committee, advises / assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings. With a view to leverage technology and reducing paper consumption, the Directors of the Company receive the Agenda and Pre-reads in electronic form through e-mail.

**d) Board Evaluation**

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation of the Board was undertaken. During the year, the Board undertook the process of evaluation through discussions and made an oral assessment of its functioning. The Board had, during the year, opportunities to interact and make an assessment of its functioning as a collective body. In addition, there were opportunities for Committees to interact, for Independent Directors to interact amongst themselves and for each Independent Director to interact with the Managing Director. The Board found there was considerable value and richness in such discussions and deliberations. During the financial year the Board constantly monitored the business of the company, as it was the difficult time for the company.

The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board that were functioning well with periodic reporting by the Committees to the Board on the work done and progress made during the period.

**e) Board Meetings and attendance at Board Meetings:**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company apart from other Board business. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director. The Agenda of the Board/Committee meetings is set by the Company Secretary in consultation with the Managing Director of the Company. The Agenda is circulated normally a week prior to the date of the meeting. This ensures timely and informed decisions by the Board. The Agenda for the Board and Committee meetings cover items as set out as per the guidelines in Listing Regulations to the extent it is relevant and applicable. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting. The Managing Director appraises the Board on the overall performance of the Company at every Board meeting. The Members of the Board have complete freedom to express their opinion and have unfettered and complete access to information in the Company. All the decisions are taken after detailed deliberations by the Board members at the meetings. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board.

During the Financial year 2018-19, the Board met five times. The meetings were held on 29<sup>th</sup> May 2018, 08<sup>th</sup> August 2018, 13<sup>th</sup> November 2018, 01<sup>st</sup> February, 2019 and 12<sup>th</sup> February, 2019. The Interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the SEBI Listing Regulation.

The details of attendance of Directors at the Board Meetings and at the Last Annual General Meeting are as under:

Sr. No.	Name of Directors	No. of Board meetings attended	Whether attended last AGM held on September, 26, 2017
1.	Mr. Pradeep Malu	5	Yes
2.	Mr. Neeraj Gupta	5	Yes
3.	Mr. Naval Choudhary	5	Yes
4.	Mr. Sanjeev Chhajed	5	No
5.	Ms. Meenu Malu	5	Yes

**f) Disclosure of relationship between directors inter-se:**

None of the directors are related to each other except Ms. Meenu Malu, Non Executive - Non Independent Director who is the wife of Mr. Pradeep Malu, Director.

**g) Shareholding of Non-Executive Directors:**

As on March 31, 2019, Mr. Pradeep Malu holds 1713332 shares and Ms. Meenu Malu holds 415,500 shares in the equity share capital of the Company.

**h) Separate Independent Directors' Meeting:**

Independent Directors met on March 29, 2019 without the presence of Non- Independent Director and members of the Management. At this meeting, the Independent Directors *inter-alia* evaluated the performance of the Non-Independent Director and the Board of Directors as a whole, and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company's Management and the Board.

i) **Code of Business Conduct & Ethics:**

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team of the Company. The Board of Directors and the members of Senior Management Team are required to affirm annual Compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website – <http://istreetnetwork.com/wp-content/uploads/2013/08/Code-of-Conduct.pdf>

j) **Conflict of Interests:**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision making process. The Members of the Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

3. **COMMITTEES OF THE BOARD**

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has currently established the following statutory and non-statutory Committees.

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Securities Allotment Committee
- Business Review Committee

A. **AUDIT COMMITTEE Composition:**

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI Listing Regulation. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. The Company's Audit Committee comprises of three independent directors Mr. Sanjeev Chhajed, Mr. Neeraj Gupta and Mr. Shantaram Hande

**Meetings and Attendance:**

The Audit Committee met five times during the Financial Year 2018-19. The maximum gap between two meetings was not more than 120 days. The Committee met on 29<sup>th</sup> May 2018, 08<sup>th</sup> August 2018, 13<sup>th</sup> November 2018, 01<sup>st</sup> February, 2019 and 12<sup>th</sup> February, 2019. The necessary quorum was present for all Meetings. Mr. Neeraj Gupta, as member of Audit Committee attended the last Annual General Meeting of the Company. All the Audit Committee meetings in the financial year were chaired by Mr. Neeraj Gupta. The Table below provides the Attendance of the Audit Committee members:

Sr. No.	Name of the Directors	Position	Category	No. of Meetings attended
1	Sanjeev Chhajed	Member	Independent, Non Executive	5 out of 5
2	Neeraj Gupta	Member	Independent, Non Executive	5 out of 5
3	Naval Choudhary	Member	Independent, Non Executive	5 out of 5

**Terms of reference:**

The Audit Committee *inter-alia* performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, recommendation for the appointment of Statutory Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions and Analysis, Review of Internal Audit Reports, significant related party transactions.

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Act and Listing Regulations.

The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

**Functions of Audit Committee:**

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Indian Accounting

Standards (IndAS) referred to in Section 133 of the Companies Act, 2013. Compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2019. The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. Managing Director, Chief Financial Officer and the Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary to the Committee as required by Regulation 18(1)(e) of the SEBI Listing Regulation. The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Consolidated Financial Results as required by the Regulation 33 of the SEBI Listing Regulation. The Company's quarterly Un-audited Standalone Financial Results are made available on the web-site link <http://istreetnetwork.com/investors/quarterly-results/> and are also sent to the Bombay Stock Exchange where the Company's equity shares are listed for display at their website. The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as a Whistle Blower Policy) and reviews the finding of investigation into cases of material nature and the actions taken in respect thereof.

#### **Internal Controls and Governance Processes:**

The Company continuously work in strengthening its internal control and processes. The Audit Committee along with the CFO formulates a detailed plan to the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings. The Internal Auditors attend the meetings of Audit Committee at regular intervals and submit their recommendations to the Audit Committee and provide a road map for the future.

#### **B. NOMINATION AND REMUNERATION COMMITTEE Composition:**

The Company's Nomination and Remuneration Committee comprises of three independent Directors Mr. Sanjeev Chhajed, Mr. Neeraj Gupta and Mr. Shantaram Hande. The Composition of Nomination and Remuneration Committee is in pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulation.

#### **Meeting and Attendance:**

The Nomination Remuneration and Committee met four time during the financial year on 12<sup>th</sup> April 2018, 29<sup>th</sup> May 2018, 08<sup>th</sup> Aug 2018, 01<sup>st</sup> February 2019. The necessary quorum was present for the Meeting. The Table below provides the Attendance of the Nomination Remuneration and Committee members:

Sr. No.	Name of the Directors	Position	Category	No. of Meetings attended
1	Sanjeev Chhajed	Member	Independent, Non-Executive	3 out of 4
2	Neeraj Gupta	Member	Independent, Non –Executive	4 out of 4
3	Naval Choudhary	Member	Independent, Non-Executive	4 out of 4

**Terms of Reference:** The Board has framed the Remuneration and Nomination Committee Charter which ensure effective Compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulation, which are as follows.

- Formulate the criteria for determining qualifications, positive attributes and independence of a director
  - Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy
  - To carry out evaluation of Director's performance
  - Recommend to the Board - appointment and removal of Director, KMP and Senior Management Personnel;
  - To devise a policy on Board diversity, composition, size
  - Oversee the formulate
  - on and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines
- The Committee also plays the role of the Compensation Committee and is responsible for administering the Employee Stock Open Scheme and determining eligibility of employees for stock options.

#### **REMUNERATION POLICY**

##### **i. Remuneration to Non-Executive Directors:**

The Non-Executive Directors are paid remuneration by way of Sitting Fees for the Board Meetings attended by them. The sitting fees to the Non-Executive Directors were paid in the beginning of the Financial Year 2017-18. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company. The Company has not granted any stock options to any of its Non-Executive Independent Directors.

##### **ii. Remuneration to Executive Directors:**

The appointment and remuneration of Executive Directors including Managing Director is governed by the recommendation of the Remuneration and Nomination Committee, resolutions passed by the Board of Directors and shareholders of the Company. The

remuneration package of Managing Director comprises of salary, allowances and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Remuneration and Nomination Committee and recommended to the Board for approval thereof. The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high calibre talent. However no Remuneration was paid to the executive director in view of the losses incurred by the company. The Remuneration and Nomination Policy is displayed on the website of the Company at the link <http://istreetnetwork.com/wp-content/uploads/2016/07/Nomination-and-Remuneration-Policy.pdf>

#### Details of Remuneration Paid To Directors for the Year Ended March 31, 2018

##### (a) Non Executive Directors

Name of the Director	Sitting Fees (Rs.)	No. of Shares held
Neeraj Gupta	Nil	Nil
Sanjeev Chhajed	Nil	Nil
Naval Choudhary	Nil	500
Meenu Malu	Nil	4,15,500
Pradeep Malu	Nil	17,13,332

##### (b) Executive Director

Name	Salary	Commission	Contribution to Provident Fund and other funds	Perquisites	Total
Mr. Mahesh Palshetkar	Nil	Nil	Nil	Nil	Nil

#### Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulation, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Managing Director and the Non Independent Director was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation process.

#### C. STAKEHOLDER RELATIONSHIP COMMITTEE Composition and Attendance

The Stakeholders Relationship Committee comprises of Mr. Neeraj Gupta - Independent Director and Mr. Pradeep Malu - Director as members of the Committee. Ms. Surabhi Pal acts as Secretary to the Committee. The table below highlights the attendance of the Members of the Committee. The necessary quorum was present for all the Committee meeting. The Committee is headed by Mr. Neeraj Gupta. The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.

Sr. No.	Name of the Directors	Position	Category	No. of Meetings attended
1	Neeraj Gupta	Chairperson	Independent non-Executive	2 out of 2
2	Pradeep Malu	Member	Director	2 out of 2

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 Stakeholder Relationship 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.
- Ms. Surabhi Pal, Company Secretary, is the Compliance Officer for resolution of Shareholder's/Investors complaints. The Minutes of the Stakeholders' Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of



the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action. During the financial year ended March 31, 2019, No complaint was received from the shareholders which was redressed to the satisfaction of the regulatory authorities and none of them were pending as on March 31, 2019.

**D. SECURITIES ALLOTMENT COMMITTEE**

The Securities Allotment Committee comprises of Mr. Neeraj Gupta - Independent Director, Mr. Pradeep Malu - Director, Ms. Meenu Malu - Non executive Non Independent Director, Mr. Dinesh Trivedi - CFO as members of the Committee. Ms. Surabhi Pal acts as Secretary to the Committee. There was no meeting of Securities Allotment Committee held during the financial year.

The purpose of the Securities Allotment Committee is to issue and allot all kind of securities that may be issued by the Company, from time to time subject to the provisions of the Companies Act, 2013 and subject to the Memorandum and Articles of Association of the Company and in accordance with the Companies (Issue of Share Certificate) Rules, 1960. The Committee is also empowered to issue share certificates to the shareholders of the Company and to settle any question, difficulty or doubts of the shareholders that may arise in regard to the issue and allotment of shares.

**E. BUSINESS REVIEW COMMITTEE**

The Business Review Committee comprises of Mr. Shantaram Hande - Independent Director, Mr. Neeraj Gupta - Independent Director and Mr. Pradeep Malu - Director. Since the business of the company during the financial year 18-19 was critical, the business was reviewed directly by the board and no meeting was held of Business Review Committee. The purpose of the Business Review Committee is to review and discuss with senior management of the Company, key operational performance and other important topics related to the business performance of the Company. The objective of this committee is to provide a forum outside of regular Board meetings of Directors to stay informed about key operational matters and to provide a platform for discussion and the expression of views by committee members to senior management of the Company.

**4. COMPANY POLICIES**

**a) Whistle Blower Policy**

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the SEBI Listing Regulation, the Company has adopted a Whistle Blower Policy and has established necessary mechanisms for employees to report concerns about unethical behaviour. The said policy has also been put up on the website of the Company at the following link: <http://istreetnetwork.com/policies/>

This policy is intended to:

- i. To create an environment where every officer feels free and secure to report specific incidents of unethical behavior, actual or suspected incidents of fraud or violation of the Company's Code;
- ii. To investigate such reported incidents in a fair manner;
- iii. To take appropriate disciplinary action against the delinquent officer(s);
- iv. To ensure that no officer is victimized or harassed for bringing such incidents to the attention of the Company.

The policy also provides adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. No person has been denied access to the Audit Committee. All complaints received under the said policy are reviewed by the Audit Committee at its meeting held every quarter.

Your Company believes that every employee is a trustee of its stakeholders and must adhere to the Company's Code of Conduct and Business Ethics and conduct himself or herself at all times in a professional and ethical manner.

**b) Code of Conduct for Directors and Senior Management:**

The Board has laid down Codes of Conduct for Directors & Senior Management and for employees and professionals serving in the key roles of the Company. The Codes of Conduct have been circulated to the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director in this regard is attached to this Report. The Code of Conduct is available on website of the Company at the link viz. <http://istreetnetwork.com/wp-content/uploads/2013/08/Code-of-Conduct.pdf>

**c) Code of Conduct for Prohibition of Insider Trading:**

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The Company has automated the disclosures and declarations to identified designated employees and the Board reviews the policy on a need basis.

The Code for prohibition of Insider Trading is available at the website of the Company at the link viz. <http://istreetnetwork.com/wp-content/uploads/2015/05/Code-of-Internal-Procedures-for-Insider-Trading.pdf>

**d) Related Party transactions policy:**

As required under Regulation 23(1) of the SEBI Listing Regulation, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company at the <http://istreetnetwork.com/wp-content/uploads/2013/08/Related-party-transaction-policy.pdf>

**e) Nomination and Remuneration policy:**

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and Employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company. The Nomination and Remuneration Policy is available at the website of the Company at the link viz. <http://istreetnetwork.com/wp-content/uploads/2016/07/Nomination-and-Remuneration-Policy.pdf>

**5. AFFIRMATIONS AND DISCLOSURE**

**a) Compliances with Governance Framework:**

The Company is in compliance with all mandatory requirements under SEBI Listing Regulation. 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.

**b) Disclosure on Website:**

The following information has been disseminated on the website of the Company at [www.istreetnetwork.com](http://www.istreetnetwork.com):

1. Details of business of the Company
2. Terms and conditions of appointment of Independent Directors
3. Composition of various Committees of Board of Directors
4. Code of Conduct for Board of Directors and Senior Management Personnel
5. Details of establishment of Whistle Blower policy
6. Criteria of making payments to Non-Executive Directors
7. Policy on dealing with Related Party Transactions
8. Policy for determining material subsidiaries
9. Details of familiarization programmes imparted to Independent Directors
10. Policy for determination of materiality of events
11. Investor Guidance

**c) Related Party transactions:**

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulation during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under the note 29 of significant accounting policies and notes forming part of the financial statements in accordance with "Indian Accounting Standard". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval. Further, All Related Party Transactions are placed before the Audit Committee/Board, as applicable, for their approval. Omnibus approvals are taken for the transactions which are repetitive in nature. None of the transactions with Related Parties were in conflict with the interest of the Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

**d) Details of non-compliance with regard to the Capital Markets**

The Company has complied with all requirements Specified under SEBI Listing Regulations as well as other regulations and guidelines of SEBI. There have been no penalties imposed by either SEBI or the BSE or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

**e) Secretarial Audit Report**

The Company has undertaken Secretarial Audit for the financial year 2017-18 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

**f) Disclosure of Accounting Treatment:**

The financial statements have been prepared in accordance with Indian Accounting Standard (IndAS). The Company has prepared these financial statements to comply in all material respects with the Accounting Standards, notified under section 133 of the Companies Act, 2013 ("the Act") read together with paragraph 7 of the Companies (Accounts) Rules 2014.

**g) Risk Management:**

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

**h) Reconciliation of share capital audit:**

Mr. Nitin Sarfare, Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and

listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and demat form held with NSDL and CDSL.

**i) Non-mandatory requirements:**

The Board of Directors periodically review the compliance of all applicable laws and steps are taken by the Company to rectify instances of non-compliance, if any. The Company is in compliance with all mandatory requirements of Listing Regulations.

**6. SUBSIDIARY COMPANY**

The company does not have any subsidiary and is nor subsidiary of any other company.

**7. GENERAL BODY MEETINGS**

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

General Body Meetings	Financial Year	Date and Time	Venue	Special Resolution
29 <sup>th</sup> AGM	2015-16	September 20, 2016 11.00 A.M	On Toes , One Up Banquets ,1 <sup>st</sup> Floor , Palm Spring, Link Road, MaladWest, Mumbai-400064.	1. Approval to implement Employee Stock Option Scheme, 2016 and Grant of Employee Stock Options to the Employees of the Company thereunder 2. Grant of Employee Stock Options to the Employees of the Subsidiary Company(ies) or Associate Company(ies) or Holding Company of the Company under
				iSNL Employee Stock Option Scheme 2016 3. Grant of Options to issue securities equal to or exceeding one per cent of the issued Capital of the Company during any one financial year to identified employees under iSNL Employee Stock Option Scheme 2016 4.To approve the limit of transactions with related parties
30 <sup>th</sup> AGM	16-17	September 26, 2017 11.00 A.M	On Toes , One Up Banquets ,1 <sup>st</sup> Floor , Palm Spring, Link Road, MaladWest, Mumbai-400064.	All resolution passed were Ordinary Resolution
31 <sup>st</sup> AGM	17-18	September 29, 2018 11.00 A.M	K-18, Sonal Industrial estate, Opp Movietime Cinema, Malad West, Mumbai- 400064	All resolution passed were Ordinary Resolution

**8. POSTAL BALLOT**

During the financial year 2018-19, the Company had not sought any approval of the members through postal ballot

**9. MEANS OF COMMUNICATION**

- The Unaudited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI Listing Regulation.
- The approved financial results are forthwith sent to the Stock Exchanges and are published in Regional and English daily newspapers within forty-eight hours of approval thereof.
- The Company's financial results and official press releases are displayed on the Company's Website at the

link<http://istreetnetwork.com/investors/quaterly-results/>

- iv. Any presentation made to the institutional investors or / and analysts are also posted on the Company's website.
- v. Management Discussion and Analysis forms part of the Company's Annual Report.
- vi. The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited are filed electronically. The Company has complied with filing submissions through BSE Listing Centre.

#### Share Transfer System

Transfer of shares in dematerialized form is done through the depositories without any involvement of the Company. Transfer of shares in physical form is normally processed and completed by Registrar & Transfer Agent within a period of 15 working days from the date of the lodgment, subject to documents being valid and complete in all respects. Company also obtains half yearly certificate from a Practicing Company Secretary confirming compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and same is filed with the StockExchange.

#### Nomination

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the byelaws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

10.

#### GENERAL SHAREHOLDER'S INFORMATION

Day and Date of Annual General meeting	Saturday, 28 <sup>th</sup> September 2018
Time	11:00 a.m
Venue	03, C-2 Compound, 04th Bldg, Near Hotel Abbot, Vashi, Navi Mumbai- 400703
Financial year	01 <sup>st</sup> April 2018 to 31 <sup>st</sup> March 2019
Dividend payment date	NA
Listing of Equity Shares on stock Exchanges	BSE Ltd. Floor 25, Phiorze Jeejeebhoy Towers, Dalal Street Mumbai 400 001
Stock Exchange Code	524622
International Securities Identification Number (ISIN)	INE532B01020
Corporate Identification Number (CIN)	L51900MH1986PLC040232
Face Value per share	Rs 4/-
Date of Book Closure/Record Date	21 <sup>st</sup> September 2019 to 28 <sup>th</sup> September 2019
Payment of Annual Listing Fees	Listing fees paid partly for the financial year 18-19
Financial calendar for 2018-19 (tentative dates):	
For the quarter ending June 30, 2019	Mid of August, 2019
For the quarter ending September 30, 2019	Mid of November, 2019
For the quarter ending December 31, 2019	Mid of February, 2020
For the quarter ending March 31, 2020	End of May 2020
Suspension from trading	No

11.

#### MARKET PRICE DATA FOR 2018-19

The Company's shares are frequently traded on BSE Limited. The monthly high/low (based on daily closing prices) and volume of shares of the Company is given below:

Months	High Price(Rs.)	Low Price (Rs.)	Volume of Equity Shares
April 2018	5.07	5.07	1
May 2018	5.07	5.07	0
June 2018	5.07	4.58	7519
July 2018	4.52	4.3	2
August 2018	4.09	3	8196
September 2018	3	2.29	14748

October 2018	2.29	1.6	8282
November 2018	1.6	1.32	19382
December 2018	1.38	1.26	6335
January 2019	1.51	1.14	86705
February 2019	1.39	1.33	1790
March 2019	1.3	1.09	76179

**12. a) Distribution of shareholding as on March 31,2019:**

No of Equity Shares	No of Shareholders	% of shareholders	No. of shares held	Amount in Rs	% of shareholding
1-100	2918	28.31	268847	1075388	1.26
101-500	5386	52.25	1708970	6835880	8.02
501-1000	1015	9.85	848348	3393392	3.98
1001-2000	404	3.92	649512	2598048	3.05
2001-3000	148	1.44	390845	1563380	1.83
3001-4000	66	0.64	242068	968272	1.14
4001-5000	121	1.17	583549	2334196	2.74
5001-10000	115	1.12	902843	3611372	4.24
10001-20000	62	0.60	930977	3723908	4.37
20001-50000	39	0.38	1217071	4868284	5.71
50001 & Above	34	0.33	13556970	54227880	63.65
<b>TOTAL</b>	<b>10308</b>	<b>100.00</b>	<b>2,13,00,000</b>	<b>8,52,00,000</b>	<b>100.00</b>

**b) According to categories of shareholders as on March 31,2019:**

S. N.	Categories	No of Shares	Percentage
1.	Resident Individuals	9019904	42.35
2.	Non Resident Indians	1200729	5.64
3.	Corporate Bodies – Promoter	7075525	33.22
4.	Corporate Bodies	1237336	5.81
5.	Directors – Promoter	2128832	9.99
6.	Directors	00	0.00
7.	Directors Relative – Promoter	636752	2.99
8.	Clearing Member	100	0.00
9.	Corporate Body – Broker	822	0.00
10.	GDRs/ADRs/ADSs	00	0.00
	<b>Total</b>	<b>2,13,00,000</b>	<b>100.00</b>

**c) Details of Shares held by Directors as on March 31,2019:**

Name of Directors	No. of Equity Shares Held
Pradeep Malu	17,13,332
Meenu Malu	4,15,500

**d) Statement Showing Shareholding Pattern as March 31,2019:**

Category	No. of Shares held	%
<b>(A). Promoters – Indian</b>	<b>98,41,109</b>	<b>46.21</b>
<b>(B). Public</b>		
Bodies Corporate	1237336	5.80
Individuals	9019904	42.35
Clearing member	100	0.00
NRIs	1200729	5.64
Directors	00	0.00
Corporate Body - Broker	822	0.00
GDRs/ADRs/ADSs	00	00
<b>Total Public Shareholding</b>	<b>11458891</b>	<b>53.79</b>
<b>TOTAL (A)+(B)</b>	<b>2,13,00,000</b>	<b>100.00</b>

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

93.34% of the total equity share capital of the Company have been dematerialised (NSDL – 69.38% and CDSL 24.02%) as on March 31, 2019. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories 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.

Members holding old share certificate in the name of Principal Pharmaceuticals & Chemicals Limited having face value of Rs. 10 each, are requested to print stickers (for both – change of name and change of face value) available on Investors section of our website and stick the same as directed in the old certificate, before lodging the same with their respective depository participant for dematerialization purposes.

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

The Company does not have any outstanding GDRs / ADRs / any other convertible instruments as on 31<sup>st</sup> March 2019.

**g) Plant Location**

The Company has no manufacturing unit as on March 31, 2019

**h) 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. 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). 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](mailto:adroits@vsnl.net)

**i) Investor Correspondence:**

In order to facilitate quick redressal of the grievances/queries, the Investors and Shareholders may contact the Company Secretary at the under mentioned corporate office address for any assistance:

Ms. Surabhi Pal Company Secretary iStreet

Network Limited

03, C-2 Compound, 04th Bldg, Near Hotel Abbot,

Vashi, Navi Mumbai- 400703

Tel No. 022 27827900,

Email : [investors@istreetnetwork.com](mailto:investors@istreetnetwork.com)

**For and on Behalf of Board of Directors**

**Mahesh Palshetkar**  
Managing Director

**DIN : 0152552**

**Neeraj Gupta**  
Director

**DIN: 05327106**

Date: 14<sup>th</sup> August, 2019  
Place: Mumbai

## **Annexure 1**

### **Auditors' Certificate on Corporate Governance**

#### **To the Members of iStreet Network Limited**

We, S M M P & Associates, Chartered Accountants, the Statutory Auditors of iStreet Network Limited, have examined the compliance of conditions of corporate governance by iStreet Network Ltd. ('the Company'), for the year ended 31st March 2019, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange of Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

We have examined the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, to the extent relevant for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements

of the Standard on Quality Control (SQC) 1 Quality Control for firms that perform audit & Reviews of Historical Financial Information, and Other Assurance & Related Services Engagements.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and 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 Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange of Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as applicable

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

**For S M M P & Associates**  
Chartered Accountants  
Firm Registration No. 120438W

**Chintan Shah**  
Partner  
Membership No. - 166729

Mumbai, dated 29<sup>th</sup> May, 2019

## Annexure 2

### **COMPLIANCE CERTIFICATE**

**In terms of Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015**

To,  
The Board of Directors,  
iStreet Network Limited,

I Mr. Mahesh Palshetkar, Managing Director and Mr. Dinesh Trivedi, Chief Financial Officer of iStreet Network Limited do hereby certify that:

- A. I have reviewed financial statements and the cash flow statement for the quarter and year ended 31.03.2019 and that to the best of our knowledge and belief:
- (1) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their 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. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
1. significant changes, if any, in the internal control over financial reporting during the year;
  2. 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
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai  
Date: 30<sup>th</sup> May, 2019

**Mahesh Palshetkar**  
**Managing Director**

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### **Declaration regarding Compliance by Board Members and Senior Management Personnel with the Company's Code of conduct**

This is to confirm that the company has obtained from all the members of the Board and senior management, affirmation that they have complied with the code of conduct as applicable to them.

Place: Mumbai  
Date: 30<sup>th</sup> May, 2019

**Mahesh Palshetkar**  
**Managing Director**



### Annexure 3

Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

(i) the Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year; (no other Director draw any remuneration)	Disclosure	
	Name of the Director	Ratio
	Mr. Pradeep Malu, Managing Director (upto 01 <sup>st</sup> February 2019)  Mr. Mahesh Palshetkar, Managing Director (from 01 <sup>st</sup> February 2019)	Nil
	1. None of the Directors has drawn any remuneration.	
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Managing Director – No remuneration was withdrawn during the F.Y 18-19 CFO – No change CS – No change	
(iii) the percentage increase in the median remuneration of employees in the financial year	During FY 2018-19, there was no increase in Median Remuneration.	
(iv) the number of permanent employees on the rolls of company as on 31 <sup>st</sup> March, 2019	There were 2 permanent employees on the rolls of the Company as on March 31, 2019.	
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Nil – For Managerial Remuneration.	
(vi) the key parameters for any variable component of remuneration availed by the directors;	Not Applicable	
(vii) affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy of the Company	

## Annexure 4

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31MARCH, 2019

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members  
**ISTREET NETWORK LIMITED**  
03, C-2 Compound, 04th Bldg,  
Near Hotel Abbot, Vashi,  
Navi Mumbai 400703.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Istreet Network Limited (CIN: L51900MH1986PLC040232) (herein after referred as "the Company") for financial year 2018-19. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 ("**Audit Period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined, the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and produced before us for the financial year ended 31<sup>st</sup> March, 2019, as per the provisions of:

- (i) The Companies Act, 2013 ("**the Act**") and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') during the Audit Period.
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014; (Not applicable to the Company during the Audit Period)
  - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Audit Period)
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period)
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

(vi) I, relied on the representation made by the Company and its Officers in respect of systems and mechanism formed / followed by the Company for the compliance of the following laws applicable specifically to the Company:-

- a) The Information Technology Act, 2000;
- b) The Sale of Goods Act, 1930;
- c) The Indian Contract Act, 1872;
- d) The Consumer Protection Act, 1986;

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards 1 and 2 as issued and revised by The Institute of Company Secretaries of India from time to time.
- ii. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended and made effective from time to time.

Based on the aforesaid information provided by the Company, I report that during the financial year under report, the Company has complied with the provisions of the above mentioned Act/s, Rules, Regulations, Guidelines, Standards, etc. mentioned above to the extent applicable and I have not found material observation or instances of non-compliance in respect of the same.

**I further report that -**

The Board of Directors of the Company is duly constituted with all the Directors are Non-Executive Directors with adequate mix of Independent Director's. The changes in the composition of the Board of Directors that took place during the Audit Period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors about scheduled Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance; and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board and committees were unanimous and no dissenting views have been recorded.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the Audit Period;

- a. Company has appointed Mr. Dinesh Trivedi as an Additional Director and Chief Financial Officer (CFO) with effect from 29<sup>th</sup> May, 2018.
- b. Company has appointed Mr. Mahesh Palshetkar as Managing Director of the Company and Mr. Pradeep Malu resigned from the post of Managing Director with effect from 01<sup>st</sup> February, 2019.
- c. Company has appointed Mr. Shantaram Hande as Additional Director with effect from 01<sup>st</sup> February, 2019.
- d. Company has received resignation of Mr. Naval Choudhary as Director of the Company with effect from 29<sup>th</sup> March, 2019.
- e. Company has changed the registered office address from K-18 Sonal Industrial Estate, Opp Movie times Cinema, Link Road Malad west Mumbai 400064 to 03 C-2 Compound, 04<sup>th</sup> Building, Near Hotel Abbot Vashi Navi Mumbai – 400703 with effect from 01<sup>st</sup> February, 2019.
- f. The Board approved the proposal of reduction of share capital by way of reducing present value of Rs.4/- each to Re.1/- each resulting into reduction of capital of Rs.639.00 lakhs in the Board Meeting held on 12<sup>th</sup> February, 2019.
- g. The Board approved the proposal of acquisition of bike sharing business of City Cycle India Private Limited on shares swap basis in the Board Meeting held on 12<sup>th</sup> February, 2019

Place: Mumbai

Date: 13<sup>th</sup> August, 2019

Deepak Rane  
Practicing Company Secretary  
Proprietor  
CP No. 8717

This report is to be read with my letter of even date which is annexed as **Annexure– A** and forms an integral part of this report.

**Annexure - A**

To,  
The Members,  
**ISTREET NETWORK LIMITED**

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: 13<sup>th</sup> August, 2019

Deepak Rane  
Practicing Company Secretary  
Proprietor  
CP No. 8717

## **Independent Auditor's Report**

### **To the Members of iStreet Network Limited**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the standalone financial statements of **iStreet Network Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity) and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements"). In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the India Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, ("Ind As") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (CAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics issued by the ICAI. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the following matter to be the Key audit matter to be communicated in our Report.

<b>Key Audit Matter</b>	<b>Auditor's Response</b>
As disclosed in Note No. 24 in March 2017, the Company had been classified into the Graded Surveillance Measure (GSM - Stage 1 of GSM List) list by BSE. The criteria for classifying the Company into GSM was not very clear to the Company. Consequent to its classifying into GSM and its restriction of free tradability of its shares, the Company was unable to raise fresh capital for the business and hence suspended its operation with effect from 1st April 2017.	The Company has invested huge resources in developing technology, infrastructure, marketing, promotions in the last three years in order to expand its retail network and customer base. Also based on explanations given, the business model requires continuous investments till it reaches the break-even point and turns profitable. The impact of classifying the Company in GSM by BSE has led to trade restrictions and a complete roadblock in terms of raising additional capital from new investors. The Company has been incurring constant losses and also the net worth of the Company has been fully eroded. If the management is not able to infuse adequate money on appropriate time than the going concern assumption might get impacted. However, the Audited financial results of the Company are prepared on going concern basis. The Company is also implementing its new business strategy with a focus on profitability with the available internal resources and is in the process of acquiring Citicycle India Pvt. Ltd. which provides solution for mobility.

## **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total Comprehensive Income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As a part of an audit in accordance with the SAs, we exercise professional judgment and maintain professional scepticism throughout the Audit.

We also:

Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing an opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we

are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

Corresponding figures for the year ended 31<sup>st</sup> March 2018 have been audited by another auditor who expressed an unmodified opinion dated 29<sup>th</sup> May 2018 on the financial statements of the Company for the year ended 31<sup>st</sup> March 2018. Our opinion is not modified in respect of this matter.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind As specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the Directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(6) of the Act, as amended Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
- ii. The Company does not have long-term contracts including derivative contracts requiring provision for material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S M M P & Associates**  
Chartered Accountants  
Firm Registration No. 120438W

**Chintan Shah**  
Partner  
Membership No. - 166729

Mumbai, dated 29<sup>th</sup> May, 2019



**Annexure to the Auditors' Report**

*(Referred to in Paragraph 1 under the head "Report on Other Legal and Regulatory Requirements" of our report of even date on the Financial Statements for the year ended on March 31, 2019 of iStreet Network Limited)*

In terms of the information and explanations given to us and the books and records examined by us and on the basis of such checks as we considered appropriate, we further report as under:

(i) **Fixed Assets**

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed assets are verified over a period of one year. As explained to us there were no discrepancies on such physically verification carried out by the management. In our opinion the periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its assets.
  - c) As explained to us, there are no immovable properties comprising of Building which were held in the name of the Company during the year.
- (ii) The Company did not have any Inventory during the year, except for a batch of goods which were purchase and sold on the same day.
- (iii) According to the information and explanations given to us and on the basis of records verified by us during the year, the Company has not granted any loans secured or unsecured, to any Companies firm and other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus the provisions of Clause 3(iii) (a), (b) and (c) of the order are not applicable to the Company.
- (iv) Based on the information and explanations given to us and on the basis of records verified by us the Company has complied with the provisions of Section 185 and 186 of the Act to the extent applicable with respect to the loans given, investments made guarantees and securities given.
- (v) According to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under.
- (vi) As explained to us, maintenance of cost records has not been prescribed by the Central Government for the Company under Section 148(1) of the Act for the goods and services dealt in by the Company.
- vii) As per the records verified by us and according to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues with the appropriate authorities during the year and there were no amounts representing outstanding balances for more than six months as on the Balance Sheet date except in case of Provident Fund, Profession Tax, Tax deducted at Source, Value Added Tax and Service Tax. As explained to us, the statutes pertaining to ESIC, Customs Duty and Cess are not applicable to the Company during the year under review.

As explained to us and as per the records verified by us, the below mentioned undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Value Added Tax, Service Tax, Cess and other material statutory dues were in arrears as at 31<sup>st</sup> March 2019 for a period of more than 6 months from the date they became payable.

Particulars	Amount (Rs.)
Tax Deducted at Source	1,94,558
Value Added Tax	1,11,857
Profession Tax	2,200

According to the information and explanation given us and as per the records verified by us, the Company does not have disputed statutory liability during the year under review in respect of Provident Fund, Income Tax, Sales Tax, Value Added Tax, Service Tax, Cess and other material Statutory dues.

- viii) As per the records verified by us, the Company has not availed of any secured loan from any banks or financial institution in the previous year. Further, the Company has not issued any debentures during the year under review.
- ix) The Company has not raised any money during the year through initial / further public offer (including debt instruments) as well as any Term Loans. Accordingly, paragraph 3(ix) is not applicable to the Company.
- x) During the course of our examination of the books and records of the Company, carried out in accordance with the

generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company or its officers, noticed or reported during the year, nor have we been informed of such case by the management.

- xi) According to the information and explanations given to us and as per the records, the Company has not paid or provided for any managerial remuneration to the Managing Director for the year in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act in view of the waiver letter received from the Managing Director.
- xii) The Company is not a Nidhi company during the year under review and hence, the criteria as stipulated under Nidhi Rules 2014 are not applicable to the Company.
- xiii) As per the information and explanations given during the course of our verification, in our opinion, all transactions with the related parties made by the Company were in compliance with Sections 177 and 188 of the Act, to the extent applicable to the Company during the year. The relevant details in respect of the same have been appropriately disclosed in the Ind AS Financial Statements as per the requirements of the Accounting Standard- 18.
- xiv) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures and hence the requirements of Section 42 of the Act are not applicable.
- xv) As per the information and explanations provided to us, during the year, the Company has not entered into any non-cash transactions with directors or persons connected with the directors within the purview of Section 192 of the Act.
- xvi) As per the information and explanations provided to us and based on the overall operations of the Company, the Company is not required to obtain registration under Section 45-IA of the Reserve Bank of India Act 1934.

**For S M M P & Associates**  
Chartered Accountants  
Firm Registration No. 120438W

**Chintan Shah**  
Partner

Membership No. 166729  
Mumbai, dated 29<sup>th</sup> May, 2019

**Annexure B to the Auditor's Report of even date on the Ind AS financial statement of iStreet Network Limited**  
**Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **iStreet Network Limited** ("the Company") as of 31<sup>st</sup> March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company comprising of the Balance Sheet as at March 31<sup>st</sup> 2019, the Statement of Profit and Loss including Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the period then ended.

**Management's Responsibility for Internal Financial Controls :**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility:**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting and the Standards on Auditing, issued by the ICAI deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those standards and the Guidance Note that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting :**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting :**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion :**

According to the information and explanations given to us, the Company has, in all material respects, established an adequate internal financial controls system over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the

Institute of Chartered Accountants of India. Such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup> 2019.

For **S M M P & Associates**  
Chartered Accountants  
Firm Registration No. 120438W

**Chintan Shah**  
Partner  
Membership No. 166729

Mumbai, 29<sup>th</sup> May 2019

# Balance Sheet as at March 31, 2019

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b><u>I. ASSETS</u></b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant and Equipment	1	87,565	144,862
(b) Intangible assets	1A	69,864	672,504
(c) Financial Assets			-
(i) Investments	2	66,000	66,000
(ii) Other financial assets	3	121,000	251,000
(d) Current tax assets (net)		-	-
(e) Other Non-Current Assets	4	-	-
<b>Total Non-current Assets</b>		<b>344,429</b>	<b>1,134,366</b>
<b>(2) Current assets</b>			
(a) Inventories		-	-
(b) Financial assets			
(i) Cash and cash equivalents	5	155,004	27,615
(ii) Trade Receivables	6	-	6,364,629
(iii) Loans	7	-	-
(iv) Other Financial assets	8	1,803,570	1,812,120
(c) Current tax assets (net)			
(d) Other Current assets			
<b>Total Current Assets</b>		<b>1,958,574</b>	<b>8,204,364</b>
<b>TOTAL ASSETS</b>		<b>2,303,003</b>	<b>9,338,730</b>
<b><u>II. EQUITY AND LIABILITIES</u></b>			
<b>Equity</b>			
(a) Equity share capital	9	85,200,000	85,200,000
(b) Other equity	10	(104,827,587)	(101,427,282)
<b>Total Equity</b>		<b>(19,627,587)</b>	<b>(16,227,282)</b>
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	11	15,000,000	15,000,000
(b) Provisions		-	-
(c) Deferred tax liabilities (net)		-	-
(d) Other non-current liabilities		-	-
<b>Total Non-current Liabilities</b>		<b>15,000,000</b>	<b>15,000,000</b>
<b>(2) Current liabilities</b>			
(a) Financial liabilities			
(i) Trade Payables			
Dues to Micro, Small and Medium Enterprises	12	-	-
Other Creditors	12	2,522,968	7,230,388
(ii) Other financial liabilities		-	-
(b) Provisions	13	55,000	81,000
(c) Current tax liabilities(net)	14	187,641	265,233
(d) Other current liabilities	15	4,164,980	2,989,391
<b>Total Non-current Liabilities</b>		<b>6,930,589</b>	<b>10,566,012</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,303,003</b>	<b>9,338,730</b>

Significant accounting policies

1

The accompanying notes are an integral part of these financial statements.

For **S M M P & Associates**  
Chartered Accountants  
Firm Registration No. 120438 W

**Chintan Shah**  
Partner  
Membership No. - 166729  
Mumbai, 29th May 2019

For **iStreet Network Limited**

**Mahesh Palshetkar**  
Managing Director  
DIN No.:00152552

**Neeraj Gupta**  
Director  
DIN No. 05327106

**Surabhi Pal**  
Company Secretary

**Profit & Loss Account for the year ended on March 31, 2019**

Particulars	Notes	Year ended 31st March 2019 (Rs.)	Year ended 31st March 2018 (Rs.)
<b>Income</b>			
a. Revenue from Operations	16	19,395,000	846,336
b. Other Income	17	878,478	2,158,354
<b>IV. Total Revenue (I+II+III)</b>		<b>20,273,478</b>	<b>3,004,690</b>
<b>IV. Expenses</b>			
a. Purchase of Traded Goods	18	19,299,600	410,569
b. (Increase)/ decrease in inventories	19	-	421,832
c. Employee Benefit Expenses	20	504,159	2,632,701
d. Depreciation and amortization	21	659,938	1,498,843
e. Finance Cost		-	-
f. Other expenses	22	3,210,085	3,916,242
<b>Total Expenses (IV)</b>		<b>23,673,782</b>	<b>8,880,187</b>
<b>V. Profit/(Loss) before exceptional and extraordinary items and tax</b>	(III - IV)	<b>(3,400,305)</b>	<b>(5,875,497)</b>
VI. Exceptional & Extraordinary Items	23	-	15,000,000
<b>VII. Profit/(Loss) before tax (III - IV)</b>		<b>(3,400,305)</b>	<b>(20,875,497)</b>
<b>VIII. Tax expense:</b>			
1. Current Tax		-	-
2. Deferred Tax		-	-
<b>IX. Profit/(Loss) for the period (VII - VIII)</b>		<b>(3,400,305)</b>	<b>(20,875,497)</b>
<b>X. Other Comprehensive Income</b>			
<b>(i) Items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of defined benefit plans		-	-
(b) Equity instruments through Other Comprehensive Income		-	-
<b>(ii) Income tax relating to items that will not be reclassified to profit or loss</b>			
(a) Remeasurements of net defined benefit plans		-	-
(b) Equity instruments through Other Comprehensive Income		-	-
<b>(iii) Items that will be reclassified to profit or loss</b>			
(a) Debt instruments through Other Comprehensive Income		-	-
(b) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Other Comprehensive Income for the year (X)</b>		-	-
<b>XI. Total Comprehensive Income for the year (IX+X)</b>		<b>(3,400,305)</b>	<b>(20,875,497)</b>
<b>XII. Earning per Equity Share</b>			
(1) Basic		(0.16)	(0.98)
(2) Diluted		(0.16)	(0.98)

Significant accounting policies

1

The accompanying notes are an integral part of these financial statements.

For **S M M P & Associates**

Chartered Accountants

Firm Registration No. 120438 W

For **iStreet Network Limited**

**Chintan Shah**

Partner

Membership No. - 166729

Mumbai, 29th May 2019

**Mahesh Palshetkar**

Managing Director

DIN No.:00152552

**Neeraj Gupta**

Director

DIN No. 05327106

**Surabhi Pal**

Company Secretary



**Cash Flow Statement For The Year Ended 31st March, 2019**

PARTICULARS	For the Year Ended 31.03.19		For the Year Ended 31.03.18	
	AMOUNT (Rs.)	AMOUNT (Rs.)	AMOUNT (Rs.)	AMOUNT (Rs.)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>				
Net Profit/(Loss) before tax as per Statement of Profit and Loss		<b>(3,400,305)</b>		<b>(20,875,496.53)</b>
<b>Adjustments for :</b>				
Depreciation and Amortization Expenses	659,938.00		1,498,843.00	
Discarded Assets			170,652.00	
Interest/Dividend/Other Income	(1,850.00)		(52,658.00)	
Sundry Balances Written off/(Written Back)	437,243.39			
ESOP Provision written back			(55,966.00)	
Operating Profit/(Loss) before Working Capital Changes				<b>(19,314,625.53)</b>
<b>Adjustments for :</b>				
(i) Trade and Other Receivables	6,364,629.00		2.00	
(ii) Trade Payable	0.52		(2,846,604.36)	
(iii) Inventories	-		421,832.00	
(iv) Other Current Assets	8,550.00		447,957.00	
(v) Short Term Loans	-		15,576,636.00	
(vi) Provisions	(26,000.00)		81,000.00	
(vii) Current Tax liabilities	(77,592.20)		(162,049.74)	
(vi) Other Current liabilities	1,175,589.00		2,132,664.00	
<b>Cash used/generated in/ from Operating activities</b>		<b>6,140,203</b>		<b>(3,663,188.63)</b>
<b>Income Tax</b>		<b>-</b>	<b>-</b>	
<b>Net cash used in /generated from Operating activities</b>		<b>6,140,203</b>		<b>(3,663,188.63)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>				
Purchase of Fixed Assets	-		(25,664.00)	
Deposits Received/ (Paid)	130,000.00			
Long Term Loans and Advances			660,000.00	
Short Term Loans and Advances	-		-	
Dividend/Rent/other Received	1,850.00		52,658.00	
<b>Net cash from Investing activities</b>		<b>131,850</b>		<b>686,994.00</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Proceeds from Loan			2,928,740.00	
Short term Receivables now written back	(6,364,629.26)		-	
Short term Receivables now written back	4,927,386.00		-	
<b>Net Cash From Financing activities</b>		<b>(1,437,243)</b>		<b>2,928,740.00</b>
<b>Net Increase in Cash and Cash equivalents</b>		<b>4,834,810</b>		<b>(47,454.63)</b>
<b>Cash and cash equivalents as at (Opening Balance)</b>		<b>27,615</b>		<b>75,069.62</b>
<b>Cash and cash equivalents as at (Closing Balance)</b>		<b>4,862,425</b>		<b>27,614.99</b>

Significant accounting policies

The accompanying notes are an integral part of these financial statements.

For **S M M P & Associates**  
Chartered Accountants

**Chintan Shah**  
Partner  
Membership No. - 166729  
  
Mumbai, 29th May 2019

For **iStreet Network Limited**

**Mahesh Palshetkar**  
Managing Director  
DIN No.:00152552

**Neeraj Gupta**  
Director  
DIN No. 05327106

**Surabhi Pal**  
Company Secretary



**Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2019**

(A) Equity Share Capital	As at 31.03.2019		As at 31.03.2018	
	No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
Balance at the beginning of the reporting period	21,300,000	85,200,000	21,300,000	85,200,000
Add: Forfeited Shares/ Increase in Shares	-	-	-	-
Less: Investments in Shares	-	-	-	-
Balance at the end of the reporting period	<b>21,300,000</b>	<b>85,200,000</b>	<b>21,300,000</b>	<b>85,200,000</b>

(B) Other Equity	Reserves & Surplus					Total
	Securities Premium Reserve	Employee Stock Option Outstanding	Retained Earnings	Capital Reserve	Money Received against Share Warrants	
<b>Balance as at 31st March 2018</b>	22,836,000	-	(125,123,455)	-	860,173	(101,427,282)
Profit for the year	-	-	(3,400,305)	-	-	(3,400,305)
Other Comprehensive Income for the year	-	-	-	-	-	-
Transfer to Capital Reserve	-	-	-	860,173	(860,173)	-
Transfer to General Reserve	-	-	-	-	-	-
ESOP Provision Write back	-	-	-	-	-	-
<b>Balance as at 31st March 2019</b>	<b>22,836,000</b>	<b>-</b>	<b>(128,523,760)</b>	<b>860,173</b>	<b>-</b>	<b>(104,827,587)</b>
-						
<b>Balance as at 31st March 2017</b>	22,836,000	55,966	(104,247,957)	-	860,173	(80,495,818)
Profit for the year	-	-	(20,875,497)	-	-	(20,875,497)
Other Comprehensive Income for the year	-	-	-	-	-	-
Transfer to Securities Premium Reserve	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-
ESOP Provision Write back	-	(55,966)	-	-	-	(55,966)
<b>Balance as at 31st March 2018</b>	<b>22,836,000</b>	<b>-</b>	<b>(125,123,455)</b>	<b>-</b>	<b>860,173</b>	<b>(101,427,282)</b>

Significant accounting policies

1

The accompanying notes are an integral part of these financial statements.

For **S M M P & Associates**

Chartered Accountants

Firm Registration No. 120438 W

**Chintan Shah**

Partner

Membership No. - 166729

For **iStreet Network Limited**

**Mahesh Palshetkar**

Managing Director

DIN No.:00152552

**Neeraj Gupta**

Director

DIN No. 05327106

**Surabhi Pal**

Company Secretary

## Statement of Significant Accounting policies and Other Notes to Financial Statements

### A. Corporate Information

iStreet Network Ltd is a public limited company and listed on BSE Ltd. (ISTRNETWK – 524622). The company is an Internet & Retail Catalogue company and sells products and services through its Internet Retail Stores known as 'iStreet Bazaar'. iStreet Bazaar – the Internet Retail Store is a physical store in a neighborhood area which runs on virtual inventory. Common people who have constraints in buying products online, can do so at these stores. The network of Internet Retail Stores is one of the major assets for the company to run its business. These network retailers give eCommerce shopping experience to customers based on trust and relationship. This model is unique and innovative.

The company has invested huge resources to build its business. The present accounting standards does not recognize such spending as 'value of intangibles assets' like network of retailers, technology, last mile delivery infrastructure, supply chain, branding etc.

In March 2017, the company had been classified into the Graded Surveillance Measure (GSM) list by BSE. The criteria for classifying the company into GSM was not very clear to us. At present the company is placed in stage I of GSM list. Consequent to classifying into GSM, and its restriction of FREE tradability of it's shares, the company was unable to raise fresh capital for the business and hence suspended its operation wef April, 2017. The company is implementing its new business strategy with a focus on 'profitability' with available internal resources.

### B. Significant Accounting Policies

#### I) Basis of Preparation

These financial statements are Separate Financial Statements as per Indian Accounting Standards (hereinafter referred to as the 'Ind AS') - Separate Financial Statements are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial Statements are prepared under the historical cost convention on the accrual basis except stated otherwise.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### II) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

#### III) Summary of significant accounting policies

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

##### (a) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Act.

##### (b) Property, Plant and Equipment

i) Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes Project expenses pending allocation. Project expenses pending allocation are apportioned to the property, plant and equipment of the project proportionately on capitalisation.

ii) Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

iii) The residual useful life of Property is reviewed at each balance sheet date and adjusted if required in the depreciation rates.

iv) Property, Plant and Equipment are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

v) Depreciation methods, estimated useful lives and residual value:

Depreciation on all assets of the Company is charged on straight-line method over the useful life of assets mentioned in Schedule II to the Companies Act, 2013 or the useful life previously assessed by the management based on technical review whichever is lower for the proportionate period of use during the year.

The management's estimated useful life/ useful life as per schedule II whichever is lower for the various tangible assets are as follows.

Assets	Estimated useful life (Years)
Office and other equipments	5
Computers	3
Furniture and fixtures	10

##### c) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use.

The management has estimated the economic useful life for the intangible assets as follows:

Assets	Estimated useful life (Years)
Software	4

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit or Loss when the asset is derecognised.

#### **d) Borrowings**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other Borrowing costs are expensed in the period in which they are incurred.

#### **e) Impairment Loss**

Assets subject to amortization/ depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher between an asset's fair value less sale costs and value in use.

#### **f) Inventories**

Traded Goods are valued at lower of purchase cost and net realizable value. Cost is determined on First-in-First-out basis.

#### **g) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.

#### **h) Provisions**

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

#### **i) Retirement and other benefits**

##### **Provident Fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

##### **Gratuity**

Gratuity, a defined benefit obligation for the confirmed employees, is provided on the basis of an actuarial valuation made at the end of each year on projected unit credit method. The company used to have a Group Gratuity Scheme managed by Life Insurance Corporation of India (LIC) which was dormant, now getting revived. The company shall make the necessary contribution at the end of each year as calculated by LIC. There were no employees qualifying for Gratuity as on 31st March 2018 hence no provision has been made. In case of any employee giving up his/her retirement and other employee benefits in writing, no provision being made for the same.

##### **Compensated Absences**

The Company has a policy on compensated absences which are both accumulating and non-accumulating in nature for the confirmed employees. The expected cost of accumulating compensated absences is determined as per the method well accepted method.

Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

#### **j) Financial Instruments**

##### **(i) Financial Assets & Financial Liabilities**

###### **Initial recognition and measurement**

All financial assets and liabilities are recognised initially at fair value.

In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset is treated as cost of acquisition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

###### **Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

##### **(ii) Investments in Subsidiaries/ Associates/ Joint ventures**

Investments in subsidiaries are carried at cost.

##### **Derecognition**

Financial asset or a liability (or, where applicable, a part of financial asset or a liability) is derecognised (i.e. removed from the Company's Balance Sheet) when:

a) The Contractual rights to cash flows from the financial asset or liability expires.

b) The Company transfers its contractual rights to receive or incur cash flows of the financial asset and liability respectively and has substantially transferred all the risk & rewards of ownership of the financial asset or liability.

#### **k) Revenue Recognition**

i) Revenue from sale of goods is recognised net of returns, and trade discount, on transfer of significant risk and rewards in respect of ownership to the buyer which is generally on dispatch of goods. Sales exclude sales tax and value added tax or GST.

ii) Revenue from services is recognised when all relevant activities are completed and the right to receive income is established.

iii) Revenue in respect of insurance/ other claims, commission, etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

iv) Interest income is recorded using the effective interest rate (EIR) on accrual basis.

#### **l) Leases**

Disclosure in accordance with Ind AS – 17 “Leases”, of the Companies (Indian Accounting Standards) Rules, 2015. The Company has taken the office premises under leave and license agreements. The period is for 2 years under leave and license basis. These arrangements are renewable by mutual consent on mutually agreed terms. Under some of these arrangements the Company has given refundable security deposits.

#### **m) Segment Reporting**

Disclosure as required by Ind AS 108 “Operating Segment”, of the Companies (Indian Accounting Standards) Rules, 2015. In accordance with Ind AS “Operating Segment”, the Company has only one reportable operating segment i.e. Internet & Retail Catalogue.

#### **n) Earning Per Share**

Disclosure as required by Accounting Standard – Ind AS 33 “Earning Per Share” of the Companies (Indian Accounting Standards) Rules 2015. The earning per share is calculated by dividing the profit after tax by weighted average number of shares outstanding for basic & diluted EPS.

#### **o) Taxes**

Tax expenses comprise Current Tax and Deferred Tax.:

##### **i) Current Tax:**

The income tax expense or credit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

##### **ii) Deferred Tax:**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting assets relate to the same taxable entity and same taxation authority. Deferred Tax Assets are recognized only to the extent there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. A deferred tax asset shall be recognized for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized. To the extent that it is not probable that taxable profit will be available against which the unused tax losses or unused tax credits can be utilized, the deferred tax asset is not recognized.

##### **iii) MAT Credit**

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of Profit and Loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

#### **p) GST Credit**

GST credit utilised during the year is accounted in GST liability and unutilised GST Tax credit at the year end is considered as duties and taxes refundable.

#### **q) Market and Technology Development Expenses**

Revenue expenditure on market and technology development is charged to Statement of Profit and Loss in the year in which it is incurred. Capital expenditure in nature of acquiring licenses etc on marketing and technology development is considered as an addition to tangible assets.

#### **r) Applicability of new and revised IND AS:**

All the Indian Accounting Standards issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized have been considered in preparing these financial statements. There are no other Indian Accounting Standards that have been issued as at 31 March 2019, but were not mandatorily effective except as stated below:

#### **Recent Accounting Pronouncements effective for the periods beginning on or after 1st April 2019:**

- 1. Ind AS 116, Leases:** On March 30, 2019, the Ministry of Corporate affairs notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is accounting periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:
  - Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
  - Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application. Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:
    - ◆ Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee’s incremental borrowing rate at the date of initial application. Or
    - ◆ An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to the lease recognized under Ind AS 17 immediately before the date of initial application.Certain practical expedients are available under both the methods. The Company is carrying out the possible impact of Ind AS 116 and will adopt the standard from April 01, 2019, being its effective date.

2. **Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments:** On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition-

- i. Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 –Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- ii Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

The Company is in the process of ascertaining the effect on adoption of Ind AS 12 Appendix C and will adopt the standard from April 01, 2019, being its effective date.

3. **Amendment to Ind AS 12 – Income taxes:** On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is in the process of ascertaining the effect on adoption of Ind AS 12 and will adopt the standard from April 01, 2019, being its effective date.

4. **Amendment to Ind AS 19 – plan amendment, curtailment or settlement:** On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Company is in the process of ascertaining the effect on adoption of Ind AS 19 and will adopt the standard from April 01, 2019, being its effective date.

**Notes to the financial statements as of and for the year ended March 31, 2019**

**1. Property, Plant & Equipment**

Particulars	Office Equipment	Computer Systems	Furniture & Fixtures	Total
Gross Carrying Value as at April 1, 2018	209,159	240,778	51,821	501,758
Additions	-	-	-	-
Deletions	-	101,764	-	101,764
Gross Carrying Value as at March 31, 2019	209,159	139,014	51,821	399,994
Accumulated Depreciation as at April 1, 2018	113,537	228,143	15,216	356,896
Depreciation for the year	39,740	12,634	4,924	57,298
Accumulated Depreciation on deletions	-	101,764	-	101,764
Accumulated Depreciation as at March 31, 2019	153,277	139,013	20,140	312,430
Carrying Value as at April 1, 2018	95,622	12,635	36,605	144,862
Carrying Value as at March 31, 2019	<b>55,882</b>	<b>1</b>	<b>31,681</b>	87,564
Gross Carrying Value as at April 1, 2017	469,456	786,973	51,821	1,308,250
Additions	25,664	-	-	25,664
Deletions	285,961	546,195	-	832,156
Gross Carrying Value as at March 31, 2018	209,159	240,778	51,821	501,758
Accumulated Depreciation as at April 1, 2017	344,475	550,418	10,292	905,185
Depreciation for the year	37,341	70,946	4,924	113,211
Accumulated Depreciation on deletions	268,279	393,221	-	661,500
Accumulated Depreciation as at March 31, 2018	113,537	228,143	15,216	356,896
Carrying Value as at April 1, 2017	124,981	236,555	41,529	403,065
Carrying Value as at March 31, 2018	<b>95,622</b>	<b>12,635</b>	<b>36,605</b>	144,862

**1A Intangible Assets**

Particulars	Software	Total
Gross Carrying Value as at April 1, 2018	5,542,531	5,542,531
Additions	-	-
Deletions	3,127,115	3,127,115
Gross Carrying Value as at March 31, 2019	2,415,416	2,415,416
Accumulated Ammortization as at April 1, 2018	4,870,027	4,870,027
Ammortization for the year	602,640	602,640
Accumulated Ammortization on deletions	3,127,115	3,127,115
Accumulated Ammortization as at March 31, 2019	2,345,552	2,345,552
Carrying Value as at April 1, 2018	672,504	672,504
Carrying Value as at March 31, 2019	69,864	69,864
Estimated Useful life (in years)	4	4
Estimated remaining Useful life (in years)	-	-
Particulars	Software	Total
Gross Carrying Value as at April 1, 2017	5,542,531	5,542,531
Additions	-	-
Deletions	-	-
Gross Carrying Value as at March 31, 2018	5,542,531	5,542,531
Accumulated Ammortization as at April 1, 2017	3,484,395	3,484,395
Ammortization for the year	1,385,632	1,385,632
Accumulated Ammortization on deletions	-	-
Accumulated Ammortization as at March 31, 2018	4,870,027	4,870,027
Carrying Value as at April 1, 2017	2,058,136	2,058,136
Carrying Value as at March 31, 2018	672,504	672,504
Estimated Useful life (in years)	3	3
Estimated remaining Useful life (in years)	1	1

## 2. Unquoted Equity Instruments fully paid at cost

Particulars	As at	As at
	31/3/2018	31/3/2017
2A Other Non - Current Investments		
Investment in Equity	11,000	11,000
Total	11,000	11,000
2B Non Current Investments		
Investment in NSC	55,000	55,000
Total	55,000	55,000

### 2A. Other Long Term Investments

Name of the Body Corporate	Relationship	Extent of Holding / No. of shares		(Amount in Rs.)	
		3/31/2019	3/31/2018	3/31/2019	3/31/2018
Unquoted Equity Shares					
1. Saraswat Co-op Bank	Others	1000	1000	10,000	10,000
2. Malad Sahakari Bank Ltd	Others	100	100	1,000	1,000
Total				11,000	11,000

### 2B. Non-Current Investment

Name of the Government or Trust Securities	Relationship	No. of Units		(Amount in Rs.)	
		3/31/2019	3/31/2018	3/31/2019	3/31/2018
Investments in Government Securities					
1. National Saving Certificate*	Others	-	-	5,000	5,000
2. National Saving Certificate	Others	-	-	50,000	50,000
Total				55,000	55,000

Particulars	3/31/2019	3/31/2018
Aggregate amount of unquoted investments	66,000	66,000

\*The company is holding investment in Banks for 1,100 shares @ Rs. 10 and Investment in National Saving Certificate (Lodged with Sales Tax Authority, Bombay) for Rs. 5,000.

		Amount in Rs	
	Particulars	As at March 31, 2018	As at March 31, 2017
3	<b><u>Other financial assets</u></b>		
	Deposit with Others- Considered Good	76,000	206,000
	Deposit with Government Authorities- Considered Good	45,000	45,000
	<b>Total</b>	<b>121,000</b>	<b>251,000</b>
4	<b><u>Other Non-Current Assets</u></b>		
	Other Non-Current Assets	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
5	<b><u>Cash and cash Equivalents</u></b>		
	<b>Balances with Banks</b>		
	In Current Account	6,255	16,128
	Cash	148,749	11,487
	<b>Total</b>	<b>155,004</b>	<b>27,615</b>
6	<b><u>Trade Receivables</u></b>		
	Unsecured, Considered Good		
	Unsecured, Considered Doubtful	-	6,364,629
	Less: Provision for doubtful debts		
	<b>Total</b>	<b>-</b>	<b>6,364,629</b>

7	<b>Loans</b>		
	Unsecured, Considered Doubtful	15,000,000	15,000,000
	Less: Allowance for Credit Losses	(15,000,000)	(15,000,000)
	<b>Total</b>	-	-

		Amount in Rs	
	Particulars	As at March 31, 2018	As at March 31, 2017
9	Interest Receivable	-	-
	Advance to Staff	-	-
	Prepaid Expense	-	5,750
	<b>Total</b>	<b>1,803,570</b>	<b>1,812,120</b>
	<b>Share Capital</b>		
	The authorised, issued, subscribed and fully paid-up share capital comprises of the following:		
	<b><u>i) Authorised</u></b>		
	50,000,000 Equity Shares of Rs.4/- each (As on March 31st,2018- 50,000,000 Equity Shares of Rs.4/- each)	200,000,000	200,000,000
		200,000,000	200,000,000
	<b><u>ii) Issued, Subscribed and Fully paid up</u></b>		
10	21,300,000 Equity Shares of Rs.4/- each fully paid up (As on March 31st,2018- 21,300,000 Equity Shares of Rs.4/- each)	85,200,000	85,200,000
		85,200,000	85,200,000
	<b><u>iii) Reconciliation of the number of shares outstanding</u></b>		
	At the beginning of the year	21,300,000	21,300,000
	Add: Issued during the Year*	-	-
	At the end of the year	21,300,000	21,300,000
	<b><u>iv) Details of shareholders holding more than 5% shares</u></b>	<b>As at 31.03.2019</b>	
	<u>Name of Shareholder</u>	<u>%</u>	<u>No. of Shares</u>
	Pradeep Malu	8.04	1,713,332
	Inovent Solutions Ltd	33.22	7,075,525
		41.26	8,788,857
	<b><u>v) Rights, preferences and restrictions in respect of equity shares issued by the Company</u></b>		
	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, 2013.		
	<b>Other Equity</b>		
	<b>Particulars</b>	<b>As at 31.03.2018</b>	<b>As at 31.03.2018</b>
	a. Securities Premium	22,836,000	22,836,000
	b. Profit and Loss Account	(128,523,761)	(125,123,454)
	c. Capital Reserve	860,173	-
	d. Money received against share warrants	-	860,173
	<b>Total</b>	<b>(104,827,588)</b>	<b>(101,427,282)</b>
	<u>Securities Premium:</u> Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.		



Money received against share warrants: The Company has issued equity warrants for 3,70,500 equity shares at Rs. 20.18 each on 03.02.2017 on receipt of 25% amount to Non -Promoter on preferential basis. These equity warrants are convertible into equity shares on payment of balance amount within 18 months from the date of issue at the option of equity warrant holder. The company has received Rs. 18,69,172.50/- from equity warrant holder against 3,70,500 equity share warrants, out of which 200000 equity warrants get converted into equity in the same financial year i.e. 2016-17. Further, during the year the Company has forfeited the entire advance received against such warrants since the balance payment towards the warrants were not received with the timelines of 18 months.

Particulars		As at 31.03.2018	As at 31.03.2017
11	<b><u>Borrowings</u></b>		
	<b>Unsecured</b>		
	<b>From Directors</b>		
	Pradeep Malu	15,000,000	15,000,000
	<b>Total</b>	<b>15,000,000</b>	<b>15,000,000</b>
	Note: As from 01st April 2017, Interest on the above borrowing is not provided as the terms agreed, repayment of loan from related party are not specified.		
12	<b><u>Trade Payables</u></b>		
	For Expenses	2,522,968	3,254,699
	Others	-	3,975,689
	<b>Total</b>	<b>2,522,968</b>	<b>7,230,388</b>
13	<b><u>Provisions</u></b>		
	For Expenses	55,000	81,000
	<b>Total</b>	<b>55,000</b>	<b>81,000</b>
14	<b><u>Liabilities for current tax (net)</u></b>		
	Statutory Dues Payable (Net)	187,641	265,233
	<b>Total</b>	<b>187,641</b>	<b>265,233</b>
15	<b><u>Other Financial Liabilities</u></b>		
	Advance Receipts		166,598
	<b>Unsecured</b>		
	To Related Party	4,164,980	2,822,793
	<b>Total</b>	<b>4,164,980</b>	<b>2,989,391</b>

**Notes to the financial statements for the period ended March 31, 2019**

Amount in Rupees

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Note 16: Revenue from Operations</b>		
Sales (net of Sales Return)	19,395,000	846,336
-		
<b>Total</b>	<b>19,395,000</b>	<b>846,336</b>

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Note 17: Other Income</b>		
Dividend Received	1,850	3,000
Miscellaneous Receipts	-	97,206
Sundry Balance W/off	876,628	2,012,837
Interest Received	-	45,041
Interest Received on Income Tax FY 16-17	-	270
<b>Total</b>	<b>878,478</b>	<b>2,158,354</b>

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Note 18: Purchase of traded goods</b>		
Purchases	19,299,600	410,569
<b>Total</b>	<b>19,299,600</b>	<b>410,569</b>

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Note 19: Changes in Inventories of Stock-In-Trade</b>		
Opening Stock	-	421,832.00
Less: Closing Stock	-	-
<b>Total</b>	<b>-</b>	<b>421,832</b>

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Note 20: Employee Benefit Expenses</b>		
Salary & Wages	499,845	2,560,722.00
Contribution to PF & other funds	900	92,307.00
Staff Welfare expenses	3,414	35,638.00
Employee Stock option Expenses		(55,966.00)
<b>Total</b>	<b>504,159</b>	<b>2,632,701</b>

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Note 21: Depreciation &amp; Amortization</b>		
Depreciation on Tangible Assets	57,298.00	113,211.00
Amortization on Intangible Assets	602,640.00	1,385,632.00
<b>Total</b>	<b>659,938</b>	<b>1,498,843</b>

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Note 22: Other expenses</b>		
Payment to Auditors:		
- Audit Fees	60,000	60,000
- For Other Services	-	41,500
- Out of Pocket Exp	-	10,941
Listing & Depositary Fee	280,223	390,618
Advertisement & Marketing Expenses	73,026	215,314
Director Sitting Fees	-	10,500
Fulfillment Expense	-	443,307
Insurance	-	-
Professional & Legal Fees	20,000	220,300
Miscellaneous Expenses	-	34,033
Printing & Stationery	3,000	52,071
Rates & Taxes	12,200	28,186
Repairs & Maintenance	15,560	119,888
Share Transfer Expenses	32,941	52,390

Sundry Advance W/o	2,313,871	-
Travelling Expenses - Others	17,705	13,048
Technology Expenses	27,602	335,011
Electricity Expenses	55,261	215,500
Commission to Network Partner	-	6,861
E-Coupons Expenses	-	-
Rent	212,064	1,093,500
Discarded Assets	-	170,652
Late fee	-	6,640
Donation	-	-
License Fee	-	1,632
Office Expenses	17,565	161,724
Conveyance Expenses	2,840	7,140
Bank Charges	7,261	57,108
Internet Expenses	3,300	100,849
Postage, Stamps & Courier Services	1,309	
Telephone Expenses	54,358	67,529
<b>Total</b>	<b>3,210,085</b>	<b>3,916,242</b>

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
<b>Note 23: Exceptional Item</b>		
Provision for Bad & Doubtful Debts	-	15,000,000.00
<b>Total</b>	<b>-</b>	<b>15,000,000</b>

## 24 Going Concern

The Company had been classified into the Graded Surveillance Measure (GSM - Stage 1 of GSM List) list by BSE. The criteria for classifying the Company into GSM was not very clear to the Company. Consequent to its classifying into GSM and its restriction of free tradability of its shares, the Company was unable to raise fresh capital for the business and hence suspended its operation with effect from 1st April 2017

The impact of classifying the Company in GSM by BSE has led to trade restrictions and a complete roadblock in terms of raising additional capital from new investors. The Company has been incurring constant losses and also the net worth of the Company has been fully eroded. If the management is not able to infuse adequate money on appropriate time than the going concern assumption might get impacted. However, the Audited financial results for the year ended 31st March 2019 of the Company are prepared on going concern basis since the Company is implementing its new business strategy with a focus on profitability with the available internal resources and acquiring Citicycle India Pvt. Ltd. along with its business, providing solution for 'mobility'.

## 25 Disclosure in accordance with Ind AS - 24 "Related Party Disclosures", of the Companies ( Indian Accounting Standards) Rules, 2015:

### Related Party Disclosures

#### (i) Key management personnel and their relatives:

(a) Mr. Pradeep Malu	Managing Director (till 1st February 2019) Director (from 2nd February 2019)
(b) Mr. Mahesh Palshetkar	Managing Director (from 1st February 2019)
(c) Ms. Surabhi Pal	Company Secretary
(d) Mr. Lakshya Malu	Relative of Director
(e) Mrs. Meenu Malu	Non Executive Non Independent Director
(f) Mr. Dinesh Trivedi	Director & CFO (from 29th September, 2018)
(g) Mr. Shantaram Hande	Director (from 1st February 2019)
(h) Mr. Naval Choudhary	Director (till 28th March 2019)
(i) Mr. Sanjeev Chhajed	Independent Director
(j) Mr. Neeraj Gupta	Independent Director

#### (ii) Other parties where key Management Personnel and /or their relatives have significant influence:

(a) Principal Marketing Pvt. Ltd. (Old name -iStreet Bazaar Pvt Ltd)	Associates
(b) Cardioid Plasteel Pvt. Ltd.	Associates
(c) Crest Latex Pvt. Ltd.	Associates
(d) Last Mile Services Pvt Ltd	Associates
(e) Inovent Solutions Ltd.	Associates

(iii) Details relating to person referred to in items (i) above:

	31.03.2019	31.03.2018
Remuneration [ With (i)(c) ]	360,000	539,627
Directors Sitting Fees [ With (i)(e) ]	-	2,500
Directors Sitting Fees [ With (i)(j) ]	-	4,000
Directors Sitting Fees [ With (i)(i) ]	-	4,000
Expenses incurred [ With (i)(d) ]	9,699	245,035

(iv) The following transactions were carried out with the related parties referred to in item (ii) above in the ordinary course of business:

<b>Trade Advance [ With (ii)(a to e) ]</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
Opening Balance	3,88,194 Cr	13,81,881 Cr
Trade money given during the year*	2,56,300 Dr	26,04,579 Dr
Trade money received during the year*	20,170 Cr	16,10,892 Cr
Closing Balance	1,52,064 Cr	3,88,194 Cr

\* This includes all transactions entered during the year.

**Purchase of Products recorded in Profit & Loss Account [ With (ii)(a to g) ]**

	-	-
<b>Shipping Services received and booked under Profit &amp; Loss Account [ With (ii)(a to g) ]</b>	-	588,153

**Short term Borrowings [ with (i)(a) ]**

Opening Balance	1,976,887	123,915
Amount received during the year	5,783,428	2,659,548
Amount settled during the year	3,817,399	1,972,900
Transfer from Long Term Borrowing	-	1,166,324
Closing Balance	3,942,917	1,976,887

**Warrants Money received [ with (i)(e) ]**

- -

**Long term Borrowings [ with (i)(a) ]**

Opening Balance	15,000,000	12,071,260
Amount received during the year	-	5,417,500
Amount transferred to Short term Borrowings during the year	-	1,166,324
Interest amount*	-	-
Amount settled during the year	-	1,322,436
Closing Balance	15,000,000	15,000,000

\*Note: Interest on Long Term Borrowing was charged till 31.03.2017. As per the terms revised, from 01.04.2017, interest will not be charged on Long Term Borrowing and terms for repayment of Long Term Borrowing are not specified.

(v) **Year End Outstanding**

Mr. Pradeep Malu	1,89,42,917 Cr	1,69,76,887 Cr
Mr. Lakshya Malu	-	4,57,712 Cr
Inovent Solutions Ltd.	152,063 Cr	3,41,864 Cr
Principal Marketing Pvt Ltd	-	46,330 Cr

26 Corporate Social Responsibility (CSR) expenditure: Provisions are not applicable to the company.

27 In the opinion of the Board, Current Non-current Assets and Loans and Advances have a value on realization in the ordinary course of business, at least equal to the amounts at which they are stated and adequate provision has been made for all known liabilities.

28 Balances appearing under certain heads of Other Financial Asstes (Current &amp; Non Current), Borrowings, Trade Payables and Other Current Liabilities are as per books of accounts and as such are subject to consequential adjustments, which may arise on receipt of confirmations and/or completion of reconciliations.

29 Deferred Tax Assets have not been recognised in the accounts by the Company in respect of brought forward losses under the Income Tax Act, 1961, keeping in view the prudence aspect.

30 Basic & Diluted Earnings per Share

Basic and Diluted earnings per share is calculated as under

Particulars	2018-19	2017-18
Numerator – Loss as per the Statement of Profit & Loss (Rs.)	(3,400,305)	(20,875,497)
Denominator- No. of Equity Share outstanding	21,300,000	21,300,000
Nominal value of share (in Rs.)	4	4
Basic & Diluted Earnings per Share (Rs.)	(0.16)	(0.98)

31 **Auditor's Remuneration**

Particulars	2018-19	2017-18
Audit fees (excluding Service Tax/GST)	60,000	60,000
Tax Audit fees (excluding Service Tax/GST)	-	-
	<b>60,000</b>	<b>60,000</b>

32 Outstanding amounts payable to Micro, Small and Medium Enterprises included under Current Liabilities, as per the information available and are being compiled with the Company and relied upon by the Auditors – Nil (Previous year-Nil).

33 There are no reportable segments during the year, as per the recommendations of IND AS 108 'Operating Segments'

34 No provision towards retirement benefits has been considered in the Company's books, in view of the fact that there is no employee in the company under employment, and hence may not be a material departure from the recommendations of the IND AS -19, Employee Benefits – Amount Rs. NIL; (Previous year - Nil)

35 Contingent liabilities and Commitments

A. Contingent Liabilities : NIL

B. Commitments : NIL

36 Significant accounting judgments, estimates and assumptions:

The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

37 Financial Risk Factors

a. 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. Due to high last mile delivery cost, the company may incur losses on unit basis till the infrastructure is improved.

b. 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.

c. Competition:

We face competition from modern retail (large format retail) and eCommerce companies. Prices of these competitors are normally subsidized and that becomes a comparison bench mark for our products. Our network retailers get influenced with such prices and stop showcasing our products to the customers. This directly brings down our sales.

d. 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. These delays are sometimes beyond the control of the company.

e. Free Tradability on Exchange:

The company's shares are traded on the BSE Limited (BSE). To maintain the exchange integrity and protect investors' interest, BSE may impose restrictions on trading of shares in the company on exchange from time to time which may impact FREE TRADABILITY and fresh fund raising capability of the company required to maintain and expand its business. The business of the company requires continuous fresh capital infusion till it reaches a threshold level.

- 38 The Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of changes in equity, Statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2019.
- 39 Previous year's figures have been regrouped /rearranged wherever considered necessary.

As per our report of even date

**For SMMP & Associates**

**Firm Registration No. 120438W**

**Chartered Accountants**

**Chintan Shah**

**(Partner)**

**Membership No. 166729**

**Place : Mumbai**

**Dated : 29 May, 2019**

**For iStreet Network Limited**

**Mahesh Palshetkar**

Managing Director

DIN No.:00152552

**Neeraj Gupta**

**Director**

**DIN : 05327106**

**Surabhi Pal**

**Company Secretary**

## iStreet Network Limited

CIN: L51900MH1986PLC040232

Add:03, C-2 Compound, 04th Bldg, Near Hotel Abbot, Vashi, Navi Mumbai- 400703

Email: investors@istreetnetwork.com, website: www.istreetnetwork.com Tel No. 022 27827900

Form No. MGT-11

### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

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/her

2. Name \_\_\_\_\_

Address \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

3. Name \_\_\_\_\_

Address \_\_\_\_\_

E-mail Id: \_\_\_\_\_ Signature \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company, to be held on Saturday, September 28, 2019 at 11.00 a.m. at 03, C-2 Compound, 04th Bldg, Near Hotel Abbot, Vashi, Navi Mumbai- 400703 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No	Resolutions	Optional	
		For	Against
1	Adoption of Financial Statements		
2	Appointment of Mr. Pradeep Malu who retires by rotation and being eligible, offers himself for re- appointment		
3	Re- appointment of Mr. Sanjeev Chhajed as an Independent Director of the company		
4	Appointment of Mr. Shantaram Hande as an Independent Director of the company		
5	Appointment of Mr. Mahesh Palshetkar as Managing Director of the company		

Signed this..... Day of..... 2019.

Signature of shareholder..... Signature of Proxy holder(s).....

Affix  
revenue  
stamp

#### Notes:

- 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.**
- A proxy need not be a member of the Company.
- In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or besigned by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the Proxy Form.
- For the Resolutions, Explanatory Statement and notes please refer to the Notice of the Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the Resolution 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.
- Please complete all details including details of member(s) in above box before submission.
- A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder

## iStreet Network Limited

CIN: L51900MH1986PLC040232

Add:03, C-2 Compound, 04th Bldg, Near Hotel Abbot, Vashi, Navi Mumbai- 400703

Email: investors@istreetnetwork.com, website: www.istreetnetwork.com Tel No. 022 27827900

### ATTENDANCE SLIP

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

Folio No. / DP Client ID	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 32nd Annual General Meeting of the Company held on Saturday 28th September 2019 at 03, C-2 Compound, 04th Bldg, Near Hotel Abbot, Vashi, Navi Mumbai- 400703

.....

Name of Proxy/Member/Authorised Representative

(In BLOCK LETTERS)

.....

Proxy's / Member's

Authorised Representative'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. 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.

### Venue of the AGM along with the Route map

