

**istreet**  
**iStreet Network Limited\***

**26 th**  
**ANNUAL REPORT**  
**2012-2013**

\*Formerly known as Principal Pharmaceuticals & Chemicals Limited

**Board of Directors :**

Mr. Pradeep Malu, Chairman, President & CEO  
Mr. Sanjeev Chhajed  
Mr. Nilesh Bhandari  
Mr. V. K. Jain

**Audit Committee:**

Mr. V.K. Jain  
Mr. Sanjeev Chhajed

**Shareholders / Investors**

**Grievance committee:**

Mr. Pradeep Malu  
Mr. Nilesh Bhandari

**Auditors :**

Jhwar Mantri & Associates  
Chartered Accountants

**Banker :**

HDFC Bank Ltd.

**Registered Office :**

513, Palm Spring, Link Road  
Malad West, Mumbai - 400 064.

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

**iStreet Network Ltd.**  
**Annual Report 2012-13**

NOTICE is hereby given that the 25th Annual General Meeting of iStreet Network Limited (Formerly known as Principal Pharmaceuticals & Chemicals Limited) will be held at 513, Palm Spring, Link Road, Malad West, Mumbai - 400 064 on Monday, the 5th August 2013 at 9:30 am. to transact the following businesses:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Audited Accounts for the Year ended 31st March, 2013 and the Directors' and Auditors' Reports thereon;
2. To appoint a Director in place of Mr. Nilesh Bhandari who retires by rotation and is eligible for reappointment.
3. To reappoint M/s. Jhwar Mantri & Associates, Chartered Accountants, Firm Registration No. 113221W as Statutory Auditors who shall hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**SPECIAL BUSINESS :**

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

**"RESOLVED THAT** Mr. V.K. Jain, who was appointed as an Additional Director pursuant to Section 260 of the Companies Act, 1956 and who holds the office up to the date of this Annual General Meeting and in respect of whom the company has received notice in writing, under section 257 of the Companies Act, 1956 from a member signifying his intention to propose him a candidate for the office of a Director of the company, be and is hereby appointed as a Director of the Company."

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

**"RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309, 310 and other provisions of Companies Act 1956 (as amended) read with Schedule XIII of the Companies Act, 1956, and all guidelines issued by the Central Government from time to time, consent of the shareholders be and is hereby accorded for appointment of Mr. Pradeep Malu as the Managing Director of the Company with effect from 5th August 2013 for a period of 5 years."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to vary the terms and conditions of the said appointment including remuneration and other perquisites, so as not to exceed the limits as specified under Schedule XIII of the Companies Act, 1956 or any amendments thereof."

The Remuneration including the perquisites payable to Mr. Pradeep Malu as Managing Director, with effect from 5th August 2013, will be as under:

**1 SALARY :**

Basic Salary : Rs. 2,00,000/- per month

The net salary however shall not exceed Rs. 24,00,000/- (Rupees Twenty Four Lacs only) per annum. However the perquisites allowable under Schedule XIII shall not be included in the above computation of net salary.

**2. PERQUISITES :**

- A. Contribution to Provident Fund will not be included in the computation of perquisites to the extent it is not taxable under the Income-tax Act, 1961.
- B. Gratuity, if any, payable will not exceed half a month's salary for each completed year of service.
- C. Encashment of Leave at the end of the tenure will not be included in salary.
- D. Provision of Car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone shall be billed by the company to Mr. Pradeep Malu.
- E. Leave Travel Concession - The First class Air /Air conditioned Train and / or such other mode of conveyance as the appointee may decide, for self and family, while on Privilege Leave, together with expenses for Hotel / Boarding / Lodging, at actual not exceeding the limits set by the Company.
- F. Medical Reimbursement for Self & Family- Reimbursement of all medical and hospitalization expenses, at actual, incurred for self and family.
- G. Personal Accident Insurance cover for self.
- H. Club Fees - Actual fees for a maximum of two clubs. This will not include admission fee and life membership fees.

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

By Order of the Board

Pradeep Malu  
Chairman

Date : 29/06/2013

**NOTES :**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY, HOWEVER PROXY FORMS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2. The Register of Members and Share Transfer Books of the Company will remain closed from 29th July 2013 to 5th August, 2013 both days inclusive.

**iStreet Network Ltd.**  
**Annual Report 2012-13**

3. Explanatory Statement pursuant to the provisions of the Section 173 (2) of the Companies Act, 1956 is annexed hereto.
4. Members are requested to notify their change of address, if any, to the Company at its Registered Office, quoting the Folio No.
5. Shareholders seeking any information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
6. Details required under Clause 49 of the Listing Agreement entered with the Stock Exchanges in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, are given in the relevant section of the Corporate Governance Report included in the Annual Report.
7. Shareholders, who still continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic / dematerialized form. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).
8. Members/ Proxies should bring the enclosed Attendance Slip duly filled in, for attending the Annual General Meeting, along with their copy of the Annual Report. Copies of the Annual Report will not be distributed at the Meeting.
9. Nomination Facility: As per the provisions of the Companies Act, 1956 facility for making nomination is available for the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Share Registrars and Transfer Agents by Members holding shares in physical form, Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956**

**Item No.:4**

To broad base the Board of directors and to comply with the requirement of Clause 49 of the listing agreement, Mr. V.K. Jain was appointed by the Board as an Additional Director in the category of non-executive independent director of the Company w.e.f. 10th December 2012 to hold office till the date of the ensuing Annual General Meeting.

The Company has received a notice as prescribed u/s 257 of the Companies Act, 1956 from a member along with deposit of Rs. 500/-, signifying his intention to propose Mr. V.K. Jain as a Director. Mr. V.K. Jain is having good working experience in the field of Finance & Management.

The Board recommended for the appointment of Mr. V.K. Jain and proposes to pass the resolutions as set out in item No.4 of the Notice as an Ordinary Resolution.

Except, Mr. V.K. Jain, none of the directors of the Company are interested or concerned in the resolution.

**Item No.:5**

Mr. Pradeep Malu is the promoter and the Whole time Director of the Company. He is been catering to the Company since inception. Considering his experience and involvement in the activities of the Company, the Management is of the opinion that he may be designated as Managing Director of the Company instead of Whole Time Director subject to shareholders approval with the terms and conditions and remuneration as set out in this Item of Notice. The same may also be treated as an abstract circulated to the shareholders under Section 302 of the Companies Act, 1956. Further, considering his experience and seniority and the trend in the industry, the terms of his remuneration are considered to be fair, just and reasonable and are commended for your acceptance.

None except Mr. Pradeep Malu is concerned or interested in the said resolution.

**DIRECTORS' REPORT  
 TO THE SHAREHOLDERS**

Your Directors have pleasure in presenting the Twenty Sixth Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2013.

**1. FINANCIAL RESULTS :**

	Rs. in Lacks	
	2012-13	2011-12
Sales and Other Income	51.70	19.72
Profit before Interest, Amortization, Depreciation and Tax	25.94	3.35
Less: Amortization & Depreciation	11.16	10.23
Profit/(Loss) before Taxation	14.78	(6.88)
Profit/(Loss) after Taxation	14.78	(6.88)
Balance of Profits brought forward	(336.94)	(691.83)
Add: Transfer from Capital Reduction Reserve	-	381.77
Balance carried forward to Balance Sheet	(322.16)	(336.94)

**2. DIVIDEND:**

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

**3. BIFR:**

We have great pleasure in informing you that during the year, Hon'ble Board for Industrial & Financial Reconstruction (BIFR) discharged the company from the purview of Sick Industrial Companies Act and BIFR as the company is no more a sick company.

We would like to place our heartfelt gratitude to all the parties concerns and you all our valued shareholders specially, our operating and monitoring agency viz. Union Bank of India, without their support and guidance, the company would have not made to this stage of out of sickness. The discharged order of BIFR is displayed on the company's website.

**4. OPERATIONS:**

The company continues to carry out job work activities in its manufacturing plant at Panoli. The job work activities remains almost stagnant during the year due to capacity constrain. During the year, it was decided not to invest further money in the manufacturing facilities as that would need large number of regulatory approvals including the most crucial approval from the pollution control board.

In view of this, in the members' meeting (Extra Ordinary General Meeting) held on 25th March, it was decided to disposing of all such assets which are related to the pharmaceutical and manufacturing activities, either on an as is basis or in dismantled condition on top priority to unlock the company resources for its new business activities, stated herein below.

During the year, the company set up another independent business division and started Digital marketing and ecommerce activities. This new division has huge potential to grow and hence during the year, the company decided to focus its resources to build these activities. Towards building this, the company has taken the control of few market places which were created and run by other companies under different arrangements.

During the year the company changed its name to iStreet Network Limited (Formerly known as Principal Pharmaceuticals and Chemicals Limited) which was approved by the Registrar of Companies w.e.f. 18th April, 2013.

During the year, as per the directives of BIFR, the company has issued fresh equity shares to promoters and its associates for aggregate value of Rs. 360.00 lacs (90.01 lacs equity shares for Rs. 4 each at par). After issue of new capital, the total paid up capital of the company as on 31st March, 2013 is Rs. 795 lacs (Rupees Seven Hundred and Ninety Five Lakhs only) comprising of 1,98,75,000 equity shares of Rs. 4/- each fully paid-up.

**5. DIRECTORS:**

Mr. Nilesh Bhandari, Director of the company retires by rotation and being eligible for reappointment, he is to be reappointed. Mr. Vijendrakumar Jain who was appointed as Additional Director seeks his appointment as the Director at the ensuing Annual General Meeting.

**6. DEPOSITS:**

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

**7. AUDITORS' REPORT:**

Qualifications in Auditors' Report read with Notes to the Accounts are self-explanatory and therefore do not call for any comments.

**8. LISTING:**

The Shares of the Company will continue to be listed on "BSE Ltd." being the Regional Stock Exchange situated at Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai - 400 001.

**9. CORPORATE GOVERNANCE:**

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

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

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

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

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

**12. DIRECTORS' RESPONSIBILITY STATEMENT:**

As required under section 217 of the Companies Act, the Directors hereby confirm that:

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

**13. AUDITORS:**

M/s. Jhavar Mantri & Associates, Chartered Accountants, retire as Auditors of the Company and being eligible, offer themselves for re-appointment.

**14. ENVIRONMENT AND SOCIAL OBLIGATIONS:**

The Company's plants comply with all norms set up for clean and better environment by the competent authorities. The Company undertakes regular checks/ inspections including certification for the maintenance of the environment. The Company values environmental protection and safety as the major consideration in its functioning.

**15. ACKNOWLEDGEMENTS:**

The Directors acknowledge the valuable co-operation and assistance rendered by the Bankers of the Company and all other people who have been supportive to the company's operations during all these years.

On Behalf of Board of Directors

MUMBAI  
DATED: 31st May, 2013

Pradeep Malu  
Whole Time Director

ANNEXURE - A to The Directors' Report

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

(a) Consumption of Energy : Not Applicable

(b) Technology Absorption, Research & Development (R&D) :

- i. No Research and Development Expenses during the year and during the previous year.
- ii. Expenditure on R&D: Nil (Previous year Nil)

Technology absorption, adaptation and innovation and benefits derived there from:

The company didn't incur any expenses on Research & Development during the last three years. Hence clause not applicable

Technology imported and absorbed: Nil (Previous Year Nil)

		In Rupees	
		Current Year	Previous Year
(c)	Foreign exchange earnings -	--	--
	Foreign exchange outgo -	--	--

**Corporate Governance**

Fairness, accountability, disclosures and transparency are the four strong pillars supporting the foundation of the Company's philosophy of Corporate Governance. The governance processes and systems of the Company have strengthened over a period of time resulting in constant improvisation of sustainable, turnaround and profitable growth.

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.

Our Corporate Governance philosophy is based on the following principles:

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

**1. Board of directors**

The company's Board presently consists of a majority of non-executive independent Directors, many of whom are acknowledged as professionals in their respective fields. The Board comprises of one (1) Executive Director and three (3) Independent Directors.

The constitution of Board is given below:

Director	Executive / Non Executive Independent	No. of other Directorships
Mr. Pradeep Malu	Executive	5
Mr. Nilesh Bhandari	Independent	1
Mr. Sanjeev Chhajed	Independent	-
Mr. Vijendrakumar Jain	Independent	2

**2. Attendance of Directors at Board Meeting and Annual General Meeting**

The Board of the Company met (7) Seven times during the last financial year, on the following dates 31.05.2012, 02.07.2012, 30.07.2012, 26.10.2012, 10.12.2012, 25.01.2013 and 23.02.2013

**iStreet Network Ltd.**  
**Annual Report 2012-13**

The Company placed before the Board, performance and various other information including those specified under the Listing Agreement from time to time.

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

Name of Director	Name of the Board Meeting during the year 2012-2013		Whether attended last AGM & EGM
	held	Attended	
Mr. Pradeep Malu	7	7	Yes
Mr. Nilesh Bhandari	7	7	No
Mr. Sanjeev Chhajed	7	7	No
Mr. Vijendrakumar Jain*	2@	2	No

\*Appointed as the Director w.e.f. 10th Dec. 2012

@ Details provided from the date of appointment

### 3. Remuneration of Directors

Details of remuneration paid to the Chairman and Whole time Director during the year ended 31.03.2013 is as follows:

Name	Salary	Commission	Contribution to Provident Fund and other fund	Perquisites	Total
Mr. PRADEEP MALU	6,75,000	Nil	Nil	Nil	6,75,000

### 4. Management Discussions and Analysis:

#### Company Financial Review

The company was discharged from the purview of Sick Industrial Companies Act by the Hon'ble BIFR as the company was no more a sick company.

During the Financial Year 2012-13, the company has earned Profit before Tax of Rs. 14.78 lacs (Previous Year Loss of Rs. 6.88 lacs) after amortization and depreciation of Rs. 11.16 lacs (Previous Year Rs. 10.24 lacs). The income from its API and Intermediate manufacturing activities remains almost stagnant whereas the income from its new division for Digital marketing & ecommerce activities, which was started during the year, contributed almost 60% of the total revenue during the year.

#### Resources & Liquidity

The company raised additional capital of Rs. 360.04 lacs by issuing fresh 90.01 lacs equity shares of Rs. 4 each, at par, to the promoters and their associates as per the instructions issued by the Hon'ble BIFR.

The whole additional money generated by the company during the year was invested in its new business division set up for its new business activities viz Digital marketing & ecommerce. The surplus money in the new division was temporarily parked as inter-corporate loans carrying interest besides using it for the purpose of acquiring right to use various ecommerce properties, people knowledge of other companies which also includes one of our group companies

#### **Business Review**

The business of manufacturing APIs and Intermediates is almost stagnant as the infrastructure, set up in the year 1994-95 and expanded in the year 1998-99 needs huge investment to upgrade and expand the facilities besides various regulatory approvals particularly Pollution Board clearance which is very time consuming. With the poor condition of its plant and machineries and facilities, the company, however has been carrying out small job work for last over eight years just to meet its cash expenses. In view of uncertain regulatory environment, the company decided not to pursue and expand its manufacturing facilities and its related business activity, it being a VERY HIGH risk project.

During the year, the company decided to expand its business activities in Digital and ecommerce space with immediate effect by adding a new division. The company has done very well and share of revenue of this new division was over 60% in the total revenue of the company during the year.

As the digital and ecommerce business is becoming a major business activities of the company, the existing name viz. Principal Pharmaceuticals & Chemicals Ltd of the company was not suitable. Thus, in order that the name be in consonance with the activities of the company, the name of the company was changed to iStreet Network Limited. The new name is effective from 18th April, 2013.

#### **Opportunities & Challenges**

There are good opportunities exist in the new business of Digital marketing and ecommerce activities in India. According to a report published in 2011, in India:

\* Internet population was over 80M  
ecommerce population ~9 M

\* Number of transacting users  
to grow to 38 million by 2015

\* Both the population growing  
at a rapid speed

\* Total Online buying estimated  
to grow to Rs.107,000cr by 2015

\* Unique Internet users in India  
to reach 376 million by 2015

\* Travel weight to go down  
from 87% to 51% by 2015

**Internet Penetration (0) - 2011**



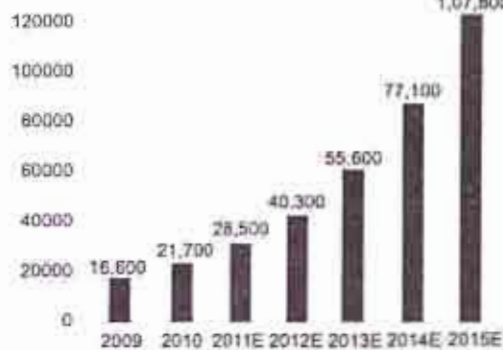
Source: Internet world stats comscore

**Number of Internet users transacting online - India (in million)**



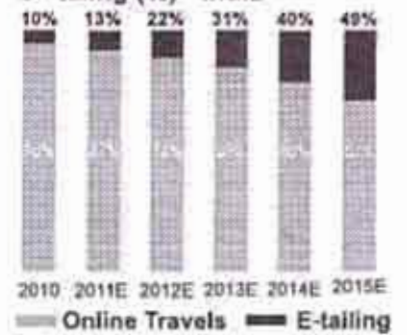
Source: Avendus estimates

**Total online Consumer revenues (Rs. Crore)**



Source: IAMA digital commerce 2011; Avendus estimates

**Share Travel online and e-tailing (%) - India**



Source: Avendus estimates

However as every opportunity carries some challenge, there are challenges here too - like supporting infrastructure, online payment system, efficient logistic network, trust level etc. We however, shall be able to overcome all these challenges one by one gradually.

**Risk & Concern**

eCommerce has 'low' entry barrier and therefore, high degree competition is the biggest risk in this business. As the company shall be dealing with large number of brands, protecting the arrangement from un-organized sector shall be another challenge and risk to the newly evolving business of brand ecommerce.

The company however, shall be taking due steps in order to expand and protect its business thru the legal framework available in the country.

**Adequacy of Internal Control**

The Company has a proper and adequate system of internal control to ensure that

all activities are monitored and controlled against any unauthorized use or disposition of assets and that the transactions are authorized, recorded and reported correctly.

#### Human Resource Development

The Company has outsourced its major activities and therefore it does not employ much people.

#### 5. Code of Conduct

The Board has laid down a code of conduct for all Board members and employees of the Company. All Board members and employees have affirmed compliance with the Code of Conduct and the Whole Time Director has confirmed the same.

#### 6. Code for prevention of Insider - trading Practices

In compliance with the SEBI regulation on prevention of insider trading, the company has instituted a comprehensive code of conduct for its management staff. The code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing with shares of company, and cautioning them of the consequences of violation.

#### 7. Audit Committee

During the year, Four Meetings of the committee were held on 31/05/2012, 30/07/2012, 26/10/2012, and 25/01/2013.

The constitution of the Committee and the attendance of each members of the Committee are given below:

Name	Designation	Non-executive/Profession Independent	Committee Meetings Attended
Mr. Nilesh Bhandari	Member Independent	Service	3
Mr. Sarjeev Chhajed	Member Independent	Service	4
Mr. V.K. Jain	Member Independent	Financial Consultant	1

The terms of reference of the Audit Committee include to review, inter-alia, the Audited Financial accounts and Un-audited Results.

#### 8. Share Transfer / Investors Grievance Committee

During the year, Six Meetings of the committee were held on 30/04/2012, 30/11/2012, 21/12/2012, 28/12/2012, 25/01/2013 and 01/03/2013.

The constitution of the Committee and the attendance of each members of the Committee are given below:

Name	Designation	Non-executive/Profession Independent	Committee Meetings Attended
Mr. Pradeep Malu	Director/Executive	Business	6
Mr. Sanjeev Chhajed	Director/Independent	Service	6

#### 9. General Body Meetings

The location and time of the Annual General (AGM) and Extraordinary General Meeting (EGM) held during the last 3 years is as follows :

Annual General Meetings (AGM)	Date	Time	Venue	If special Resolutions passed
23rd AGM	2nd August, 2010	10.00 a.m.	513, Palmspring, Link Road, Malad (W) Mumbai - 400 064	-
24th AGM	30th September, 2011	10.00 a.m.	513, Palmspring, Link Road, Malad (W), Mumbai - 400 064	-
25th AGM	30th July 2012	10.00 a.m.	513, Palmspring, Link Road, Malad (W) Mumbai - 400 064	-
EGM	25th March 2013	10.00 a.m.	513, Palmspring, Link Road, Malad (W), Mumbai - 400 064	Yes for change of name

#### Resolutions put through postal ballot during the last year and details of voting pattern:

For the financial year ended 31st March, 2013, No Special Resolutions were passed by the Company's Shareholders through postal ballot.

#### 10. Means of Communication

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

#### 11. General Shareholder Information

##### a) Annual General Meeting

- Date & Time	5th August, 2013 at 9:30 A.M.
- Venue	513, Palmspring, Link Road Malad West, Mumbai-400 064

##### b) Financial Calendar

- Financial Reporting for	
- Quarter ending June 30, 2013	End of July 2013
- Half year ending September 30, 2013	End of October 2013
- For the quarter ending December 31, 2013	End of January 2014
- For the year ending March 31, 2014	June/July 2014

**iStreet Network Ltd.**  
**Annual Report 2012-13**

Annual General Meeting for the year ending  
March 31st 2014

August/September 2013

- c) **Date of book closure** 29th July, 2013 to 5th August, 2013
- d) **Registered office** 513, Palm Spring, Link Road,  
Malad (W), Mumbai-400 063
- e) **Listing of Equity Shares on Stock Exchanges** BSE Ltd. Phiroze  
Jeejeebhoy Towers, Dalal  
Street, Mumbai - 400 002
- f) **Stock Exchange code** Code 524622

The Company has paid Annual Listing Fees to The Stock Exchange up to the financial year 2013-2014.

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

Month	High Price	Low Price	No. of Shares
April 2012	2.91	2.53	5850
* September 2012	5.25	4.30	9752
October 2012	6.92	3.89	67382
November 2012	5.19	3.68	21647
December 2012	4.61	3.68	17290
January 2013	4.67	3.50	19561
February 2013	4.15	3.36	12702
March 2013	3.70	3.35	1247

\* During this period the Company was temporarily not available for trading.

**h) Distribution of shareholding as 31st March 2013:**

Slab of shareholdings	No of Shareholders	Percentage	Amount in Rs	Percentage
0-500	8099	86.75	7837052	9.81
501-1000	785	8.41	2496780	3.11
1001-2000	267	2.86	1621760	2.04
2001-3000	75	0.80	769056	0.97
3001-4000	23	0.25	328036	0.41
4001-5000	29	0.31	543180	0.68
5001-10000	35	0.37	1056168	1.33
10001 & Above	23	0.25	64847968	81.55
<b>TOTAL</b>	<b>9336</b>	<b>100.00</b>	<b>79500000</b>	<b>100.00</b>

**i) According to categories of shareholders as on 31st March, 2013 :**

Sr. No.	Categories	No of Shares	Percentage
1.	RESIDENT INDIVIDUALS	3729464	18.76
2.	NON RESIDENT INDIVIDUALS	207689	1.04
3.	CORPORATE BODIES - PROMOTER	7075525	35.60
4.	CORPORATE BODIES	4054790	20.40
5.	DIRECTOR - PROMOTER	4533475	22.81
6.	DIRECTORS RELATIVE - PROMOTER	269100	1.35
7.	CLEARING MEMBER	950	0.00
8.	CORPORATE BODY - BROKER	4007	0.02
	<b>TOTAL</b>	<b>19875000</b>	<b>100.00</b>

**j) Details of Shares held by Directors as on 31st March 2013:**

(Name of Directors)	No. of Equity Shares Held
Pradeep Malu	4533475
Vijendra Kumar Jain	NIL
Nitesh Bhandari	NIL
Sanjeev Chhajed	NIL

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

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

I) Statement Showing Shareholding Pattern as on 31-3-2013

Statement Showing Shareholding Pattern as on 31-3-2013

Table (I) (A)								
Category Code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledge otherwise encumbered	
					As a percentage of (A+B+C)	As a percentage of (A+B+C)	Number of shares	As a percentage of (V)*100
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)= (VII) / (V)*100
(A)	<b>Shareholding of Promoter and Promoter Group<sup>2</sup></b>							
1	<b>Indian</b>							
(a)	Individuals/ HUF	0	0	0	0.00	0.00	0	0.00
(b)	Central Govt./ State Govt.(s)	0	0	0	0.00	0.00	0	0.00
(c)	Bodies Corporate	3	7075526	1991500	35.60	35.60	0	0.00
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	0.00
(e)	Any Others(Specify)							
(e-i)	Directors Relatives	5	269100	269100	1.35	1.35	0	0.00
(e-ii)	Directors	1	4533475	4533475	22.61	22.61	0	0.00
	<b>S. Total (A)(1)</b>	<b>9</b>	<b>11678100</b>	<b>6794075</b>	<b>59.76</b>	<b>59.76</b>	<b>0</b>	<b>0.00</b>
2	<b>Foreign</b>							
a	Individuals (NRI/Foreign Individuals)	0	0	0	0.00	0.00	0	0.00
b	Bodies Corporate	0	0	0	0.00	0.00	0	0.00
c	Institutions	0	0	0	0.00	0.00	0	0.00
d	Any Others(Specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub Total(A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>9</b>	<b>11678100</b>	<b>6794075</b>	<b>59.76</b>	<b>59.76</b>	<b>0</b>	<b>0.00</b>
(B)	<b>Public shareholding</b>							
1	<b>Institutions</b>							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00	0	0.00

**iStreet Network Ltd.**  
**Annual Report 2012-13**

(b)	Financial Institutions / Banks	0	0	0	0.00	0.00	0	0.00
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0.00	0	0.00
(e)	Insurance Companies	0	0	0	0.00	0.00	0	0.00
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00	0	0.00
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00	0	0.00
(h)	Any Other (specify)	0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>B 2</b>	<b>Non-institutions</b>							
(a)	Bodies Corporate	117	4056798	127122	20.42	20.42	0	0.00
(b)	Individuals							
i	Ind-Hold nominal shr capital upto Rs. 1L	8907	3484649	2174649	17.53	17.53	0	0.00
ii	Ind-Hold nominal shr capital in excess of Rs. 1L	4	244815	244815	1.23	1.23	0	0.00
(c)	Any Other (specify)							
(c-i)	Clearing member	4	950	950	0.00	0.00	0	0.00
(c-ii)	NRIs	295	207689	50489	1.04	1.04	0	0.00
	<b>Sub-Total (B)(2)</b>	<b>9327</b>	<b>7996900</b>	<b>2598025</b>	<b>40.24</b>	<b>40.24</b>	<b>0</b>	<b>0.00</b>
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	9327	7996900	2598025	40.24	40.24	0	0.00
	<b>TOTAL (A)+(B)</b>	<b>9336</b>	<b>19875000</b>	<b>9392100</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
1	Promoter and Promoter Group	0	0	0	0.00	0.00	0	0.00
2	Public -	0	0	0	0.00	0.00	0	0.00
	GDRs/ADRs/ADSs	0	0	0	0.00	0.00	0	0.00
	<b>Sub-Total (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>		<b>9336</b>	<b>19875000</b>	<b>9392100</b>	<b>100.00</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>

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

As on 31st March, 2013, 47.25% of the total equity share capital of the Company is held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share as the trading in equity shares of the Company is permitted only in dematerialized form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Share Registrars and Transfer Agents for assistance in this regard.

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

The Company does not have any outstanding GDRs / ADRs / warrants / convertible instruments as on 31st March 2013.

o) **Plant Location**

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

p) **Registrar and Transfer Agent:**

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

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

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

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

q) **Investor correspondence Address :**

iStreet Network Limited  
(Formerly known as Principal Pharmaceuticals & Chemicals Ltd.)  
513, Palm Spring, Link Road  
Malad west, Mumbai-400 064,  
Tel No. 42576767

**r) Green Initiative:**

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

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

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

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

**GREEN INITIATIVE IN CORPORATE GOVERNANCE - ANNUAL REPORT IN ELECTRONIC FORM**

Dear Shareholder,

In connection with the Green Initiative in Corporate Governance taken by the Ministry of Corporate Affairs(MCA), Govt. of India vide Circular No. 17/2011 dated 21st April, 2011, and Circular No. 18/2011 dated 29.04.2011, it had allowed paperless compliances by the companies.

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

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

& Transfer Agents (RTA).

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

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

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

Thanking You  
For **iStreet Network Limited**

**DIRECTOR**

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

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

Dear Sir,

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

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

Thanking You.

Signature of the first named shareholder

**PRESIDENT & CEO CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Board of Directors  
iStreet Network Limited  
(Formerly known as Principal Pharmaceuticals & Chemicals Ltd.)  
513, Palm Spring, Link Road  
Malad West, Mumbai-400 064

On the basis of the review of the financial statements and the cash flow statement for the financial year ending 31st March 2013 and to the best of my knowledge and belief I hereby certify that:

These results and statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

These results and statements together present a true and a fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.

There are to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

I accept responsibility for establishing and maintaining internal control systems of the Company and we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and steps we have taken or propose to take to rectify these deficiencies.

I have also indicated to the Auditors and the Audit Committee:

1. significant changes in internal control during the year with respect to financial reporting during the year;
2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. to the best of my knowledge and belief, there are no instances of fraud involving either the Management or employee having a significant role in the Company's internal control system with respect to financial reporting

Place: Mumbai

Pradeep Malu

Date: 31st May, 2013

President & CEO

**ANNEXURE TO CORPORATE GOVERNANCE REPORT**

**Declaration regarding affirmation of Code of Conduct**

In terms of the requirements of the amended Clause 49 of the Listing Agreement, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with the code of Conduct for the year ended 31st March, 2013.

Place: Mumbai

Pradeep Malu

Date: 31st May, 2013

Chairman, President & CEO

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
iStreet Network Limited  
(Formerly known as Principal Pharmaceuticals & Chemicals Ltd.)  
Mumbai.

We have examined the compliance of conditions of corporate governance by M/s. iStreet Network Ltd. formerly known as Principal Pharmaceuticals & Chemicals Ltd. for the year ended 31st March 2013, as stipulated in clause 49 of the Listing Agreement of the said company with stock exchange.

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

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

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

For JHAWAR MANTRI & ASSOCIATES  
Chartered Accountants

B.P.Mantri  
Partner  
M.No. 45701

Place : Mumbai  
Date : 31st May, 2013

INDEPENDENT AUDITOR'S REPORT

To,  
The Members of  
iStreet Network Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of iStreet Network Limited (formerly known as Principal Pharmaceuticals & Chemicals Limited) ('the Company') which comprises the Balance Sheet as at 31st March 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

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

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

**Basis of Opinion**

In view of the observations as stated in note no. (5) of Notes to accounts and with special attention to note no. 5.1 regarding non provision of Interest on outstanding liabilities pertaining to Gujarat Industrial Development Corporation, note no. 7.1 regarding non-payment of called amount of Rs. 88,400/- in respect of investment in shares of Panoli Enviro Technologies Ltd. and note no. 11 read with note no. 19 regarding short term loans and advances, the company has given certain inter-corporate deposits and gave unsecured loans, under the special circumstances of rehabilitation of the company, which were in excess of the prescribed limit under section 372A of the Companies Act, 1956 i.e. 60% of

its paid up capital & free reserve of the Previous Year. The effect on the profit of the company or on assets or on liabilities of the Company is unascertainable.

#### Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. in our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet and Statement of Profit and Loss, comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
  - e. On the basis of written representations received from the directors as on 31 March, 2013, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For JHAWAR MANTRI & ASSOCIATES  
Chartered Accountants  
(Firm Registration No. 113221W)

Place : Mumbai  
Date: 31st May, 2013

B.P. MANTRI  
Partner  
M. No. 45701

ANNEXURE TO INDEPENDENT AUDITOR'S REPORT

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

1.
  - (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Fixed Assets.
  - (b) Fixed Assets of the company have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
  - (c) During the year, the company has not disposed off any part of the Fixed Assets.
  
2.
  - (a) As explained to us, inventories except stock in transit have been physically verified by the management at reasonable intervals.
  - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
  - (c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories. No material discrepancies were noted on verification, between physical stocks and book records.
  
3.
  - (a) The company has not granted any loans, secured or unsecured to the companies, firms and other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - (b) In our opinion and according to the information and explanations given to us, since there are no loans given by the company to parties listed in the register maintained under section 301 of the Companies Act, 1956 hence question of whether the rate of interest and other terms and conditions on which loans has been given are not prima facie, prejudicial to the interest of the company does not arise.
  - (c) Since there are no such loans, question of regular in repaying the principal or interest amounts as stipulated does not arise.
  - (d) There is no overdue amount of loans taken from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
  - (e) The company has not taken any loan from parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirement of clause (iii) (f) and (iii) (g) of paragraph 4 of the order are not applicable.
  
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

5. (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been entered.  
(b) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.
6. In our opinion and according to the information and explanations given to us, the company has not accepted deposit from the public. Therefore, the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. Products manufactured by the company for 3rd party are not covered by the order issued under section 209(1)(d) prescribed by the Central Government and therefore the company has not made and maintained such accounts and records.
9. The company is generally regular in depositing with appropriate authorities undisputed statutory dues including Employees provident fund, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, cess and other statutory dues applicable to it except Service Tax where some delays are observed in payment, however there are no outstanding statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
10. The company has accumulated losses at the end of the financial year which are less than fifty percent of its net worth. The company has not incurred cash losses during the financial year and in the financial year immediately preceding the current financial year.
11. There are no dues payable by the company to any bank and financial institution hence this clause is not applicable.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of clause 4 (xii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. The company has maintained the proper records of the transactions of investment in shares, securities, debentures and other investment and timely entries have been made also the shares and securities have been held by the Companies in its own name.
15. In our opinion and according to the information and explanation given to us, the

**iStreet Network Ltd.**  
**Annual Report 2012-13**

company has not given guarantees for loans taken by others. Therefore, the provisions of clause 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.

16. In our opinion and according to the information and explanation given to us the company has not taken terms loans. Therefore, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
17. The company has not raised any funds short term or long term during the year. Therefore, the provisions of clause 4 (xvii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
18. **According to the information and explanations given to us, during the year the company has made preferential allotment of 50,84,025 equity shares of face value of Rs. 4/- each aggregating to Rs. 2,03,36,100/- at par to parties and companies covered in the register maintained under section 301 to the Act as per the order of BIFR, hence the price at which shares have been issued is not prejudicial to the interest of the Company.**
19. According to the information and explanations given to us, during the period covered by our audit report, the company had not issued debentures. Therefore, the provisions of clause 4 (xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
20. During the year the company has not raised money by way of public issue. Therefore, the provisions of clause 4 (xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For JHAWAR MANTRI & ASSOCIATES  
Chartered Accountants  
(Firm Registration No. 113221W)

Place : Mumbai  
Date: 31st May, 2013

B.P. MANTRI  
Partner  
M. No. 45701

BALANCE SHEET AS AT 31.03.2013

		As at 31.03.2013 Rs	As at 31.03.2012 Rs
<b>i) EQUITY AND LIABILITIES</b>			
1) Shareholders Funds			
(a) Share Capital	1	795,00,000	434,96,000
(b) Reserves and surplus	2	(322,16,773)	(336,94,604)
(c) Money received against share warrants		-	-
Total Shareholder Funds		472,83,227	98,01,396
2) Non-current liabilities			
(a) Long-term borrowing		-	-
(b) Deferred tax liabilities (Net)		-	-
(c) Other Long term liabilities	3	-	27,33,160
(d) Long-term provisions		-	-
Total Non-current liabilities		-	27,33,160
3) Current liabilities			
(a) Short-term borrowing		-	-
(b) Trade payables	4	17,105	-
(c) Other current liabilities	5	30,20,501	7,67,032
(d) Short-term provisions		-	-
Total current liabilities		30,37,606	7,67,032
<b>Total Equity and Liabilities</b>		<b>503,20,833</b>	<b>133,01,588</b>
<b>ii) ASSETS</b>			
1) Non-current assets			
a) Fixed Assets			
(i) Tangible Assets	6	90,45,626	101,61,848
(ii) Intangible Assets		-	-
(b) Non-current investments	7	1,19,200	1,19,200
(c) Deferred tax assets (net)		-	-
(d) Long-term loans and advances	8	2,02,038	13,23,296
(e) Other non-current assets		-	-
Total Non-current assets		93,66,864	116,04,343
2) Current assets			
(a) Current Investments		-	-
(b) Inventories		-	-
(c) Trade receivables	9	24,141	5,589
(d) Cash and Bank Balances	10	1,17,182	8,51,797
(e) Short-term loans and advances	11	398,10,805	50,000
(f) Other current assets	12	10,01,841	7,89,859
Total current assets		409,53,969	16,97,245
<b>TOTAL</b>		<b>503,20,833</b>	<b>133,01,588</b>

As per our report of even date  
For Jhwar Mantri & Associates  
Firm Registration No. 113221W  
Chartered Accountants  
B. P. Mantri (Partner)  
Membership No. 045701  
Place : Mumbai. Dated : 31st May, 2013

For iStreet Network Limited

Pradeep Malu  
(Director)

Sanjeev Chhajed  
(Director)

**iStreet Network Ltd.**  
**Annual Report 2012-13**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2013**

	Note No.	Year Ended 31.03.2013 Rs	Year Ended 31.03.2012 Rs
<b>INCOME</b>			
I. Revenue from operations	13	34,42,307	19,51,500
II. Other Income	14	17,28,026	21,190
III. TOTAL REVENUE (I+II)		<u>5,170,333</u>	<u>19,72,690</u>
<b>IV. EXPENSES</b>			
Cost of materials consumed		-	-
Purchase of Stock in trade		10,67,094	-
Employee benefit expense	15	6,75,000	1,50,000
Financial costs		-	-
Depreciation and amortization expenses	6	11,16,222	10,23,505
Other Expenses	16	8,34,187	14,87,510
TOTAL EXPENSES		<u>36,92,503</u>	<u>26,61,015</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		14,77,831	(6,88,325)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		14,77,831	(6,88,325)
VIII. Extraordinary Items		-	-
IX. Profit / (Loss) Before Tax (VII-VIII)		14,77,831	(6,88,325)
X. Tax expenses:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
XI. Profit/(Loss) for the period (IX-X)		14,77,831	(6,88,325)
<b>Profit carried to Balance Sheet</b>		<u>14,77,831</u>	<u>(6,88,325)</u>
<b>No. of Shares</b>		147,45,663	60,13,317
Earnings per equity share of face value of Rs. 4 each in current year and Rs. 4 in previous year			
EPS - Basic & Diluted	27	0.10	(0.11)
Significant Accounting Policies	A to M		
Notes on Financial Statements	1 to 28		

As per our report of even date  
For **Jhavar Mantri & Associates**  
Firm Registration No. 113221W  
Chartered Accountants  
B. P. Mantri (Partner)  
Membership No. 045701  
Place : Mumbai.  
Dated : 31st May, 2013

For iStreet Network Limited

Pradeep Mahi  
(Director)

Sanjeev Chhajed  
(Director)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2013

Particulars	Year Ended 31-3-2013	Year Ended 31-3-2012
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit/(Loss) before tax as per Statement of Profit and Loss	14,77,831	(6,88,325)
Adjustments for :		
1. Depreciation	11,16,222	10,23,505
2. Interest/Dividend/other income	(17,28,026)	(21,190)
Operating Profit/(Loss) before working capital changes	8,66,026	3,13,990
Adjustments for :		
1. Trade and other receivables	(388,70,082)	(1,11,419)
2. Inventories	-	-
3. Trade and other payables	22,70,574	1,59,615
Cash used/generated in/ from operating activities	(357,33,481)	3,62,186
Income Tax , FBT	-	-
Net cash used in /generated from operating activities	(357,33,481)	3,62,186
<b>B. CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Fixed Assets Inclusive of Capital WIP	-	-
Dividend/Rent/other Received	17,28,026	21,190
Net cash from Investing activities	17,28,026	21,190
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Issue of share capital	350,04,000	194,96,000
Promoter contribution for Rehabilitation	-	(194,98,044)
Stock Invest Money Arrears	-	3,000
Repayment of Borrowing (Net of Restructured liabilities)	(27,33,160)	-
Interest paid	-	-
Net Cash used in Financing activities	332,70,840	956
Net Increase in Cash and Cash equivalents	(7,34,615)	3,84,332
Cash and cash equivalents as at (Opening Balance)	7,91,647	4,07,316
Cash and cash equivalents as at (Closing Balance)	57,032	7,91,647

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR iStreet Network Limited

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

B. P. Mantri  
Partner  
M.No. 45701

Pradeep Malu  
(Director)

Sanjeev Chhaged  
(Director)

**SIGNIFICANT ACCOUNTING POLICIES:**

**A. Basis of Preparation of Financial Statement:**

The financial statements are prepared on accrual basis under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956.

**B. Use of Estimates:**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

**C. Fixed Assets:**

- a) Lease hold land is valued at cost less amount amortized. Cost includes finance costs incurred during the Pre-operative period.
- b) Other Fixed Assets are stated at the cost of acquisition less accumulated depreciation. Cost includes inward freight, duties, finance costs incurred during the Pre-operative period and other expenses incidental to acquisition and installation of assets.
- c) Capital work in progress is valued at cost incurred regarding pre-operative/installation period.

**D. Depreciation and Amortization:**

- a) Depreciation on Fixed Assets other than capital work in progress is provided on straight line method at the rates specified in schedule XIV to the Companies Act, 1956 on pro-rata basis with regard to the operational period of the plant.
- b) Leasehold land is amortized over the period of lease.

**E. Inflation:**

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

**F. Investments:**

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

**G. Inventories:**

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

**H. Retirement Benefit:**

Gratuity: Liabilities in respect of gratuity to Employees were covered under the Group Gratuity Scheme of Life Insurance Corporation of India and premium thereof charged to revenue. However, the policy is no more in force as there is no employee in the company.

**I. Borrowing cost:**

Borrowing costs incurred in relation to the acquisition, construction of assets are

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

**J. Research & Development Expenditure:**

- a) Research & Development Expenses in the nature of capital expenditure have been given the same treatment as that of fixed assets;
- b) Research & Development Expenses in the nature of revenue expenses as treated as Deferred Revenue expenditure and have been amortized over a period of thirty six months on pro-rata basis.

**K. Deferred Revenue Expenditure:**

Deferred Revenue Expenditure has been amortized over a period of sixty months on pro-rata basis.

**L. Accounting for taxes on income:**

Current tax is the amount of tax payable on taxable income for the year as determined in accordance with the provisions of the Income Tax act, 1961. Deferred tax is recognized on timing differences. Being the difference between taxable incomes and accounting income those originate in one period and are capable of reversal in one or more subsequent period.

**M. Other Accounting Policies:**

These are consistent with the generally accepted accounting practices.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2013  
(Amount in Rupees):**

Previous year's figures have been re-grouped and/or re-arranged wherever necessary in conformity with current year's figures.

	<u>31.03.2013</u>	<u>31.03.2012</u>
<b>Note - 1</b>		
<b>A) Share Capital</b>		
Authorized 25,000,000 Equity Shares of Rs.4/- each (Previous Year 25,000,000 Equity Shares of Rs.4/- each)	100,000,000	100,000,000
<u>Issued, Subscribed &amp; fully Paid</u>		
19,875,000 Equity Shares of Rs.4/- each fully paid up (Previous Year 10,874,000 Equity Shares of Rs.4/- each fully paid up)	79,500,000	43,496,000
Less: Stock Invest Money In Arrears - by others	-	-
	<u>79,500,000</u>	<u>43,496,000</u>
<b>B) Reconciliation of the number of shares outstanding is as under</b>		
	No. of shares	Amount (Rs.)
<b>a) Equity Share of Rs.10/- Each</b>		
At the beginning of the year	-	6,000,000
		60,000,000

Less : As per BIFR Order capital reduced by 60% accordingly face value reduced from Rs. 10 to Rs. 4/- each hence this reduction. Refer point B(b) below for the new reduced capital

			6,000,000	60,000,000
At the end of the year	-	-	-	-

**b) Equity Share of Rs. 4/- Each**

At the beginning of the year	10,874,000	43,496,000		
Add : As per BIFR Order capital reduced by 60% accordingly face value reduced from Rs. 10 to Rs. 4/- each hence equity shares of Rs. 4/- face value issued in lieu of equity shares of Rs. 10/- each face value. Refer point B(a)	-	-	6,000,000	24,000,000
Add: Shares Issued to promoters and associates as per BIFR Order	9,001,000	36,004,000	4,874,000	19,496,000
At the end of the year	19,875,000	79,500,000	10,874,000	43,496,000

**C) Details of Shareholders holding more than 5% shares**

Name of Shareholders	No. of Shares	% of holdin	No. of Shares	% of holding
PRADEEP MALU	4,533,475	22.81	3,290,375	30.26
INDOENT SOLUTIONS LTD	1,991,500	10.02	1,991,500	18.31
CARDIOID PLASTEEL PVT LTD	2,575,000	12.96	-	-
CREST LATEX PVT LTD	2,509,025	12.62	-	-
DEVKANT SYNTHETICS (I) PVT. LTD.	3,916,975	19.71	-	-
<b>Total</b>	<b>15,525,975</b>	<b>78.12</b>	<b>5,281,875</b>	<b>48.57</b>

Please also refer Note no. 18 for details.

**Note - 2**

**Reserves and surplus**

**a) Capital Reduction Reserve**

Opening Balance	-	-
Add: Transfer from General Reserves	-	176,850
Add: Capital Reduction as BIFR Order	-	36,000,000
Less: Transfer to Statement of Profit & loss	-	(36,176,850)
Closing Balance	-	-

**b) General Reserves**

Opening Balance	-	176,850
Less: Transfer to Capital Reduction Reserve	-	176,850

**iStreet Network Ltd.**  
**Annual Report 2012-13**

Closing Balance	-	-
<b>c) Surplus as per Statement of Profit and Loss</b>		
Opening Balance	(33,694,604)	(69,183,129)
Add: Net Profit/(Net Loss) For the current year	1,477,831	(688,325)
Add: Transfer from Capital Reduction Reserve	-	36,176,850
Closing Balance	<u>(32,216,773)</u>	<u>(33,694,604)</u>
Total	<u>(32,216,773)</u>	<u>(33,694,604)</u>

**Note - 3**

Other Long term liabilities

a) Trade Payables	-	-
b) Others		
Security Deposit	-	1,000,000
Promoters contribution for Rehabilitation		
- Directors	-	72,457
- Companies under the same Management	-	171,742
Other Payables	-	1,488,961
	<u>-</u>	<u>2,733,160</u>

**Note - 4**

Trade Payables

a) Trade Payables	17,105	-
b) Others	-	-
	<u>17,105</u>	<u>-</u>

**Note - 5**

Other current liabilities

Other Payables		
Overdue Deferred Payment Liabilities (Refer Note 5.1)	-	433,188
Statutory Dues	207,193	46,989
Bank Balance (Book OD)		-
Advance from Customer	3,416	
Outstanding for Expenses	327,916	286,855
Security Deposit	1,000,000	-
Other Payables	1,481,976	-
	<u>3,020,501</u>	<u>767,032</u>

5.1 Overdue deferred payment liabilities, as classified in the previous year, pertains to Gujarat Industrial Development Corporation where the installments are due and unpaid since FY 2002-03 as the company turned sick and filed a reference to Hon'ble Board for Industrial & Financial Reconstruction (BIFR). No interest has been provided by the Company on the said outstanding since FY 2002-03. The company intends to settle this due during the year hence reclassified as 'other payables' in the current year.

**iStreet Network Ltd.  
Annual Report 2012-13**

**Note : 6 :- Fixed Assets & Depreciation**  
a) Statement Showing Fixed Assets And Depreciation Charged as per Schedule XIV of Companies Act 1956

Sr. No	Particulars	Gross Block			Depreciation			Net Block		
		As on 31-3-2012	Additions	Deduction / Adjustment	As on 31-3-2013	Upto 31-3-2012	For the year	Deletion (Refer Note 6.1)	Upto 31-3-2013	Upto 31-3-2012
<b>Tangible Assets (Owned Assets)</b>										
1	Lease hold Land	17,03,742	-	-	17,03,742	3,14,104	17,212	-	3,31,316	13,89,638
2	Factory Building	144,80,216	-	-	144,80,216	74,64,757	4,83,640	-	78,48,397	65,31,819
3	Plant & Machinery	381,79,471	-	-	381,79,471	373,50,718	4,89,714	-	378,40,432	3,39,039
4	Electrical Installation	33,01,915	-	-	33,01,915	33,01,913	-	-	33,01,913	2
5	Office/Lab Equipments	23,73,185	-	-	23,73,185	14,89,754	1,12,724	-	16,02,478	7,70,707
6	Computer Systems	79,768	-	-	79,768	35,203	12,932	-	48,135	31,533
	<b>TOTAL</b>	<b>601,18,297</b>	<b>-</b>	<b>-</b>	<b>601,18,297</b>	<b>499,56,449</b>	<b>11,16,222</b>	<b>-</b>	<b>510,72,671</b>	<b>90,45,626</b>
	<b>PREVIOUS YEAR</b>	<b>601,18,297</b>	<b>-</b>	<b>-</b>	<b>601,18,297</b>	<b>489,32,944</b>	<b>18,43,024</b>	<b>8,19,519</b>	<b>499,56,449</b>	<b>101,61,848</b>
										<b>11,85,353</b>

6.1 Deletion shown in previous year depreciation column is excess depreciation charged during earlier years, which was reversed in previous year.

**Note - 7**

A) Non Current Investment  
(Long Term, Other than trade)  
Unquoted, at cost :

(a) Investments in Equity Instruments;

**Fully Paid**

1000 Equity Shares of Rs.10/-each fully paid up of The Saraswat Co-op Bank Ltd.	10,000	10,000
100 Equity Shares of Rs.10/- each fully paid up of The Malad Sahakari Bank Ltd.	1,000	1,000
560 Equity Shares of Rs.10/- each fully paid up of Bharuch Enviro Infrastructure Ltd.	5,600	5,600

**Partly Paid**

13600 Equity Shares of Rs.10/- each of Panoli Enviro Technologies Ltd (Refer note 7.1 below)	47,600	47,600
---	--------	--------

(b) Investments in Government or trust securities;

National Saving Certificate (Lodged with Department of Prohibition, Gujarat Gvt.)	50,000	50,000
National Saving Certificate (Lodged with Sales Tax Authority, Bombay)	5,000	5,000
	<u>119,200</u>	<u>119,200</u>

Aggregate amount of unquoted investments	<u>119,200</u>	<u>119,200</u>
--	----------------	----------------

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

**Note - 8**

**Long-term loans and advances**

A) Security Deposits	202,038	266,843
B) Loans and advances to related parties		
C) Other Loans & Advances		
Receivables from Revenue Authorities	-	-
Inovent Solutions Ltd. (JBA)	-	-
Receivables from Others	-	1,034,703
Prepaid Expenses	-	1,750
	<u>202,038</u>	<u>1,323,295</u>

**Note - 9**

**Trade Receivables**

(Unsecured, considered good except stated otherwise)

Due for a period exceeding six month  
Good

iStreet Network Ltd.  
Annual Report 2012-13

Doubtful	-	-
Other Debts	-	-
Good	24,141	5,589
Doubtful	-	-
	<u>24,141</u>	<u>5,589</u>
Less: Provision for Doubtful debts	-	-
	<u>24,141</u>	<u>5,589</u>

**Note - 10**

**Cash and Bank Balances**

**Cash and cash equivalents**

Cash in hand	45,822	779,466
Balance with Scheduled bank	11,210	12,181

**Other Bank Balances**

In Margin against Bank Guarantee	60,150	60,150
	<u>117,182</u>	<u>851,797</u>

**Note - 11**

**Short-term loans and advances**

a) Loans and advances to related parties

Unsecured, considered good (Advance and deposits for trade given to an Associate enterprise Inovent Solution Ltd. Towards expanding ecommerce and digital marketing activities and using their brand name)	19,489,159	-
---	------------	---

b) Others

Unsecured, considered good Inter Corporate Deposit (Temp advances) including advance towards Investments and Interest	20,185,233	50,000
Others (Interest Receivable only)	136,413	-
	<u>39,810,805</u>	<u>50,000</u>

**Note - 12**

**Other current assets**

a) Interest Accrued	28,154	23,342
b) Other Advances	20,909	-
c) TDS Receivable	952,778	766,517
	<u>1,001,841</u>	<u>789,859</u>

**Note - 13**

**Revenue from operation**

Other operating revenue - Job work Charges	2,017,600	1,951,500
Sales Income	1,424,707	-
	<u>3,442,307</u>	<u>1,951,500</u>

**Note - 14**

**Other Income:**

Dividend Received -on long term investments	2,840	2,560
Interest Received on Income Tax Refund	13,691	7,608
Interest on FD with UBI	4,812	-
Other Interest Income	-	11,022
Miscellaneous Receipts	315	-
Sundry Balance W.Off/ W.Back	17,569	-
Interest Received by eCommerce division	1,688,600	-
	<u>1,728,026</u>	<u>21,190</u>

**Note - 15**

**EMPLOYEE BENEFIT EXPENSE**

Salary to Director	675,000	150,000
	<u>675,000</u>	<u>150,000</u>

**Note -16**

**OTHER EXPENSES :**

Payment to Auditors:		
- As Auditors	25,000	25,000
- For Other Services:	18,062	3,150
Annual Listing & Depository Fee	260,053	549,064
Conveyance expenses	71,338	88,784
Insurance	-	15,487
Legal & Professional Charges	80,655	224,030
Membership & Subscription	10,000	-
Miscellaneous Expenses	78,267	67,004
Postage, Telegram & Courier	38,416	1,567
Printing & Stationery	11,335	19,624
Rates & Taxes	82,685	5,050
Repairs to :		
Others	1,750	8,250
Share Transfer Expenses	61,600	277,146
Telephone Charges	-	1,020
Travelling Expenses - Director	95,025	202,334
	<u>834,187</u>	<u>1,487,510</u>

17. The name of the company was changed from Principal Pharmaceuticals & Chemicals Ltd. to iStreet Network Ltd.. The change was approved by the Registrar of Companies on 18th April, 2013 hence became effective from that day.
18. Upon turning net worth negative in the year 2002, the company filed reference to the Board for Industrial and Financial Reconstruction (BIFR) and was declared as 'SICK' in the year 2005. The rehabilitation scheme was approved by the Hon'ble BIFR vide their order no. 321/2002 dated 27-03-2012. As per the directions of the Hon'ble BIFR and as per special resolution passed by the Members of the Company, the paid up capital of the company reduced from Rs. 600 lacs (60,00,000 equity shares of Rs. 10/- each) to Rs. 240 lacs (60,00,000 equity shares of Rs. 4/- each) during FY 2011-12. In the same year, the company issued 48,74,000 equity shares of Rs. 4/- each aggregating to Rs. 194.96 lacs to the promoters and

associates as per the Order of the Hon'ble BIFR. As per the directives of Hon'ble BIFR, the company further issued 90,01,000 equity shares of Rs. 4 each for aggregate value of Rs. 360.04 lacs during the year. The company's net worth turned positive as on 31st March, 2012 and hence was no more a sick company. Hon'ble BIFR discharged the company from the purview of Sick Industrial Companies Act and BIFR on 14th September, 2012.

19. The company's business of manufacturing of Pharmaceutical, Intermediates and Chemicals is almost stagnant. With the poor conditions of its plant, machineries and facilities, the company, however has been carrying out job work for last over eight years just to meet its cash expenses. It needs huge investments to upgrade the facilities and additional product range besides various government approvals particularly Pollution Board clearance which has become very time consuming. The company does not want to pursue the project any more as it is a VERY HIGH risk project and accordingly, added new line of business of Digital marketing and eCommerce during the current year. As per the directives of Hon'ble BIFR, the company has also raised additional capital during the year. In view of the decision of not pursuing further investments in its manufacturing facilities, the whole new additional capital has been allocated to its new activities viz. Digital marketing and eCommerce. The company has started utilizing these additional funds for expanding its Digital marketing and eCommerce activities and surplus funds have been parked as temporary loans. The company has also gave deposit to one of its group companies towards using their complete infrastructure, human knowledge, experience, resources and brand name. The temporary parking of funds may appear to be in excess of the limit provided in Sec 372A of the Companies Act, 1956 however, it is not so in view of the given circumstances like implementing the directives of BIFR for raising the additional capital, deploying the same for its new business activities, the limit going up post additional capital coming in etc. All such temporary advances are well within the limits provided under section 372A as on 31st March, 2013.
20. Contingent Liabilities and commitments:  
20.1 Contingent Liabilities not provided for:  
i) Claim against the company / disputed liabilities not acknowledged as debt in respect of others Rs. 20,00,000 (Previous Year Rs. 16,13,774/-)  
A suit has been filed by the party against the company.  
20.2 Commitments  
i) Company has not paid and accounted unpaid called amount of Rs. 6.50 per share aggregating to Rs. 88,400/- in respect of investment of 13600 Equity Shares of Rs. 10/- each of Panoli Enviro Technologies Ltd. Present status of the said investment is not known.
21. In the opinion of the Board of Directors of the Company:  
a) The current assets are approximately of the value stated, if realized in the ordinary course of business.  
b) The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.
22. Outstanding balances of the debtors, creditors, loans and advances are subject to confirmation and reconciliation, if any.

23. The Company has not received any information from any of the suppliers of there being Small Scale Industrial Unit. Hence, the amount due to Small Scale Industrial units outstanding as on 31st March 2013 are not ascertainable.
24. The Company has unabsorbed depreciation and carry forward business losses available for set off under the Income Tax Act, 1961. In view of the uncertainty of future taxable income, the extent of net deferred tax assets, which may be adjusted in the subsequent years; is not ascertainable with virtual certainty at this stage and accordingly, in keeping with Accounting Standard 22 on 'Accounting for taxes on Income' Issued by the Institute of Chartered Accountants of India, the same has not been recognized in these accounts on prudent basis.
25. During the current financial year, the Company has added another division which operates in Digital & eCommerce activities. Accordingly, the segment wise report gives here below as required by Accounting Standard - 17 issued by the Institute of Chartered Accountants of India:

	Current Year	Previous Year
<b>I SEGMENT REVENUE</b>		
i. Digital and ecommerce	31,13,807	-
ii. Pharmaceuticals & Intermediates	20,56,526	19,72,690
<b>TOTAL INCOME FROM OPERATIONS</b>	<b>51,70,333</b>	<b>19,72,690</b>
<b>II SEGMENT RESULT</b>		
<b>PROFIT/(LOSS) BEFORE TAX AND EXTRAORDINARY ITEMS</b>		
i. Digital and ecommerce	19,86,572	-
ii. Pharmaceuticals & Intermediates	(3,28,741)	(2,08,325)
<b>TOTAL SEGMENT RESULTS</b>	<b>16,57,831</b>	<b>(2,08,325)</b>
Less:		
i. Interest and other financial charges	-	-
ii. Un-allocable Expenditure	(1,80,000)	(4,80,000)
<b>TOTAL PROFIT BEFORE TAX AND EXTRAORDINARY ITEM</b>	<b>14,77,831</b>	<b>(6,88,325)</b>
Less: Extraordinary Item	-	-
<b>PROFIT BEFORE TAX</b>	<b>14,77,831</b>	<b>(6,88,325)</b>
<b>III CAPITAL EMPLOYED</b>		
(Segment Assets -Segment Liabilities)		
i. Digital and ecommerce	39,831,613	-
ii. Pharmaceuticals & Intermediates	74,51,614	98,01,396
<b>TOTAL CAPITAL EMPLOYED IN SEGMENTS</b>	<b>472,83,227</b>	<b>98,01,396</b>

**26. Related Party Disclosures:**

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

1) Relationships

(Related parties with whom transactions have taken place during the year)

- (a) Key management personnel and their relatives:
1. Mr. Pradeep Malu - President & CEO
- (b) Other parties where key Management Personnel and /or their relatives have significant influence
1. Inovent Solutions Ltd.
  2. Radalf Pharmaceuticals Pvt.Ltd.
  3. Cardiold Plasteel Pvt.Ltd.
  4. Crest Latex Pvt.Ltd.

2) Details relating to person referred to in items 1 (a) above:

	In Rupees	
	Current Year	Previous Year
Remuneration / Sitting Fees	6,75,000	1,50,000
Other long term liabilities (Promoters contribution towards rehabilitation)	-	72,457

3) The following transactions were carried out with the related parties referred to in item 1 (b) above in the ordinary course of business:

	In Rupees			
	Shareholder		Other Related Party	
	Current Year	Previous year	Current year	Previous year
Short-term loans and advances	1,94,89,159	-	-	-
Other long term liabilities (Promoters contribution towards rehabilitation)	-	1,71,742	-	-

**27. EARNING PER SHARE**

- a) The amount used as the numerator in calculating basic and diluted earnings per share is the net profit for the year disclosed in the profit and loss account.
- b) The weighted average number of equity shares used as the denominator in calculating both basic and diluted earnings per share is

c)

PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
Net Profit/(Loss) after Tax	Rs. 1,477,831	Rs. (688,324)
No. of Equity Shares outstanding	19,875,000	1,08,74,000
Weighted average number of equity shares	14,745,663	60,13,317
Basic earning per share	Rs. 0.10	Rs. (0.11)
Diluted earning per share	Rs. 0.10	Rs. (0.11)

28. Additional information pursuant to the provisions Revised Schedule VI to the Companies Act, 1956 (As certified by the Management):

	Rupees	
	Current Year	Previous Year
a) Value of imports calculated on C.I.F basis	Nil	Nil
b) Expenditure in foreign currency	Nil	Nil
c) i) Total value of all imported raw materials, spare parts and components consumed	Nil	Nil
ii) Total value of indigenous raw materials, Spare parts and components consumed	Nil	Nil
d) The amount remitted during the year in foreign currencies	Nil	Nil
On account of dividend		
e) Earnings in foreign exchange	Nil	Nil
f) The amount of dividend proposed to be distributed	Nil	Nil

For JHAWAR MANTRI & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 113221W

For iStreet Network Limited

B.P. MANTRI  
Partner  
M.No. 45701  
Mumbai,  
Dated: 31st May. 2013

PRADEEP MALU  
Director

SANJEEV CHHAJED  
Director

## PROXY FORM

### ISTREET NETWORK LIMITED.

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

Ledger Folio \_\_\_\_\_ No. of Shares \_\_\_\_\_

I/We \_\_\_\_\_ of \_\_\_\_\_

being a Member/Members of the Company hereby appoint Shri/Smt \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ failing him/her,

Shri/Smt. \_\_\_\_\_

of \_\_\_\_\_ as my/ our proxy to attend and  
vote for me/us and on my/our behalf at the 26th Annual General Meeting of the  
Company to be held on 5TH August 2013 at 09.30 A.M. and any adjournment  
thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2013 Signature of Shareholde

NOTE : The Proxy must be deposited at the registered office of the company at 513,  
Palm Spring, Link Road, Malad West, Mumbai - 400 064 not less than 48 hours before  
the time for holding the meeting.

### ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE  
MEETING VENUE.

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

I hereby record my presence at the 26th Annual General Meeting of the Company to be held  
on Monday, the 5<sup>th</sup> day of August 2013 at 9:30 a.m. at 513, Palm Spring, Link Road,  
Malad West, Mumbai - 400 064

SIGNATURE OF THE SHAREHOLDER OR PROXY \*

\* Strike out whichever is not applicable

If Undelivered please return to:  
**iStreet Network Limited\***  
513, Palmspring, Link Road,  
Malad (West), Mumbai - 400 064