

Annual Report

2014-15

istreet

iStreet Network Limited

www.iStreetNetwork.com

Founders & Promoters:

Mr. Pradeep Malu, Founder
Mr. Lakshya Malu, Co-Founder

Board of Directors as on 17th August 2015:

	DIN
Mr. Kushal C. Sacheti <i>Non Executive Director</i>	06451345
Mr. Naval Choudhary <i>Independent Director</i>	00192164
Mr. Neeraj Gupta <i>Independent Director</i>	05327106
Mr. Sanjeev Chhajer <i>Independent Director</i>	02849462
Ms. Meethu Malu <i>Non Executive Director</i>	07074018
Mr. Pradeep Malu <i>Managing Director</i>	00001959

Company Secretary & Compliance Officer:

Ms. Ruchi Seksaria

Statutory Auditors:

Jhwar Mantri & Associates
Chartered Accountants

Internal Auditors:

RRDL & Associates
Chartered Accountants

Banker:

HDFC Bank Ltd.

Registered Office:

513, Palm Spring, Link Road
Malad West,
Mumbai – 400 064
CIN: L51900MH1986PLC040232
Websites :
www.istreetnetwork.com
www.istreetbazaar.com

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ANNUAL GENERAL MEETING

On Wednesday, 23rd September 2015 at 11 am

Venue:

OnToes One-up Banquets, 1st floor, Palm Spring, Link Road,
Malad West, Mumbai – 400064

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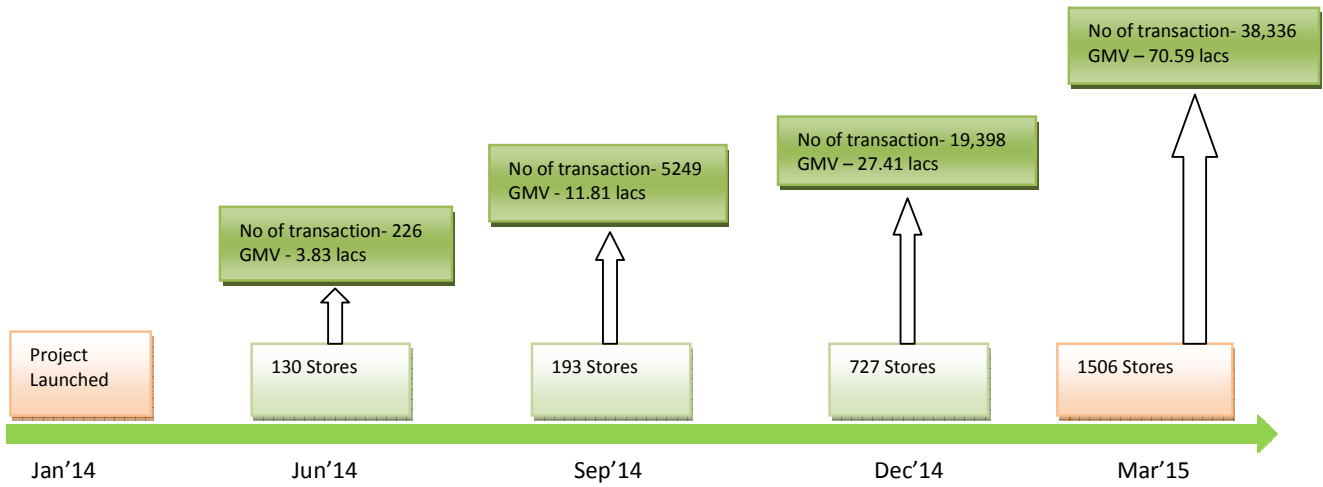
BAZAAR®

is an Internet Retail Store in
a neighborhood where
a common man can buy products,
ONLINE.

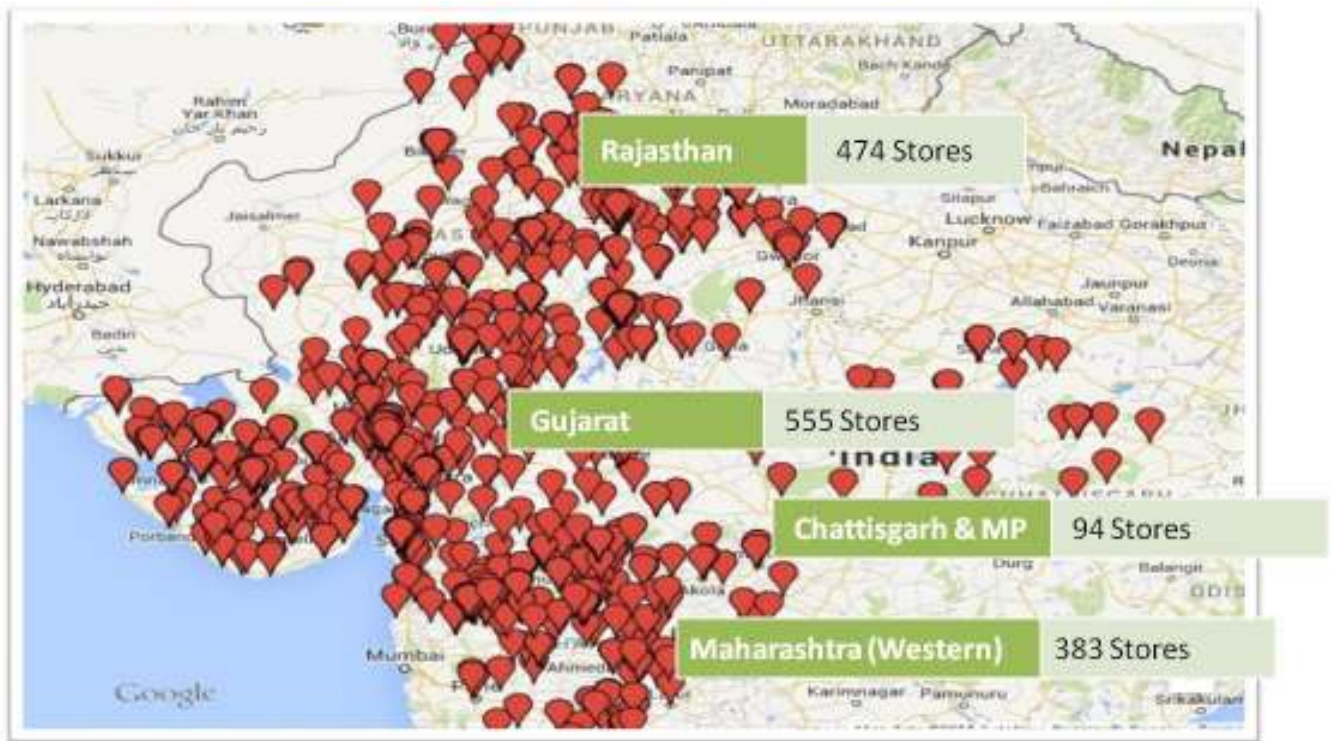
~ An eCommerce Project of iStreet Network Limited

"The Company is in the business of 'Internet Retail'. It is a new concept – a fusion of online – offline retail. The Company believes that in future, retail will not be segregated into online and offline but will be analyzed as to how effectively can the combination of the two be used to deliver the best shopping experience to consumers in this highly connected world. The Company has taken a step in to the future of retail where technology (eCommerce), along with assistance, is going to change the way real India buys and benefits. And towards that, the Company is setting up Internet Retail Stores across India."

Project Growth



Our Store Network



Recognition to iStreet Bazaar Project

1. 'Start Ups of the Year' by Silicon India in eCommerce category –



2. Selected as a part of the Alpha Program at the 'Web-Summit 2014' in Dublin, Ireland –



The Company received overwhelming response at the web summit, which is one of the World's most influential International technology events. iStreet Bazaar delivered perspective to participants on how 1.2 billion people can consume and adopt technology.

NOTICE

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

4. Appointment of Ms. Meethu Malu as Director

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Ms. Meethu Malu (DIN: 00444932), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of the 28th Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

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

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Naval Choudhary (DIN:00192164), who was appointed as an Additional Director pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of the 28th Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years commencing from 20th May 2015 to 19th May 2020."

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

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

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

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

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

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

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

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

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

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

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

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

8. Revision in remuneration of Managing Director

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

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

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

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

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

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

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

By Order of the Board of Directors
For iStreet Network Limited

Ruchi Seksaria
Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT TO BE A MEMBER OF THE COMPANY. HOWEVER PROXY FORMS SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 16th September 2015 to 23rd September 2015 both days inclusive.
3. Explanatory Statement pursuant to the provisions of the Section 102 of the Companies Act, 2013 is annexed hereto.
4. Members are requested to notify their change of address, if any, to the Company at its Registered Office, quoting the Folio No.
5. Registrar and Transfer Agent (RTA) has initiated a process of ‘Know your Shareholder’ and compiling all the critical information of our shareholders. You must have received a communication to that effect from them. Kindly respond to the same directly to RTA.
6. Shareholders seeking any information with regard to Accounts are requested to write to the Company by 13th September, 2015 so as to enable the management to keep the information ready.
7. Shareholders, who still continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic / dematerialized form. The shareholders have the option to hold Company’s shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
9. Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report is being sent in the permitted mode.

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

PROCEDURE FOR REMOTE E-VOTING

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

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

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

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

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

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

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

EXPLANATORY STATEMENT

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

Item No. 2

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

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

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

Item No. 3

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

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

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

Item No.: 4

Ms. Meethu Malu, was appointed by the Board as an Additional Director in the category of Non-Executive Non Independent Director of the Company w.e.f. 31st March 2015 to hold office till the date of the 28th Annual General Meeting of the Company. The Company has received a notice as prescribed u/s 160 of the Companies Act, 2013 from a member along with the necessary deposit, signifying his intention to propose Ms. Meethu Malu as a Director. The Company shall benefit immensely with her rich education background and expertise. The Board of Directors recommends the appointment of Ms. Meethu Malu, as a Director, liable to retire by rotation and proposes to pass the resolutions as set out in item No. 4 of the Notice as an Ordinary Resolution.

Except, Ms. Meethu Malu, Mr. Pradeep Malu, and their relatives none of the other Directors and Key Managerial Personnel of the Company is concerned or interested, financial or otherwise, in the resolution.

Item No.: 5

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

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

Item no.6

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

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

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

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

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

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

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

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

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

Item no.7

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

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

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

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

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

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

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

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

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

Item No.8

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

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

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

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

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

I. General Information :

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

(Rs. In lacs)

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

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

II. Information about the appointee:

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

III. Other information:

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

IV. Disclosures:

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

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

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

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

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

(i) Ms. Meethu Malu

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

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

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

(ii) Mr. Naval Choudhary

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

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

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

Place: Mumbai

Date: 17th August 2015

Registered Office:

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

By Order of the Board of Directors

For iStreet Network Limited

Ruchi Seksaria
Company Secretary

**DIRECTORS' REPORT
& Management Discussion & Analysis Report**

To The Members

Your Directors have pleasure in presenting the Twenty Eight Annual Report together with the Audited Accounts of the Company for the year ended 31st March, 2015.

1. FINANCIAL RESULTS:

	<i>Rs. in Lacs</i>	
	2014-15	2013-14
Sales and Other Income		
(a) Net Sales/ Income from Operations	71.75	44.60
(b) Other Operating Income	<u>23.12</u>	<u>15.64</u>
	94.87	60.24
Profit/(Loss) before Interest, Amortization, Depreciation and Tax	(303.68)	4.50
Less: Amortization & Depreciation	(14.28)	-
Profit/(Loss) from continuing operations	(317.96)	4.50
Profit/(Loss) from discontinuing operations	260.66	(10.94)
Profit/(Loss) for the period	(57.30)	(6.44)
Balance of Profits brought forward	(328.61)	(322.17)
Less : Value of Asset, whose useful life is already over as per Companies Act 2013	(1.21)	-
Balance carried forward to Balance Sheet	(387.12)	(328.61)

During the year, the Company expanded its activities in its newly added business segment viz. 'Internet & Catalogue Retail'.

The Company has placed consistent efforts to expand in this space and has successfully evolved an innovative concept of iStreet Bazaar. iStreet Bazaar is a chain of offline stores which functions like an Internet Retail Store, where store person assist the common man to buy products available online at www.istreetbazaar.com. The buyer pays for the order in the store and gets his delivery also from the store. The Company started this project with a modest approach. Till 31st March, 2015, the Company's major focus was to set up the retail network and had a plan of setting up around 1,100 stores. The response to the concept was overwhelming and therefore the Company could achieve its objective for FY2014-15 well ahead of time. At the end of FY 2014-15 the Company signed up over 1,500 stores.

The Company's total revenue during the year has grown from Rs. 44.60 to Rs. 71.75 lacs registering a growth of 61% in the business of the Company. During the year, the Company's focus was on capacity building and technology development.

During the year, the Company disposed off all its unproductive asset related to its Pharmaceutical & Intermediate manufacturing business and profit on sale of these assets amounting to Rs. 260.66 lacs appears under Profit/(Loss) for the period from discontinuing operations after tax.

2. DIVIDEND:

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

3. SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2015 was Rs. 8.01 crore. During the year under review, the Company has allotted and issued 1,50,000 equity shares of Rs. 4 each (issued at a premium of Rs 16 per share) and 10,75,000 Equity Warrants of Rs. 20 each that can be exchanged into equal number of equity shares. Out of which 600,000 Equity Warrants has been converted into equal number of equity shares on 20th May 2015. The money has been utilized for the purpose of which it was raised and the surplus money has been put in short term investments for near future deployment in the project.

4. MANAGEMENT DISCUSSION & ANALYSIS:

In order to avoid duplication between the Directors' Report and the Management Discussion and Analysis, we present below the details of performance of the business and functions of the Company.

The Company Business Model & the Industry:

(Industry data presented are compiled from the reports of various consultants)

The Company is in the business of 'Internet Retail'. It is a new concept – a fusion of online – offline retail. The Company believes that in future, retail will not be segregated into online and offline but will be analyzed as to how effectively can the combination of the two be used to deliver the best shopping experience to consumers in this highly connected world. The Company has taken a step in to the future of retail where technology (eCommerce), along with assistance, is going to change the way real India buys and benefits. And towards that, the Company is setting up Internet Retail Stores across India.

These Internet Retail Stores of the Company are known as 'iStreet Bazaar' Store. iStreet Bazaar is the first Internet Retail Store chain in India. These stores will be able to take the benefit of eCommerce to smaller towns and villages and even to the common people of Metro cities. It would give the common man the benefits, comfort and joy of shopping thru the Internet. iStreet Bazaar through it's world class platform and network

iStreet Network Ltd. Annual Report 2014-15

stores, offers thousands of products and hundreds of brands at extremely competitive prices so that customers in smaller towns and villages can easily buy products which otherwise won't be available in their area. iStreet Bazaar Stores are now open in several locations in Gujarat, Maharashtra, Rajasthan, Madhya Pradesh, Chattisgarh.

These iStreet Bazaar stores also eliminate payment related issues that arise when transacting online. iStreet Bazaar stores also put a face to the online transaction since the customers will be transacting at a store with a person behind the counter. This increases the level of *trust* that is necessary during any online purchase. In the Indian scenario this definitely becomes a big advantage for the stores since trust is one of the key factors in the adoption of eCommerce. Anyone, literally anyone, can buy at an iStreet Bazaar Store

Retail in India

Retailing is one of the major pillars of Indian economy and accounts for 14 to 15 percent of its GDP. The Indian retail market is around US\$ 500 bn and expected to grow over US\$ 950bn in next 3 years. It is one of the top five retail markets in the world by economic value. With 1.2 billion people, India is one of the fastest growing retail markets in the world (Source – Wikipedia).

Drivers of Indian Retail

E-Commerce: While the share of online shopping in total retail has increased at a fast pace in the last few years, it is still minuscule. In 2014, online retail accounted for a mere 0.4% of India's overall retail market. Online stores are projected to account for only 3% of India's total retail market by 2020. (Source - PWC report)

Large Format Retail in India are currently contributing 8 % to the total retail. Large Format Retail, though once considered threat to traditional Mom & Pops are presently struggling to expand its share.

Mom & Pop Stores are the lifeline of Indian Retail.

There are 1.40 crore such stores which drives 90% of the total retail in India. 96% of these Mom & Pop Stores are less than 500 sq. feet.

These Mom & Pop Stores are the consumers most trusted, convenient and preferred mode of shopping in India

Performance of Business

During last year, the Company has put in consistent efforts in bringing alive this innovative concept of iStreet Bazaar - India's first chain of Internet Retail Stores. 'iStreet Bazaar' takes benefit of eCommerce to the common man of India, by leveraging on existing Mom & Pop Store and integrating with technology and fulfillment infrastructure.

iStreet Bazaar is a chain of physical stores where these stores function as Internet Retail Stores. The Store owner assists the common man to buy products available online at www.istreetbazaar.com. The buyer pays for the product right there itself. The Company delivers the order in 3-5 days time.

The Company's growth and performance during the year, Quarter on Quarter basis is here below:

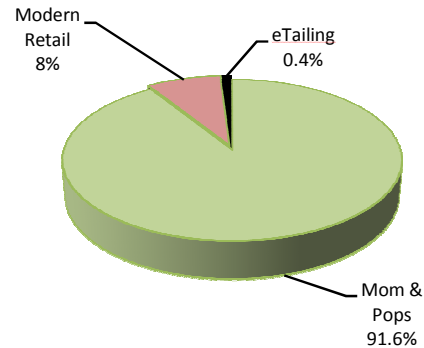
Particulars	Q1-FY15	Q2-FY15	Q3FY15	Q4FY15
No .of Transactions in the Quarter	226	5,023	14,149	18,938
Sale Value (Rs. Lacs) in the Quarter	3.83	7.98	15.6	43.18
Cumulative number of Network Partners at the end of Quarter	130	193	728	1,506

"iStreet Bazaar" Stores

The Company started setting up "iStreet Bazaar" stores in January 2014 with a plan of setting up around 1,100 stores till March, 2015. The Company launched the project in Gujarat, and followed the success trail in Maharashtra, Rajasthan, Madhya Pradesh and Chhattisgarh. The response to the concept was overwhelming and therefore the Company could cross the target well ahead of time and finally closed FY 2014-15 with over 1,500 stores, exceeded its target by over 35%. As on 31st March 2015, the Company had 555 Stores in Gujarat, 474 Stores in Rajasthan, 383 Stores in Maharashtra, 94 in Madhya Pradesh and Chhattisgarh.

The unique concept of iStreet Bazaar is generating tremendous interest and curiosity amongst customers thereby enticing small entrepreneurs to latch on to the model of iStreet Bazaar as a diversified business opportunity.

The Company plans to have 4,000 Stores by the end of FY 2015-16 and 10,000 Stores by the end of FY 2016-2017, extending itself to other states.



Partner Development & Management

Our Network Partners runs and manages iStreet Bazaar Stores. They are the face of every transaction with the customer. Continuous training and orientation is provided to Network Partners to help them run these stores efficiently. Engagements are done through seminars, webinars, contests and other activities. The Company also carries out branding activities for spreading its customer base.

Supply Chain

The Company has stringent vendor registration process in order to ensure timely delivery, best price, best quality, after sales support, warranty & guarantee. Generally, vendors are expected to provide inventory to the Company's warehouse / fulfillment centers along with product catalogue/information. The Company has launched large number of products in various categories like Memory Devices, Mobile & Tablet, Electronics, Computers, Home Appliances, Kitchen Utility, Accessories etc. The Company has added several brands with strategic tie-ups. Our product selection is such that the common man connects with it and identifies iStreet Bazaar as a shop where everything comes at an affordable and at the best price.

Technology

The Company drives and expands its business on its technology backbone. It has made a modest beginning by creating and implementing unique front end and the back end enterprise resource solution. The Company has a focus to creating a 'product' which shall support in building and managing its ever expanding network partner and customer base in the most efficient manner. The Company intends to enhance its investment in technology in coming years to integrate its front end, store end, marketing, supply chain, fulfillment and customer relationship management system. It is going to be a major head of spending in the coming years.

Fulfillment Infrastructure

The Company has a mission of delivering order to every single buyer in 24 to 72 hours. The Company plans to open few more Fulfillment centers. As on 31st March, the Company has two fulfillment centers one in Mumbai, Maharashtra and the other one in Rajasthan. The Company plans to have 4-5 fulfillment centers by the end of FY 2015-16 and 9-10 by FY 2016-17.

Fund Raising

All the business expansion plans as shared by the Company are subject to adequate capital raised and available in the Company. During the year, the Company has raised money through preferential issue of Rs. 2.45 crores. The Company intends to raise Rs. 100 crores in immediate future directly or in its subsidiary. The Company plans to raise money thru various routes like Preferential Issue, Venture funds, Private Equity etc. The funds are required for building technology, team, fulfillment facility and for expanded operations.

Human Resources

At the beginning of last year, iStreet Bazaar was just a concept. During the year, the Company's team size grew to 30 and as of now it has touched almost 50 people. Professionals with expertise across different field are recruited for heading respective function. The Company also conducted an Annual Social Event 2014 -15, where efforts of various team members were recognized and rewarded.

Legal Compliances

The Company is legally compliant and taken all the necessary steps to protect its brand image at all levels.

Opportunity & Our Focus

The participation of Mom & Pop Store enables the Company to tap the enormous bandwidth of Indian retail industry. Mom & Pop stores have large reach, loyal customers and considered the most trusted point of buying in India.

The reason for Mom & Pop being the King of retail is 'the most convenient and easy access' for a consumer. A common man still looks for Mom & Pop stores for fulfilling its basic needs. Other formats of retail have very low reach - Large format retail suffers due to high operating cost and digital retail due to non-availability for Digi-fit (Internet connected) consumers. 95% of the population of India i.e. the Common Man is not yet Digi-Fit.

Common Man is everywhere in India, can be found in villages, towns, cities and even in Metros. Anyone who is e-illiterate, does not have access to plastic money, prefers human interaction and does not have access to internet is not Digi-fit, is a Common Man for iStreet Bazaar Store. In most of the cases, the only alternative to buy his needs is neighborhood Mom & Pop store. However, the pattern and the demands of the consumer keep changing. The new age customers (the common men) have high aspirations, more brand awareness, prefers more choices, have higher spending powers. Thus, Mom & pop faces more challenges in terms of matching their supplies with the growing versatile demands of the consumers.

Hence, iStreet Bazaar – India's 1st internet Retail Store emerged. A model which empowers the existing Mom & Pop Stores and leverages its extensive network. iStreet Bazaar is successful in filling a 10' X 10' store with thousands of virtual inventory products.

With a population of 1.2 billion, 95% of which is a Common Man, our online –offline fusion models, in partnership with Mom & Pops brings a tremendous opportunity to tap the untapped market.

Challenges, Risk & Concern

Risks related to this business are:

- Competition from online and off line market
- Competition from similar models that have / may emerge.
- Non performance of Network partner
- Bring in change in habit – buying thru Internet Retail Store
- Raising financial resources for the project
- Distribution & Fulfillment challenge in the remote areas
- Supply Chain

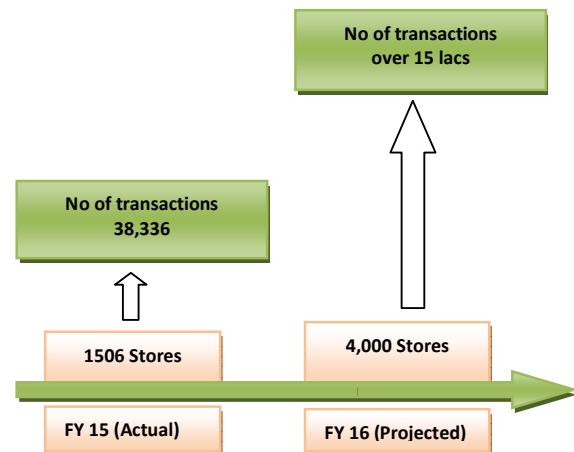
iStreet Network Ltd. Annual Report 2014-15

The Company however, shall be taking due steps in order to expand and protect its business through the legal framework available in the country and evolving, designing and executing more robust strategies.

Future Outlook

Going forward during the FY 2015-16:

- (i) the Company plans to do over 15 lacs transactions in FY2015-16 as against 38,336 transactions during FY2014-15. And set up new stores so as to reach to over 4,000 stores by end of FY2015-16;
- (ii) the Company plans to raise money for growth;
- (iii) to create more value to the project and open it up for participation from various possible Venture Partners to fund the project to bring in much higher growth than as stated above, the Company plans to transfer this business to its wholly owned subsidiary during FY2015-16, subject to necessary approvals.



5. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year Ms. Meethu Malu, Woman Director (Non – Executive Non-Independent category) was appointed as an Additional Director on 31st March 2015 and Mr. Naval Choudhary was appointed as an Additional Director, Category Independent on 20th May 2015. The appointment of Ms. Meethu Malu and Mr. Naval Choudhary are proposed to be regularized in this Annual General Meeting.

Board Evaluation : Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committees. The manner in which the evaluation carried out has been explained in the Corporate Governance Report.

Appointment & Remuneration Policy: The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report. The ratio of Managerial Remuneration to that of median remuneration along with other prescribed details are annexed herewith as “Annexure -1”

Meetings: During the year ten Board Meetings (other than Meeting of Independent Directors) were convened and held, details of which are given in the Corporate Governance Report.

Independent Directors affirmation: All the Independent Directors of the Company has affirmed meeting criteria of independence as stipulated in Section 149(6) of the Companies Act, 2013 and submitted a declaration to this effect.

Key Managerial Personnel: During the year under review, Ms. Ruchi Seksaria was appointed as Company Secretary on 18th September 2014 and Mr. Mayur Vora was appointed as Chief Financial Officer of the Company on 31st March 2015.

DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii. the Directors 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 profit of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors have prepared the annual accounts on a going concern basis;
- v. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. there is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

6. SUBSIDIARY:

On 29th April 2015, the Board of Directors of the Company has given approval for the acquisition of 100% shareholding of M/s. iStreet Bazaar Private Limited, (ISBPL) and thus made the same as wholly owned subsidiary of the Company. The Company has acquired iSBPL with an intention to transfer the business of iStreet Bazaar in to the wholly owned subsidiary so that this business can focus on independent growth beside paving a way for greater equity participation in the unlisted subsidiary.

As the subsidiary was acquired post 31st March 2015, the financial statement of the subsidiary is not consolidated.

M/s. iStreet Bazaar Pvt Ltd (the Subsidiary) was incorporated on 11th February 2015. During the year ended 31st March 2015, the Subsidiary has not generated any revenue and has made a loss of Rs. 0.16 lacs. The annual report of the subsidiary shall be made available to the members of the Company, seeking such information at any point of time. The annual accounts of the subsidiary company shall also be kept open for inspection by any member at the registered office of the Company.

The Company has not entered into any joint venture nor has any associate.

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

There were no material changes and commitments occurring between the date of financial statements and the Board's Report that may affect the financial position of the Company.

8. RISK AND INTERNAL ADEQUACY:

The Company has set up a Risk Management policy and procedure. Any major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. Some of the identified risks are related to adoption of the new and innovative business concept by the consumers and capabilities of our network partners to deliver the desired performance.

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Auditors function is defined in their letter of engagement. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board and to the Managing Director.

The Internal Audit Department monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

Anti Sexual Harassment Policy

The Company has framed an Anti Sexual Harassment Policy for ensuring that all employees are treated fairly and equitably in an environment free of intimidation and sexual harassment. The Company has not received any complaint so far in this regard.

9. RELATED PARTY TRANSACTIONS:

All related party transactions those were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the Company at large. The details of the same as required under the Companies (Accounts) Rules, 2014 in prescribed form AOC-2 are annexed herewith as "Annexure – 2".

10. DEPOSITS:

The Company has not accepted any deposits from the public during the year.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

Name of the entity	Amount (Rs. In lacs)	Particulars	Purpose
United Capital Private Limited	1,50,00,000	Loan	Short-term deployment of funds
Units of Mutual Fund*	1,00,85,164	Investments	Short-term deployment of funds

* For details of the unit of Mutual fund, please refer to Note 11 on Notes to accounts

12. INDEPENDENT AUDITORS' REPORT:

There is no qualification by the Independent Auditors.

13. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as "Annexure – 3"

14. LISTING:

The Shares of the Company will continue to be listed on the Bombay Stock Exchange (the BSE Ltd.) situated at Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai – 400 001. The Company has paid the listing fees up to the financial year 2015-16.

15. 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 as "Annexure-4". The details of policies formulated and implemented by the Company, disclosure about Committees of the Board, Vigil Mechanism etc. and their respective terms of reference are set out in the Corporate Governance Report forming part of the Board's Report.

16. CERTIFICATION : The CEO and CFO certification on the financial statement is annexed hereto as "Annexure- 5"

17. SECRETARIAL AUDIT:

Pursuant provisions of section 204 of the Companies Act 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed M/s Dilip Bharadiya & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Secretarial Audit report is annexed herewith as "Annexure – 6". There was no adverse remark or observation made in the report.

The Secretarial Auditors have stated about the non-filing of the forms for CFO appointment till the date of the report. The same was filed subsequently on 29th May 2015.

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

(a)	<u>Consumption of Energy</u>	:	Not Applicable We consume only Electricity for maintaining office and our systems.
(b)	<u>Technology Absorption, Research & Development (R&D) :</u>		
	(i) Technology imported and absorbed.	:	We build process of consuming technology internally and also by the common people of India. Most of the technology development is outsourced and also available thru open source. Technology is more towards building eCommerce platform (front end) and back end process.
	(ii) Expenditure on R&D	:	Nil (Previous year Nil)
(c)	<u>Foreign exchange earnings and outgo</u>		
	(i) Foreign exchange earnings	:	Nil (Previous year Nil)
	(ii) Foreign exchange outgo	:	INR 240,415 (Previous year Nil)

19. AUDITORS:

M/s. Jhawar Mantri & Associates, Chartered Accountants, bearing Firm Registration No. 113221W retire as Auditors of the Company and being eligible, offer themselves for re-appointment for a period of two consecutive years from the conclusion of this AGM till the conclusion of 30th AGM of the Company. The certificate of the Auditors on compliance of conditions of Corporate Governance is annexed as "Annexure 7".

20. INFORMATION PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2013:

The information required pursuant to Section 197 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 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.

21. ACKNOWLEDGEMENTS:

We thank our customers, vendors, investors and bankers for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all level. Our growth was made possible by their hard work, solidarity, cooperation and hard support.

22. 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

Mumbai, 17th August 2015

Pradeep Malu
Managing Director
DIN :00001959

Sanjeev Chhajer
Director
DIN: 02849462

ANNEXURE -1
Disclosures of Ratio of Remunerations

(i) the Ratio of the remuneration of Mr. Pradeep Malu, Managing Director to the median remuneration of the employees of the Company for the financial year; (no other Director draw any remuneration)	12:1
(ii) the percentage increase in remuneration of each director (other than Managing Director), Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Not applicable as Company Secretary and Chief Financial Officer joined during the year
(iii) the percentage increase in the median remuneration of employees in the financial year	Not applicable as there was only one employee as on 31 st March 2014.
(iv) the number of permanent employees on the rolls of company as on 31 st March, 2015	30 (excl Managing Director)
(v) the explanation on the relationship between average increase in remuneration and company performance;	Not applicable as there was only one employee as on 31 st March 2014.
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Incentives and milestone based remuneration are set for KMPs after due approval from Nomination & Remuneration Committee and the same are paid upon achieving such mile stones.
(vii) variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;	The market capitalization of the Company as on 31 st March 2015 was Rs. 62.88 crores as compared to Rs. 11.73 crores as on 31 st March 2014. The price earnings ratio of the Company was (118.56) as at 31 st March 2015 and (182.01) as at 31 st March 2014. The closing share price of the Company on BSE Ltd. on 31 st March 2015, being Rs. 34.10 per equity of face value of Rs. 4 each has grown 3.4 times since the last public issue made in the year 1994, Offer price was Rs.10 per equity share of face value of Rs. 10 each)
(viii) 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;	Not applicable as there was only one employee as on 31 st March 2014. Nil – For Managerial Remuneration. Mr. Pradeep Malu, Managing Director was entitled to draw 24 lacs p.a. , however he drew only Rs. 9 lacs in FY 13-14 vs. 23.44 lacs in FY 14-15 (excluding Company's contribution for Provident Fund)
(ix) comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Refer point (vi) above.
(x) the key parameters for any variable component of remuneration availed by the directors;	Not Applicable
(xi) the ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	Not Applicable
(xii) 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

For and on Behalf of Board of Directors

Mumbai, 17th August, 2015

Pradeep Malu	Sanjeev Chhajer
Managing Director	Director
DIN :00001959	DIN: 02849462

ANNEXURE -2
Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis:** There were no contracts or arrangement or transaction entered in to during the year ended March 31, 2015 which were not at arm's length basis.
2. **Details of material contracts or arrangement or transactions at arm's length basis:**
 - (i) **Name(s) of the related party and nature of relationship:** As on 31st March 2015, Inovent Solutions Limited holds 35.33% of the total voting power of the Company.
 - (ii) **Nature of contracts/arrangements/transactions:** Joint Business Agreement
 - (iii) **Duration of the contracts / arrangements/transactions:** Ongoing
 - (iv) **Salient terms of the contracts or arrangements or transactions including the value, if any:** Paid for developing and piloting various business modules, architecting business processes and for using their complete infrastructure, human knowledge, experience, resources and intellectual property.
 - (v) **Date(s) of approval by the Board, if any:** 10th December 2012
 - (vi) **Amount paid as advances, if any:** Total outstanding as on 31st March, 2015 was Rs. 174 lacs which includes monies paid as advance under various heads

For and on Behalf of Board of Directors

Mumbai, 17th August, 2015

Pradeep Malu
Managing Director
DIN :00001959

Sanjeev Chhajed
Director
DIN:02849462

**ANNEXURE -3
Form No. MGT 9**

**EXTRACT OF ANNUAL RETURN
For the Financial Year ended on March 31, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- (i) CIN: L51900MH1986PLC040232
- (ii) Registration Date: 26/06/1986
- (iii) Name of the Company: iStreet Network Limited
- (iv) Category / Sub-Category of the Company: Company Limited by shares
- (v) Address of the Registered office and contact details: 513, Palmspring, Above Croma, Link Road, Malad West, Mumbai 400064.
- (vi) Whether listed company : Yes
- (vii) Name, Address and Contact details of Registrar and Transfer Agent :
M/s. Adroit Corporate Services Private Limited 19,
Jafarbhoj Industrial Estate, 1st Floor, Makawana
Road, Marol Naka,
Andheri (East), Mumbai 400059.
Tel. No.022- 28590942

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Digital Marketing & eCommerce (Internet & Catalogue Retail)	99623500	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable Section
1	iStreet Bazaar Private Limited 515, Palm Spring, Link road, Malad West, Mumbai - 400064	U74999MH2015PTC261757	#Subsidiary	100%	2(87)(ii)

#W.E.F. 14th May, 2015

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Please refer next page

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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	7075525	0	7075525	35.60	7075525	0	7075525	35.33	-0.27
e) Banks /FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
f-1) DIRECTORS RELATIVES	268100	0	268100	1.35	417700	0	417700	2.09	0.74
f-2) DIRECTORS	4533475	0	4533475	22.81	4384625	0	4384625	21.90	-0.91
Total Shareholding of promoter (A)	11877100	0	11877100	59.76	11877850	0	11877850	59.32	-0.44
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1)	0	0	0	0.00	0	0	0	0.00	0.00
(2) Non - Institutions									
a) Bodies Corp.									
i) Indian	4034962	14700	4049662	20.38	3799075	14700	3813775	19.05	-1.33
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	2191458	1306700	3498158	17.60	2258395	1286200	3544595	17.70	0.10
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	244965	0	244965	1.23	416775	0	416775	2.08	0.85
c) Others (Specify)									
c-1) NON RESIDENT INDIANS(INDIVIDUALS)	47689	157200	204889	1.03	50087	155300	205387	1.03	-0.01
c-2) CLEARING MEMBER	226	0	226	0.00	16618	0	16618	0.08	0.08
c-3) DIRECTORS	0	0	0	0.00	150000	0	150000	0.75	0.75
Sub-total (B)(2)	6519300	1478600	7997900	40.24	6690950	1456200	8147150	40.68	0.44
Total Public Shareholding(B)= (B)(1)+(B)(2)	6519300	1478600	7997900	40.24	6690950	1456200	8147150	40.68	0.44
C. Shares held by Custodian for GDRs & ADRs.									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public -	0	0	0	0	0	0	0	0	0
Sub-total (C)	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	18396400	1478600	19875000	100	18568800	1456200	20025000	100	0

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(ii) Shareholding of Promoters

SI No.	Shareholder's Name	No. of Shares held at the beginning of the year 01/04/2014			No. of Shares held at the end of the year 31/03/2015			% Change during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	INOVENT SOLUTIONS LIMITED	7075525	35.60	0.00	7075525	35.33	0.00	-0.27
2	PRADEEP MALU	4533475	22.81	0.00	4284625	21.40	0.00	-1.41
3	MEENU MALU	41400	0.21	0.00	100000	0.50	0.00	0.29
4	MANJU GANG	217700	1.10	0.00	217700	1.09	0.00	-0.01
5	MEETHU MALU	1000	0.01	0.00	100000	0.50	0.00	0.49
6	LAKSHYA MALU	8000	0.04	0.00	100000	0.50	0.00	0.46
	TOTAL	11877100	59.76	0.00	11877850	59.32	0.00	-0.44

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SI No.	Name of Promoter's		As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	INOVENT SOLUTIONS LIMITED	At the beginning of the year	01/04/2014	7075525	35.60	7075525	35.60
		Transaction during the year		NIL	NIL		
		At the End of the year	31/03/2015	0	0.00	7075525	35.33
2	PRADEEP MALU	At the beginning of the year	01/04/2014	4533475	22.81	4533475	22.81
		Transaction – in-terse transfer among promoter group	20/02/2015	-248850	1.24	4284625	21.40
		Transfer to another demat account	20/03/2015	-5000	0.02	4279625	21.37
		Transfer to another demat account	27/03/2015	-500000	2.50	3779625	18.87
		At the End of the year	31/03/2015	505000	2.52	4284625	21.40
3	MEENU MALU	At the beginning of the year	01/04/2014	41400	0.21	41400	0.21
		Transaction during the year	11/04/2014	150	0.00	41550	0.21
		Transaction during the year	23/05/2014	600	0.00	42150	0.21
		Interse transfer among promoter grp	20/02/2015	57850	0.29	100000	0.50
		At the End of the year	31/03/2015	0	0.00	100000	0.50
4	MANJU GANG	At the beginning of the year	01/04/2014	217700	1.10	217700	1.10
		Transaction during the year		NIL	NIL		
		At the End of the year	31/03/2015	0	0.00	217700	1.09
5	MEETHU MALU	At the beginning of the year	01/04/2014	1000	0.01	1000	0.01
		Interse transfer among promoter grp	20/02/2015	99000	0.49	100000	0.50
		At the End of the year	31/03/2015	0	0.00	100000	0.50
6	LAKSHYA MALU	At the beginning of the year	01/04/2014	8000	0.04	8000	0.04
		Interse transfer among promoter grp	20/02/2015	92000	0.46	100000	0.50
		At the End of the year	31/03/2015	0	0.00	100000	0.50

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(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on 31st March 2015:

SI No.	Name Of Shareholder's	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	DEVKANT SYNTHETICS (INDIA) PVT. LTD.				
	At the beginning of the year	3916975	19.71	3916975	19.71
	Bought during the year	0	0.00	3916975	19.71
	Sold during the year	643319	3.36	3273656	16.35
	At the end of the year	3273656	16.35	3273656	16.35
2	PURAN CHHAGANLAL CHHAJED				
	At the beginning of the year	136200	0.69	136200	0.69
	Bought during the year	0	0.00	136200	0.69
	Sold during the year	0	0.00	136200	0.69
	At the end of the year	136200	0.68	136200	0.68
3	AJEET MODI				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	96000	0.48	96000	0.48
	Sold during the year	0	0.00	96000	0.48
	At the end of the year	96000	0.48	96000	0.48
4	SONAL MODI				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	80000	0.40	80000	0.40
	Sold during the year	0	0.00	80000	0.40
	At the end of the year	80000	0.40	80000	0.40
5	DEVKANT SYNTHETICS (INDIA) PVT. LTD.				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	502191	2.50	502191	2.50
	Sold during the year	423629	2.11	78562	0.39
	At the end of the year	78562	0.39	78562	0.39
6	NIRMAL BANG SECURITIES PVT LTD				
	At the beginning of the year	350	0.00	350	0.00
	Bought during the year	77151	0.39	77501	0.39
	Sold during the year	4001	0.02	73500	0.37
	At the end of the year	73500	0.37	73500	0.37
7	ASHIKA STOCK BROKING LTD. - CLIENT MARGIN				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	118516	0.59	118516	0.59
	Sold during the year	55505	0.28	63011	0.31
	At the end of the year	63011	0.31	63011	0.31
8	FAIRDEAL INFIN SERVICES PVT.LTD.				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	46000	0.23	46000	0.23
	Sold during the year	0	0.00	46000	0.23
	At the end of the year	46000	0.23	46000	0.23

iStreet Network Ltd.
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9 HEADWAY CAPITAL ADVISORS LIMITED				
At the beginning of the year	0	0.00	0	0.00
Bought during the year	45000	0.22	45000	0.22
Sold during the year	0	0.00	45000	0.22
At the end of the year	45000	0.22	45000	0.22
10 KHUSHAL KANJI DAND				
At the beginning of the year	0	0.00	0	0.00
Bought during the year	40000	0.20	40000	0.20
Sold during the year	0	0.00	0	0.00
At the end of the year	40000	0.20	40000	0.20

Notes :

- The above information is based on the beneficiary position as on 31st March 2015 received from Depositories by the Registrar & Share Transfer Agent
- The date wise increase or decrease in shareholding of the top ten shareholders and the details of other top shareholders based on weekly beneficiary position kindly refer to the website of the Company at www.istreetnetwork.com

(v) Shareholding of Directors and Key Managerial Personnel:

Name Of Shareholders	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
KUSHAL C SACHETI, NON INDEPENDENT NON PROMOTER DIRECTOR				
At the beginning of the year	0	0.00	0	0.00
Bought during the year	150000	0.75	150000	0.75
Sold during the year	0	0.00	150000	0.75
At the end of the year	150000	0.75	150000	0.75

Notes :

- Details of Shareholding of Mr. Pradeep Malu, Managing Director and Ms. Meethu Malu, Director is shown under Promoter category
- Other Directors and Key Managerial Personnel do not hold any shares in the Company as on 31st March 2015.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition		NIL		
• Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:* Executive Chairman

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	
		Mr. Pradeep Malu Managing Director	Total Amount Rs.
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	23,44,009	23,44,009
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2.	Stock Option	NIL	NIL
3.	Sweat Equity	NIL	NIL
4.	Commission as % of profit others, specify...	NIL	NIL
5.	Others, please specify	NIL	NIL
	Total (A)	23,44,009	23,44,009
	Ceiling as per the Act*	60,00,000	60,00,000

* with the approval of shareholders as Special Resolution

B. Remuneration to other Directors

Sl. no.	Particulars of Remuneration	Name of the Director			Total Amount
		Neeraj Gupta	Sanjeev Chhajed	Kushal C Sacheti	
1.	Independent Directors Fee for attending Board committee meetings	12500	2500	2500	17500
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	12500	2500	2500	17500
2.	Other Non-Executive Directors	-	-	-	-
	Fee for attending Board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	12500	2500	2500	17500
	Total Managerial Remuneration				17500
	Overall Ceiling as per the Act				Sitting fees @ Rs. 100,000 Per meeting

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	HeadCorporate Affairs /CFO*	Total Amount
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2,10,968	-	2,10,968
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (C)	-	2,10,968	-	2,10,968

*Appointed as CFO on 31st March 2015.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Authority (RD/NLCLT/Court)	Appeal made, ia any (give details)
A. COMPANY				
Penalty				
Punishment				
Compounding				
B. DIRECTORS				
Penalty				
Punishment			NIL	
Compounding				
C. OTHER OFFICERS IN DEFAULT				
Penalty				
Punishment				
Compounding				

For and on Behalf of Board of Directors

Mumbai, 17th August, 2015

Pradeep Malu
Managing Director
DIN :00001959

Sanjeev Chhajed
Director
DIN: 02849462

**ANNEXURE - 4
CORPORATE GOVERNANCE**

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is about commitment to values, ethical business conduct and how an organization is managed. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders.

Corporate Governance is primarily the responsibility of the Board as a group. The Board performs its duties with the support of managerial staff and Committees. 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 organization is able to enhance the trust and confidence of the stakeholders.

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.

2. BOARD OF DIRECTORS

(a). Composition

The Board consists of five Directors as on 31st March 2015. The composition of the Board is in conformity with Clause 49 of the listing agreement. The day-to-day management of the Company is carried on by Mr. Pradeep Malu Managing Director of the Company.

Category	No. of Directors
Chairman	No one is appointed as Chairman of the Board
Executive / Managing Directors	1
Non Executive Independent Directors	3
Non-Executive Non Independent Director (Woman Director)	1

(b). Directors' Profile

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. 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 detailed profiles of the members of the Board of Directors are as hereunder:-

Kushal C. Sacheti, Non Independent Director, DIN 06451345 (Independent Director till 19/05/2015)

Mr. Kushal C. Sacheti, aged 67 years, obtained his M. Tech. in Chemical Engineering from IIT Kanpur and B. Tech from BITS-Pilani. He was a co-founder at Centre for Desert Development Technologies at BITS Pilani. Mr.Sacheti is the Founder/CEO of Galaxy USA Inc and Key Items Inc, diamond and Jewelry business companies in New York.

He is also a founder of *Center for Curiosity* which aims at triggering curiosity as a educational aid, involved in *Akshaya Patra Foundation* which provides midday meals to school children in India, a co-founder of Unlimited Art - a not for profit organization for helping disabled artists and a director of Art Omi a not-for-profit arts organization with residency programs for international visual artists, writers, translators, musicians, and dancers.

Naval Choudhary, Independent Director (from 20.05.2015), DIN 00192164

Mr. Naval Choudhary has done his Masters of Business Administration from Indian Institute of Management, Ahmedabad (IIMA), B.E (Mechanical) from University of Rajasthan. He has rich experience of more than 37 years and has served as the Managing Director of Albright & Wilson Chemicals India Limited and Rhodia Specialty Chemicals India. He has experience in various management disciplines such as Strategic Planning, Marketing, Finance & Banking, and Production & Inventory Control. He also serves as an Independent Director of Gammon India Limited.

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 35 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, aged 43 years, 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 nine years.

Meethu Malu, Non Executive Non Independent Director, DIN 07074018

Ms. Meethu Malu has done her Masters in Computer Science from Cornell University, Ithaca USA. She is pursuing PhD on "Human Computer Interaction" at the University of Maryland – College Park. She has written several research papers on the same. She has worked with Techved Consulting, Re-imagination Research lab and Bank of America, NY.

Pradeep Malu, Managing 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.

With his considerable wealth of experience and innovative thinking, Mr Pradeep Malu brings immense value to the Board. Under his leadership, the Company has successfully incubated a unique concept of iStreet Bazaar- which is India's first Internet Retail Store.

(c). Other relevant details of Directors

All independent directors possess the requisite qualifications and are very experienced in their own fields. All Directors except the Managing director and Independent Director are liable to retire by rotation. None of the directors are members of more than ten committees or chairman of more than five committees in public limited companies in which they are directors. Necessary disclosures have been obtained from all the directors regarding their directorship and have been taken on record by the Board.

The names of the Directors and the details of other chairmanship / directorship / committee membership of each Director as on 31st March 2015 is given below

Name	Executive/ Non Executive/ Independent	Date of Joining	Directorship in other Companies	Membership of Committees of the Company
Pradeep Malu	Executive	26/06/1986	5	2
Neeraj Gupta	Independent	18/09/2014	1	2
Sanjeev Chhajeds	Independent	13/01/2005	-	1
K C Sacheti (Refer Note c)	Independent	31/01/2014	-	-
Ms. Meethu Malu	Non-Executive Non Independent	31/03/2015	-	-

Notes :-

- (i) Other directorships exclude foreign companies, private limited companies and alternate directorships.
- (ii) Only membership in Audit Committee and Stakeholders' Relationship Committee has been reckoned for other committee memberships in accordance with Clause 49 of the Listing Agreement
- (iii) Mr. K C Sacheti who was an independent Director ceases to meet the independence criteria on 20.05.2015, as he has attained more than 2% of total voting right on this date.

(d). Appointment, tenure and training of Directors

The Directors of the Company are appointed by Members at the General Meetings. In accordance with the Articles of Association of the Company, Directors who are liable to retire by rotation, except the Managing Director and Independent Directors, step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election. 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 Directors on the Board serve in accordance with the terms of their contract of service with the Company. However, due to technical reasons and towards the compliances of the Companies Act, 2013, Mr. Pradeep Malu, Managing Director of the Company is retiring by rotation and getting re-appointed as Managing Director during this year.

Upon appointment, all the Directors receive a Letter of Appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Director is taken through a formal induction programme. The new Directors, both Executive and Non-Executive, are given briefing on their legal and regulatory responsibilities as Directors and the Chief Executive Officer provides a briefing on Company's current structure and performance of business.

Independent Directors are familiarized with the Company in accordance with the module set under the Familiarization program prepared by the Company. A copy of the same can be found in the 'investors > corporate governance' section of the Company's website www.istreetnetwork.com

Strategic Board meetings are held where Business and Functional Heads share with the Board their short term and long term plans, major activities, likely risks and challenges with actions to mitigate them in their respective areas. The Board's suggestions and comments are incorporated in the business plans of the Company.

(e). Board evaluation

The Board of Directors has adopted a policy on Board Evaluation. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board. As per the Policy, the Company will carry out an evaluation of the performance of the Board as a whole, Board Committees and Directors on an annual basis.

(f). Board Meeting and attendance at Board Meetings

The Board met ten times during the financial year 2014-2015. The Board of Directors of the Company had met not exceeding with a maximum time gap of one hundred and twenty days. The relevant details are as under:

S.N.	Date	Board Strength	No. of Directors present
1	5 th April 2014	5	3
2	28 th May 2014	4	3
3	21 st July 2014	4	3
4	18 th Sep 2014	5	5
5	20 th Oct 2014	5	3
6	13 th Nov 2014	4	2
7	4 th Dec 2014	4	2
8	27 th Jan 2015	4	3
9	19 th Mar 2015	4	2
10	31 st Mar 2015	5	3

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The dates for the Board meetings are fixed after taking into account the convenience of all the directors and sufficient notice is given to them. Detailed agenda notes are sent to the directors. All the information required for decision making are incorporated in the agenda. Those that cannot be included in the agenda are tabled at the meeting. The managing director appraises the Board on the overall performance of the Company at every Board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. The Board reviews performance, approves capital expenditures, sets the strategy the Company should follow and ensures financial stability. The Board takes on record the actions taken by the Company on all its decisions periodically.

(g) Disclosure of relationship between directors inter-se:

Mr. Pradeep Malu, Managing Director and Ms. Meethu Malu, Woman Director are related to each other. Except them, all other Directors do not have any inter-se relationship.

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

Name of Director	Number of Board Meeting during the year 2014-15		Whether attended last AGM & EGM
	Held	Attended	
Mr. Pradeep Malu	10	10	Present
Mr. Nilesh Bhandari (resg on 13/11/14)	10	5	Absent
Mr. Sanjeev Chhajed	10	6	AGM – P, EGM - A
Mr. K C Sacheti	10	1	Absent
Mr. Neeraj Gupta (appt on 18/09/2014)	10	7	AGM- N.A.; EGM - Present
Ms. Meethu Malu (appt on 31/03/15)	10	-	N.A.

(i) Independent Directors' Meetings

The Independent Directors met on 20th February 2015, without the presence of Executive Directors or management representatives to discuss issues and concerns, if any. In addition to the formal meetings, interactions outside the Board meetings also take place between the Company Secretary and Independent Directors.

3. AUDIT COMMITTEE

The Company's Audit Committee comprises of two independent directors and one Managing Director as on 31st March 2015. Mr. Sanjeev Chhajed & Mr. Neeraj Gupta, Independent Directors and Mr. Pradeep Malu, Managing Director. Although no chairman has been appointed, the Audit Committee is mostly headed by Mr. Sanjeev Chhajed. With effect from 20th May 2015, Mr. Naval Choudhary is also added as a member to the Audit Committee. On 22nd July 2015, Mr. Pradeep Malu, Managing Director tendered his resignation from the membership of the Committee with a view to adopt better corporate governance practices.

The members of the Committee have relevant experience in financial matters. The audit committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the Company. The terms of reference of the audit committee covers all matters specified in clause 49 of the listing agreement and also those specified in section 177 of the Companies Act 2013.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- recommending the appointment and removal of external auditors, fixation of audit fee and approval for payment of any other services;
- reviewing with management the quarterly and annual financial results before submission to the Board;
- reviewing with management the annual financial statements of the subsidiary companies;
- reviewing the adequacy of internal control systems with the management, external auditors and internal auditor;
- reviewing the adequacy of internal audit function;
- discussing with internal auditor any significant findings and reviewing the progress of corrective actions on such issues;
- reviewing the findings of any internal investigations by the internal auditor in matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and then reporting such matters to the Board;
- discussing with external auditors, before the audit commences, the nature and scope of audit as well as having post-audit discussions to ascertain areas of concern, if any

The Audit Committee also meets with the Internal and External Auditors separately, without the presence of the Management representative.

Attendance of each Director at Audit Committee Meetings:

The Audit committee met four times during the financial year ended 31st March 2015 on 28th May 2014, 21st July 2014, 13th November 2014 and 27th January 2015 and the requisite quorum was present at all the meetings.

Name of the Director	Number of audit committee meetings attended
Mr. Sanjeev Chhajed	4
Mr. Neeraj Gupta	1
Mr. Nilesh Bhandari	3
Mr. Pradeep Malu	-

4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three Independent Directors, Mr. Neeraj Gupta, Mr. Kushal C. Sacheti and Mr. Sanjeev Chhajed as members of the Committee.

The role of Nomination and Remuneration Committee is as follows:

- determining / recommending the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- determining / recommending the criteria for qualifications, positive attributes and independence of Directors;
- identifying candidates who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal;
- reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonus, stock options, pension, etc.;
- reviewing and determining fixed component and performance linked incentives for Directors along with the performance criteria;
- determining policy on service contracts, notice period, severance fees for Directors and Senior Management;
- evaluating performance of each Director and performance of the Board as a whole;

The Nomination and Remuneration Committee met five times during the financial year ended 31st March 2015 on 12th June 2014, 18th July 2014, 18th September 2014, 13th November 2014 and 31st March 2015 and the requisite quorum was present at all meetings.

Remuneration Policy:

The Policy inter alia provides for the following:

- attract, recruit, and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes, and independence of the directors of the Company;
- ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and
- fulfill the Company's objectives and goals, including in relation to good corporate governance, transparency, and sustained long-term value creation for its stakeholders.

Remuneration of Directors

Details of remuneration paid to the Managing Director during the year ended 31.03.2015 is as follows. Non Executive Directors do not draw any remuneration except sitting fees on attending the Board meetings. Details of which is provided in the Annexure to the Board Report

Name	Salary	Commission	Contribution to Provident Fund and other funds	Perquisites	Total
Mr. Pradeep Malu	23,44,009	Nil	2,09,281	Nil	25,53,290

5. STAKEHOLDER RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee comprises Mr. Pradeep Malu, Managing director and Mr. Neeraj Gupta, Independent director as members of the Committee and Ms. Ruchi Seksaria, as Secretary and Compliance Officer. The Committee is headed by Mr. Neeraj Gupta.

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 Share Transfer 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.

The Stakeholder Relationship Committee met one time during the financial year ended 31st March 2015 on 12th June 2014. There was no complaint received during the last financial year.

6. SHARE TRANSFER / TRANSMISSION COMMITTEE

The Shareholders/Investors Grievance Committee has been renamed as Share Transfer / Transmission Committee to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures. The Committee comprises of Mr. Pradeep Malu, Managing director and Mr. Neeraj Gupta, Independent director of the Board. The Committee inter alia considers applications for transfer,

transmission, split, consolidation of share certificates and cancellation of any share certificate in compliance with the provisions in this regard. The Committee is authorised to sign, seal or issue any new share certificate as a result of transfer, consolidation, splitting or in lieu of share certificates lost, defaced or destroyed. The Committee meets at regular intervals to approve the share transfers and other related matters.

During the financial year ended 31st March, 2015, no complaints were received from the shareholders.

The Share Transfer/ Transmission Committee met fifteen times during the financial year ended 31st March 2015 on 11/07/2014, 01/08/2014, 28/08/2014, 26/09/2014, 04/10/2014, 31/10/2014, 14/11/2014, 21/11/2014, 09/01/2015, 13/02/2015, 27/02/2015, 05/03/2015, 13/03/2015, 18/03/2015, 20/03/2015.

With effect from 29th April 2015, the Stakeholders Relationship Committee and Share Transfer Committee was merged as the role, function and scope of work is identical. Stakeholders Relationship Committee will now be monitoring and delivering the role of Share transfer/transmission committee.

7. COMPANY POLICIES

Code of Business Principles

The Code of Business Principles (CoBP) is the Company's statement of values and represents the standard of conduct which all employees are expected to observe in their business endeavors. It forms the benchmark against which the world at large is invited to judge the Company's activities. The Code reflects the Company's commitment to principles of integrity, transparency and fairness. The copy of the Code of Business Principles is on the 'Investor > Corporate Governance' section of the website www.istreetnetwork.com

The Code of Business Principles of the Company, among other things, sets out the rules for dealing with conflict of interest situations. The proposal for appointment of any Senior Management Personnel of the Company to serve as Director, Supervisory Director, Trustee, etc. on outside Board, whether for commercial ventures or for non-profit making bodies, is subject to prior internal approvals.

The Management Committee and Business / Unit Heads is responsible for ensuring that the Code is understood and implemented throughout the Company. The Code is also applicable to everyone with whom the Company is associated. The complaints, issues and concerns received under the CoBP framework are duly investigated and reviewed by the CoBP Committee(s). Appropriate actions are taken after completion of investigation. The Company periodically cascades the principles embodied under CoBP across the organisation.

Policy on Related Party transaction

The Board of Directors is responsible for ensuring that rules are in place to avoid conflict of interest by the Board members. The Board has adopted the Policy on Related Party Transaction for the members of the Board and Key Managerial Personnel. The Code provides that the Directors are required to avoid any interest in contracts entered into by the Company. If such an interest exists, the Directors are required to make disclosure to the Board and leave the Boardroom during discussion of the matter in which the concerned Director has or may have such interest. A copy of the said Code of Conduct is available on the 'Investor > Corporate Governance' section of the website www.istreetnetwork.com. All the members of the Board submit, on an annual basis, the details of individuals to whom they are related and entities in which they hold interest and such disclosures are placed before the Board. Transactions with any of the entities referred above are placed before the Board for approval. Details of all related party transactions are placed before the Audit Committee on an annual basis.

Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide appropriate avenues to the employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The Company has provided e-mail addresses info@istreetnetwork.com for reporting such concerns. Alternatively, employees can also send written communications to the Company Secretary of the Company. The employees are encouraged to raise any of their concerns by way of whistle blowing and none of the employees have been denied access to the Audit Committee. Ms. Ruchi Seksaria, Company Secretary is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy. All cases registered under the Code of Business Principles and the Whistle Blower Policy of the Company is reported to the Audit Committee. The Whistle Blower Policy is available on the Investor > Corporate Governance section of the website www.istreetnetwork.com.

Insider Trading Policy

In accordance with the Securities and Exchange Board of India (SEBI) (Prohibition of Insider Trading) Regulations, 1992, as amended, the Company has established systems and procedures to restrict insider trading activity and has framed a Share Dealing Code. The Share Dealing Code of the Company is an important governance code to prevent any insider trading activity by dealing in shares of the Company. The Code restricts the Directors of the Company and other specified employees to deal in securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company.

The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors and employees. 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. A copy of the Share Dealing Code of the Company is made available to all employees of the Company and compliance of the same is ensured. The Share Dealing Code is available on the website of the Company www.istreetnetwork.com

Risk Management Policy

The Company has developed and implemented a Risk Management policy to identify, evaluate business risks and opportunities. This policy seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. It defines the risk management approach across the enterprise at various levels including identification, documentation, reporting and mitigation plans.

Anti Sexual Harassment Policy

The Company has framed an Anti Sexual Harassment Policy for ensuring that all employees are treated fairly and equitably in an environment free of intimidation and sexual harassment. The Company has not received any complaint so far in this regard.

8. AFFIRMATION AND DISCLOSURE

All the members of the Board and the Management Committee have affirmed their compliance with the Code of Conduct as on 31st March, 2015 and a declaration to that effect, signed by the Managing Director is attached and forms part of this Report. There were no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors for the financial year ended 31st March, 2015 that may have a potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors leave the Board room till the discussion of the matter in which he is interested is on. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in this Annual Report and they are not in conflict with the interest of the Company at large.

9. GENERAL BODY MEETINGS

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

General Body Meetings	Date	Time	Venue	Special Resolution
25 th AGM	30 th July, 2012	10.00 A.M.	513, Palmspring, Link Road, Malad (W), Mumbai - 400 064	-
EGM	25 th March, 2013	10.00 A.M.	513, Palmspring, Link Road, Malad (W), Mumbai - 400 064	For change in company name
26 th AGM	5 th August, 2013	10.00 A.M.	513, Palmspring, Link Road, Malad (W), Mumbai - 400 064	For appointment of Managing Director – Mr. Pradeep Malu
27 th AGM	27 th August 2014	11:00 A.M.	513, Palmspring, Link Road, Malad (W), Mumbai - 400 064	To adopt new set of Articles of Association
EGM	19 th November 2014	11:00 A.M.	On Toes One-up Banquets, 1st floor, Palm Spring, Link Road, Malad (W), Mumbai - 400 064	For preferential allotment of equity shares and equity warrants of the Company

No resolution was passed in the past three years through postal ballot.

10. DISCLOSURES:

(a). Related Party Transaction:

There have been no materially significant related party transactions with the Company's promoters, directors, the management, their subsidiaries or relatives which may have potential conflict with the interests of the Company at large. The necessary disclosures regarding the transactions are given in the notes to accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the audit committee and Board of directors were taken wherever required in accordance with the Policy.

(b). Non Compliance:

There is no non-compliance by the Company. However, in the last financial year a fine of Rs. 19,000/- was imposed by Bombay Stock Exchange for delay in submission of Annual Report. Apart from this, no other penalty, strictures has been imposed on the Company during the last three years.

(c). Mandatory and non-mandatory requirements:

Compliance with Clause 49 of the Listing Agreement is not mandatory for the Company, as its paid up capital and Networth falls below the threshold limit specified in SEBI Circular dated 15th September 2014, however voluntarily the Company has complied with all the provisions of this Clause.

11. MEANS OF COMMUNICATION

The annual, half-yearly and quarterly results are regularly submitted to the Stock Exchange and published in Free Press Journal, English daily and Navsakti, Regional daily in accordance with the listing Agreement and also uploaded on the website of the Company www.istreetnetwork.com. The Presentation made for Investors & Analyst is first shared with Stock Exchange, uploaded on Company's website and their disseminated.

12. GENERAL SHAREHOLDER INFORMATION

(a) Annual General Meeting

- Date & Time	Wednesday, September 23 rd , 2015, 11 am
- Venue	On Toes One-up Banquets, 1st floor, Palm Spring, Link Road, Malad (W), Mumbai - 400 064

(b) Financial Calendar (Tentative)

Financial Reporting for	
- Quarter ending June 30, 2015	23 rd July 2015
- Half year ending September 30, 2015	End of October 2015
- For the quarter ending December 31, 2015	End of January 2016
- For the year ending March 31, 2016	April/May 2016
Annual General Meeting for the year ending March 31 st 2016	August/September 2016

(c) Date of book closure 16th Sep 2015 – 23rd Sep 2015

(d) Registered office 513, Palmspring, Link Road
Malad (W), Mumbai-400 064.

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(e) Listing of Equity Shares on Stock Exchanges

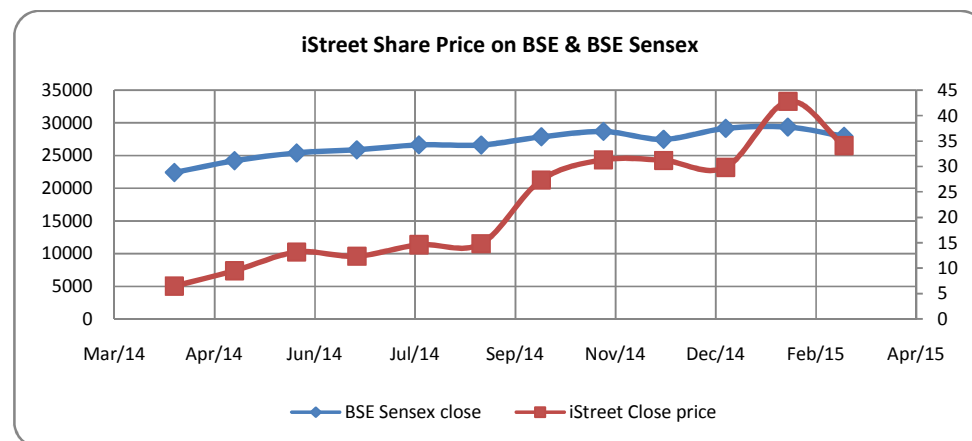
BSE Ltd.
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001.

(f) Stock Exchange Code

Code 524622

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

Month	BSE Sensex Close	iStreet Network Limited Share price and volume			
		High	Low	Close	Volume
April 2014	22417.80	6.49	5.68	6.49	32489
May 2014	24217.34	10.48	6.61	9.50	76815
June, 2014	25413.78	16.56	8.65	13.17	112888
July 2014	25894.97	13.50	8.38	12.36	66223
August 2014	26638.11	17.77	12.97	14.63	188659
September 2014	26630.51	17.48	12.71	14.83	210666
October 2014	27865.83	27.73	14.42	27.33	263002
November 2014	28693.99	32.90	23.00	31.30	503554
December 2014	27499.42	43.45	28.80	31.20	356363
January 2015	29182.95	36.05	28.05	29.85	149099
February 2015	29361.50	42.80	25.65	42.80	856380
March 2015	27957.49	54.40	31.15	34.10	1046724



(h) Distribution of shareholding as 31st March 2015:

Slab of shareholdings	No of Shareholders	Percentage	Total Shares	Amount in Rs	Percentage
0-500	7903	86.74	1874057	7496228	9.36
501-1000	741	8.13	593674	2374696	2.96
1001-2000	248	2.72	383502	1534008	1.92
2001-3000	68	0.75	176442	705768	0.88
3001-4000	29	0.32	103684	414736	0.52
4001-5000	37	0.41	176143	704572	0.88
5001-10000	43	0.47	332130	1328520	1.66
10001 & Above	42	0.46	16385368	65541472	81.82
TOTAL	9111	100.00	20025000	80100000	100.00

(i) According to categories of shareholders as on 31st March, 2015:

Sr. No.	Categories	No of Shares	Percentage
1.	Resident Individuals	3961370	19.78
2.	Non Resident Individuals	205387	1.03
3.	Corporate Bodies – Promoter	7075525	35.33
4.	Corporate Bodies	3805701	19.00
5.	Director – Promoter	4384625	21.90
6.	Director – Non Promoter	150000	0.75
6.	Directors Relative – Promoter	417700	2.09
7.	Clearing Member	16618	0.08
8.	Corporate Body – Broker	8074	0.04
	Total	20025000	100.00

(j) Details of Shares held by Directors as on 31st March 2015:

Name of Directors	No. of Equity Shares Held
Pradeep Malu	4284625
Neeraj Gupta	NIL
Sanjeev Chhajed	NIL
Kushal C Sacheti	1,50,000
Meethu Malu	100,000

(k) Statement Showing Shareholding Pattern as on 31st March, 2015:

Category	No. of Shares held	%
(A). Promoters – Indian	11877850	59.32
(B). Public		
Bodies Corporate	3813775	19.05
Individuals	3961370	19.78
Clearing member	16618	0.08
NRIs	205387	1.03
NRI Corp Bodies	0	0.00
Directors	150000	0.75
Total Public Shareholding	8147150	40.68
TOTAL (A)+(B)	20025000	100.00

(l) Dematerialization of shares and liquidity:

As on 31st March, 2015, 92.73% 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.

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.

(m) Outstanding GDRs / ADRs / Warrants / Convertible instruments and their impact on equity:

The Company has 10,75,000 outstanding Equity Warrants entitling the holder to exchange the same for equal number of Equity Share by paying balance 75% of the issue price by 3rd June 2016. Post - conversion, the Shareholding pattern would be as follows:-

Shareholding pattern post conversion of Warrants				
Category	Pre		Post	
	No of Shares	%	No of Shares	%
Promoters and Promoter Group	11,877,850	59.32	12,187,850	57.76
Public	8,147,150	40.68	8,912,150	42.24
Total	20,025,000	100.00	21,100,000	100.00

Apart from this, the Company does not have any outstanding GDRs / ADRs / any other convertible instruments as on 31st March 2015.

Out of the above 600,000 Equity Warrant allotted to non promoter has been converted into equal number of equity shares on 20th May 2015.

(n) Plant Location

Various assets situated at the plant 325/1 & 2, G.I.D.C., Panoli, Ankleshwar - 394 115 have been disposed off in June, 2014 after obtaining approval of the Members in Extra Ordinary General Meeting held on 25th March, 2013. The Company has no manufacturing unit any more.

(o) 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). RTA has initiated a process of 'Know your Shareholder' and compiling all the critical information of our shareholders. You must have received a communication to that effect from them. Kindly respond to the same directly to RTA 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

(p) Investor Correspondence Address :

iStreet Network Limited
513, Palm Spring, Link Road
Malad west, Mumbai-400 064.
Tel No. 022 4257 6767
Email : investors@istreetnetwork.com

For and on Behalf of Board of Directors

Mumbai, 17th August, 2015

Pradeep Malu Managing Director DIN :00001959	Sanjeev Chhajed Director DIN: 02849462
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**iStreet Network Ltd.
Annual Report 2014-15**

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 29th April, 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, as amended, 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 given 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 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**

Ruchi Seksaria
Company Secretary

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

**ANNEXURE - 5
MANAGING DIRECTOR'S AND CHIEF FINANCIAL OFFICER CERTIFICATION**

To
**The Board of Directors
iStreet Network Limited**

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of iStreet Network Limited ("the Company"), to the best of our knowledge and belief certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the Financial Year ended 31st March, 2015 and based on our knowledge and belief, we state that :
 - (i) these results and statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 - (ii) 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.
- (b) We further state that to the best of our knowledge and belief, there are 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 hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- (d) We 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.
- (e) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit Committee:
 - (i) significant changes, if any, in internal control over financial reporting during the year;
 - (ii) 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
 - (iii) 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 over financial reporting

**Pradeep Malu
Managing Director
DIN: 00001959**

**Mayur Vora
Chief Financial Officer**

Mumbai, 20th May, 2015

**ANNEXURE -6
Form No. MR-3**

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
iStreet Network Limited,
Mumbai

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **iStreet Network Limited** (hereinafter called "the Company"). 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 iStreet Network Limited'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 March 31, 2015, 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I**, for the financial year ended on March 31, 2015, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder applicable to the extent of receipt of funds on non-repatriation basis from foreign investor.
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
NOT APPLICABLE
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NOT APPLICABLE**
 - (f) 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;
2. I have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is as follows:
 - (i) The Information Technology Act, 2000;
 - (ii) The Sale of Goods Act, 1930;
 - (iii) The Indian Contract Act, 1872;
 - (iv) The Consumer Protection Act, 1986
3. I have also examined compliance with the applicable clauses of the following:
 - (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s);

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards as mentioned above, except that, though the appointment of the Chief Financial Officer (CFO – Key Managerial Personnel) was made on March 31, 2015, the filing of e-forms with the Ministry of Corporate Affairs (MCA) was pending till the date of this report.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were 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.

All resolutions/decisions at the Board and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committee.

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 except as mentioned above.

I further report that during the audit year there were no instances of:

- (i) Public / Rights issue of Equity Shares & Equity Warrants / Debentures / Sweat Equity
- (ii) Redemption / Buy-back of securities
- (iii) Merger / Amalgamation / Reconstruction, etc.
- (iv) Foreign Technical Collaborations

Mumbai, 20th May 2015

DILIP BHARADIYA

**Proprietor
DILIP BHARADIYA & ASSOCIATES
FCS No.: 7956, C P No.: 6740**

ANNEXURE - I

List of documents verified:

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial year ended 31st March 2014
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee along with Attendance Register held during the financial year under report
4. Minutes of General Body Meetings held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meetings and Committee Meetings
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act, 1956 and 184 of the Companies Act, 2013
8. Intimations received from Directors under the Prohibition of Insider Trading Code
9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report

**ANNEXURE – 7
AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To,
The Members,
iStreet Network Ltd.
Mumbai

We have examined the compliance of conditions of corporate governance by iStreet Network Ltd. for the year ended 31st March 2015, 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
Firm Registration No. 113221W

B.P.Mantri
Partner
M.No. 45701

Mumbai, 20th May 2015

INDEPENDENT AUDITORS' REPORT

To,
The Members of
iStreet Network Limited

Report on the Financial Statements

We have audited the accompanying financial statements of iStreet Network Limited ('the Company') which comprises the Balance Sheet as at 31st March 2015, 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

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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, of the state of affairs of the Company as at 31 March 2015 and its loss and its 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, 2015 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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 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 it appears from our examination of those books;
 - (c) the Balance Sheet, the Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the Director is disqualified as on 31st March 2015, from being appointed as a Director in terms of Section 164 (2) of the Act; and
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with 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 does not have any pending litigation which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise; and
 - iii) There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

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

Mumbai, 20th May 2015

B.P. MANTRI
Partner
M. No. 45701

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2015, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) As explained to us, Fixed Assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.
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 189 of the Companies Act, 2013.
(b) Since there are no such loans, question of regular in repaying the principal or interest amounts as stipulated does not arise.
(c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the body corporate, firm and other parties listed in the register maintained under section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system 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. We have not observed any major weakness in the internal control system during the course of audit.
5. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for of the goods and services dealt in by the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.
(b) According to the information and explanations given to us, there are no material dues of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited with the appropriate authorities on account of any dispute.
(c) According to the information and explanations given to us, there are no amount which required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 2013 (1 of 1956) and rules made thereunder has been transferred to such fund within time.
8. The Company has accumulated losses at the end of the financial year which are not less than fifty percent of its net worth. The Company has incurred cash losses during the current financial year but not in the immediately preceding financial year.
9. The Company did not have any outstanding dues to bank, financial institution or debenture holders during the year.
10. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. The Company did not have any term loans outstanding during the year.
12. According to the information and explanations given to us, no material 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)

Mumbai, 20th May 2015

B.P. MANTRI
Partner
M. No. 45701

iStreet Network Ltd.
Annual Report 2014-15

BALANCE SHEET AS AT 31st MARCH, 2015

	Note No.	As At 31.03.2015 Rs	As At 31.03.2014 Rs
I) <u>EQUITY AND LIABILITIES</u>			
(1) <u>Shareholders Funds</u>			
(a) Share Capital	3	80,100,000	79,500,000
(b) Reserves and Surplus	4	(36,312,598)	(32,861,045)
(c) Money Received Against Share Warrants	5	5,397,080	-
Total Shareholder Funds		49,184,482	46,638,955
(2) <u>Current Liabilities</u>			
(a) Trade Payables	6	1,435,750	144,865
(b) Other Current Liabilities	7	7,563,635	4,836,956
Total Current Liabilities		8,999,385	4,981,821
Total		58,183,867	51,620,776
II) <u>ASSETS</u>			
(1) <u>Non-Current Assets</u>			
a) Fixed Assets			
(i) Tangible Assets	8.1	781,460	8,209,285
(ii) Intangible Assets	8.2	4,134,262	3,736,242
(iii) CWIP		463,795	-
(b) Non-Current Investments	9	66,000	119,200
(c) Long-Term Loans and Advances	10	2,845,000	202,038
Total Non-Current Assets		8,290,517	12,266,765
(2) <u>Current Assets</u>			
(a) Current Investments	11	10,085,164	-
(b) Inventories	12	1,485,473	-
(c) Trade Receivables	13	192,636	15,439
(d) Cash and Cash Equivalents	14	1,983,088	247,352
(e) Short-Term Loans and Advances	15	16,543,561	15,351,037
(f) Other Current Assets	16	19,603,428	23,740,183
Total Current Assets		49,893,350	39,354,011
Total		58,183,867	51,620,776

Notes to the financial statements are integral part of this Balance Sheet
As per our report of even date

For Jhavar Mantri & Associates

Firm Registration No. 113221W

Chartered Accountants

B.P. Mantri

(Partner)

Membership No. 045701

Mumbai, 20th May 2015

For iStreet Network Limited

Pradeep Malu

Managing Director

(DIN : 00001959)

Mayur Vora

Chief Financial Officer

Mumbai, 20th May 2015

Neeraj Gupta

Director

(DIN : 05327106)

Ruchi Seksaria

Company Secretary

iStreet Network Ltd.
Annual Report 2014-15

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2015

	Note No.	Year Ended 31.03.2015 Rs	Year Ended 31.03.2014 Rs
<u>INCOME</u>			
I. Revenue from operations	17	7,175,187	4,460,152
II. Other Income	18	2,312,119	1,563,503
III. Total		9,487,306	6,023,655
<u>EXPENSES</u>			
Purchase of Stock in Trade		8,254,363	3,793,277
Changes In Inventories		(1,485,473)	-
Employee Benefit Expense	19	7,297,764	705,774
Depreciation and Amortization Expenses	8.1	1,427,573	-
Other Expenses	20	25,788,453	1,074,451
Total		41,282,680	5,573,502
V. Profit before exceptional and extraordinary items and tax (III-IV)		(31,795,374)	450,153
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		(31,795,374)	450,153
VIII. Extraordinary Items (Net of Income)		-	-
IX. Profit / (Loss) Before Tax (VII-VIII)		(31,795,374)	450,153
X. Tax expenses:		-	-
XI. Profit/(Loss) for the period from continuing operations(IX-X)		(31,795,374)	450,153
XII. Profit/(Loss) from discontinuing operations	21		
- From ordinary activities		-	(1,094,425)
- On disposal of assets		26,065,058	-
XIII. Tax expense on Profit from discontinuing operations		-	-
XIV. Profit/(Loss) for the period from discontinuing operations after tax (XII - XIII)		26,065,058	(1,094,425)
XV. Profit/(Loss) for the period (XI + XIV)		(5,730,316)	(644,272)
Profit carried to Balance Sheet		(5,730,316)	(644,272)
No. of Equity Shares (*On weighted average basis)			
Basic		19,923,493	19,875,000
Diluted		20,271,027	19,875,000
Earning Per Equity Share			
Basic	25	(0.29)	(0.03)
Diluted		(0.28)	(0.03)

Notes to the financial statements are integral part of this Statement of Profit and Loss.

As per our report of even date

For Jhavar Mantri & Associates

Firm Registration No. 113221W

Chartered Accountants

B.P. Mantri

(Partner)

Membership No. 045701

Mumbai, 20th May 2015

For iStreet Network Limited

Pradeep Malu

Managing Director

(DIN : 00001959)

Mayur Vora

Chief Financial Officer

Mumbai, 20th May 2015

Neeraj Gupta

Director

(DIN : 05327106)

Ruchi Seksaria

Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
	Rs	Rs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax as per Statement of Profit and Loss	(31,795,374)	450,153
Adjustments for :		
1. Depreciation and Amortization Expenses	1,427,573	-
2. Interest/Dividend/Other Income	(1,799,999)	(1,797,097)
3. Operating Profit/(Loss) before Working Capital Changes	(32,167,800)	(1,346,926)
Adjustments for :		
(i) Trade and Other Receivables	1,139,558	(3,180,331)
(ii) Inventories	(1,485,473)	-
(iii) Trade and other payables	4,017,564	1,944,215
Cash used/generated in/ from Operating activities	(28,496,151)	(2,583,041)
Income Tax , FBT	-	-
Net cash used in /generated from Operating activities	(28,496,151)	(2,583,041)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets Inclusive of Capital WIP	(3,070,842)	(3,736,243)
Sale of Assets	34,383,338	-
Short Term Loans and Advances	(1,192,524)	4,970,609
Dividend/Rent/other Received	1,799,999	1,538,995
Net cash from Investing activities	31,919,971	2,773,361
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital	3,000,000	-
Proceeds from Issue of Equity Share Warrant	5,397,080	-
Investment in Mutual Funds	(10,085,164)	-
Net Cash From Financing activities	(1,688,084)	-
Net Increase in Cash and Cash equivalents	1,735,736	190,320
Cash and cash equivalents as at (Opening Balance)	247,352	57,032
Cash and cash equivalents as at (Closing Balance)	1,983,088	247,352

As per our report of even date

For Jhawar Mantri & Associates

Firm Registration No. 113221W

Chartered Accountants

B.P. Mantri

(Partner)

Membership No. 045701

Mumbai, 20th May 2015

For iStreet Network Limited

Pradeep Malu

Managing Director

(DIN : 00001959)

Mayur Vora

Chief Financial Officer

Mumbai, 20th May 2015

Neeraj Gupta

Director

(DIN : 05327106)

Ruchi Seksaria

Company Secretary

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

1 iStreet Network Ltd (Previously known as Principal Pharmaceuticals and Chemicals Ltd) is a public limited company and listed on BSE stock Exchange. The Company is an Internet & Retail Catalogue company and sells products of various categories through online platforms and network stores.

2 Significant Accounting Policies

(a) Basis of Preparation of Financial Statement

The financial statements are prepared under historical cost convention on the accrual basis and in accordance with the mandatory accounting standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Institute of Chartered Accountants of India to the extent applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses during the reporting period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(c) Fixed Assets

- (i) Tangible 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.
- (ii) Capital work in progress is valued at cost incurred regarding pre-operative/installation period.
- (iii) Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably, in lines with AS -26 issued by the ICAI .

(d) Depreciation and Amortization

- (i) The Company was providing depreciation on Fixed Assets on straight line method at the rates specified in schedule XIV of the Companies Act 1956 on pro rata basis till last financial year. From 1st April 2014, the Company has adopted useful lives of the assets method as provided in Part C of Schedule II of the Companies Act 2013 and depreciated the assets on pro-rata basis over the useful lives of the assets.
- (ii) Intangible assets having finite useful lives are amortised on a straight-line basis over next 4 years, from the year during which it was incurred.

(e) Investments

- (i) Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long term investments. However, the part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/non-current classification. Current investments are carried at the lower of cost and fair value of each investment individually. Long term investments are stated at cost less provisions, if any, for permanent diminution in value of such investments.
- (ii) On Disposal of Investment, gain/(loss) is recognised on FIFO basis.

(f) Foreign Currency Transactions

Foreign currency transactions are recorded into Indian rupees by applying to the foreign currency amount the exchange rate between Indian rupees and the foreign currency on/or closely approximating to the date of the transaction. Monetary assets and liabilities denominated in foreign currencies as at the Balance Sheet date are translated into Indian rupees at the closing exchange rates on that date. The resultant exchange differences are recognised in the Statement of Profit and Loss.

(g) Inventories

- (i) Stock in Trade is 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.

(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) Revenue Recognition

- (i) Sales are stated net of trade discounts, sales return, sales tax and all such sales generating expenses charges by various eCommerce platforms.
- (ii) Activation Fees is recognised on accrual basis.

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(k) Taxes on Income

- (i) Tax expense comprises of Current and Deferred Tax. Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.
- (ii) Deferred tax is recognised, subject to consideration of prudence on timing difference, being the difference between the taxable and accounting income/expenditure that originate in one year and are capable of reversal in one or more subsequent year(s). Deferred tax assets are not recognised unless there is virtual certainty that sufficient future taxable income will be available, against which such deferred tax asset will realise.
- (iii) Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Profit and Loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

(l) Earning Per Share

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

(m) Provisions, Contingent Liabilities And Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statement.

(n) Other Accounting Policies

These are consistent with the generally accepted accounting practices in India.

		31.03.2015	31.03.2014
		Rs	Rs
3 Share Capital			
(i) <u>Authorised</u>	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
(ii) <u>Issued, Subscribed & Fully Paid</u>	20,025,000 Equity Shares of Rs.4/- each fully paid up (P.Y.19,875,000 Equity Shares of Rs.4/- each fully paid up)	80,100,000	79,500,000
		80,100,000	79,500,000
(iii) <u>Reconciliation of the number of shares outstanding</u>		No. of shares	No. of shares
	At the beginning of the year	19,875,000	19,875,000
	Add: Issued during the Year*	150,000	-
	At the end of the year	20,025,000	19,875,000

*The Company has allotted 1,50,000 Equity Shares of Rs. 4 each on 04.12.2014 on preferential basis to Non-Promoter Director at a price of Rs. 20/- per share. These shares are locked in till 04.02.2016

(iv) Details of Shareholders Holding More Than 5% Shares

<u>Name of Shareholder</u>	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>
Pradeep Malu	4,284,625	21.40	4,533,475
Inovent Solutions Ltd*	7,075,525	35.33	7,075,525
Devkant Synthetics (I) Pvt. Ltd.	3,273,656	16.35	3,916,975
	14,633,806	73.08	15,525,975

* 25,75,000 Equity Shares locked in till 26.10.2015

(v) Rights, preferences and restrictions in respect of equity shares issued by the Company

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.

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4 Reserves and Surplus

(i)	Securities Premium Account		
	Opening Balance	-	-
	Add : Additions During the Year	2,400,000	-
	Closing Balance	<u>2,400,000</u>	<u>-</u>
(ii)	Profit and Loss		
	Opening Balance	(32,861,045)	(32,216,773)
	Less : Value of Asset, whose useful life is already over as per Companies Act 2013*	(121,237)	-
	Add: Net Profit/(Net Loss) for the current year	(5,730,316)	(644,272)
	Closing Balance	<u>(38,712,598)</u>	<u>(32,861,045)</u>
		<u>(36,312,598)</u>	<u>(32,861,045)</u>

*The Company has reassessed remaining life of the assets as per schedule II of the Companies Act 2013. Accordingly the remaining carrying value of the assets whose useful life was over as on 01.04.2014 as per the Schedule has been charged to opening balance of Profit & Loss Account.

5 Money Received Against Share Warrants

	Money received against share warrants	5,397,080	-
		<u>5,397,080</u>	<u>-</u>

The Company has issued equity warrants for 10,75,000 equity shares at Rs. 20 each on 04.12.2014 on receipt of 25% amount. Equity warrants for 3,10,000 Equity Shares has been issued to Promoter and equity warrants for 7,65,000 equity shares 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 excess of shares. received Rs. 22080/- from one of equity warrant holder, which shall be adjusted against the allotment

6 Trade Payables

1,435,750	144,865
<u>1,435,750</u>	<u>144,865</u>

The Company is in the process of compiling the information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. The management does not envisage any material impact on the financials in this regard, which has been relied upon by the Auditors.

7 Other Current Liabilities

(i)	Statutory Dues	336,104	61,611
(ii)	Advance from Customers	89,009	-
(iii)	Outstanding for Expenses	-	543,011
(iv)	Other Payables	7,138,522	4,232,334
		<u>7,563,635</u>	<u>4,836,956</u>

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Note : 8.1 :- Tangible Assets and Depreciation

S. N.	Particulars	Gross Block			Depreciation				Net Block		
		As on 01-04-2014	Additions	Deduction / Adjustment	As on 31-3-2015	For the year	Deduction / Adjustment	Transfer to Reserve*	Upto 31-3-2015	Upto 31-3-2015	Upto 31-3-2014
1	Lease hold Land	1,703,742	-	1,703,742	-	-	348,528	-	-	-	1,355,214
2	Factory Building	14,480,216	-	14,480,216	-	-	8,432,036	-	-	-	6,048,180
3	Plant & Machinery	38,179,471	-	38,179,471	-	-	38,050,345	-	-	-	129,126
4	Electrical Installation	3,301,915	-	3,301,915	-	-	3,301,913	-	-	-	2
5	Office Equipments	2,373,185	196,811	2,115,745	454,251	6,904	1,560,232	(102,536)	264,331	189,920	658,062
6	Computer Systems	79,768	568,192	-	647,960	28,021	-	(18,701)	107,790	540,170	18,701
7	Furniture & Fixture	-	51,821	-	51,821	444	-	-	444	51,377	-
	Total	60,118,297	816,824	59,781,089	1,154,032	35,369	51,693,054	(121,237)	372,565	781,467	8,209,285
	Previous Year	60,118,297	-	-	60,118,297	836,341	-	-	51,909,012	8,209,285	9,045,626

* The Company has reassessed remaining life of the assets as per schedule II of the Companies Act 2013. Accordingly the remaining carrying value of the assets whose use life was over as on 01.04.2014 as per the Schedule has been charged to opening balance of Profit & Loss Account.

Note : 8.2 :- Intangible Assets and Amortization

S. N.	Particulars	Gross Block			Amortisation				Net Block		
		As on 01-04-2014	Additions	Deduction/ Adjustment	As on 31-3-2015	For the year	Deduction /Adjustment	Transfer to Reserve*	Upto 31-3-2015	Upto 31-3-2014	
1	Software	3,127,115	1,790,223	-	4,917,338	783,076	-	-	783,076	4,134,262	3,127,115
2	Network Partner*	609,128	-	-	609,128	609,128	-	-	609,128	-	609,128
	Total	3,736,243	1,790,223	-	5,526,466	1,392,204	-	-	1,392,204	4,134,262	3,736,243
	Previous Year	-	3,736,243	-	3,736,243	-	-	-	-	3,736,243	-

Note :

* During the financial year the Company has decided to change the policy of capitalization/amortization of Network Partner development expenses and has fully written off Network partner development expenses.

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9 Non Current Investment

(Long Term, Other than Trade)

Unquoted, At Cost :

(i) 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

Partly Paid

13600 Equity Shares of Rs.10/- each of Panoli Enviro Technologies Ltd	-	47,600
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(ii) 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

	66,000	119,200
Aggregate amount of unquoted investments	66,000	119,200

10 Long-Term Loans and Advances

Security Deposits

(Unsecured Considered Good)

(i) Office Deposit	2,800,000	-
(ii) Security Deposits	45,000	202,038
	2,845,000	202,038
	2,845,000	202,038

11 Current Investments

Investment in Mutual Funds

(i) Birla Sun Life Saving Fund [209.833 Units]	54,615	-
(ii) Birla Sun Life Short Term Fund [8325.025 Units]	423,301	-
(iii) DSP BR Money Manager Fund [2.681 Units]	5,000	-
(iv) HDFC Cash Mgmt - Treasury Advantage [267.411 Units]	7,651	-
(v) HDFC Floating Rate Income [4076.016 Units]	94,597	-
(vi) UTI -Short Term Income Fund [583505.735 Units]	9,500,000	-
	10,085,164	-
Market Value of Mutual Fund Investment as on 31.03.2015	10,419,399	-

12 Inventories

(i) Raw Materials	-	-
(ii) Work-in-progress	-	-
(iii) Stock in Trade	1,307,474	-
(iv) Stock in Transit	177,999	-
	1,485,473	-
	1,485,473	-

13 Trade Receivables

(Unsecured, considered good except stated otherwise)

(i) Due For a Period Exceeding Six Month	-	-
(ii) Other Debts	192,636	15,439
	192,636	15,439
	192,636	15,439

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14	Cash and Cash Equivalents		
	(i) Cash in hand	1,183,287	105,143
	(ii) Balance with Scheduled bank	799,801	142,209
		1,983,088	247,352
		1,983,088	247,352
15	Short-Term Loans and Advances		
	<u>Unsecured, Considered Good</u>		
	(i) Inter Corporate Deposit	15,000,000	15,000,000
	(ii) Others (Interest Receivable on Inter Corporate Deposit)	1,543,561	351,037
		16,543,561	15,351,037
		16,543,561	15,351,037
16	Other Current Assets		
	<u>Unsecured, Considered Good</u>		
	(i) Amount Recoverable in Cash or Kind	57,104	5,354,003
	(ii) Trade Advances to Related Parties [Refer Note No.16.1]	17,398,568	17,247,022
	(iii) Interest Receivable	18,530	26,447
	(iv) TDS Receivable	110,130	1,048,649
	(v) Service Tax, VAT Credits	948,449	50,978
	(vi) Prepaid Expense	1,054,047	13,084
	(vii) Advance to Staff	16,600	-
		19,603,428	23,740,183
		19,603,428	23,740,183
	Note 16.1		
	Advance and deposits for trade given to an Associate enterprise Inovent Solutions Ltd. towards expanding Internet Retail Store activities and using their complete infrastructure, human knowledge, experience, resources and brand name.		
17	Revenue From Operation		
	(i) Sales of Services	-	
	(ii) Sales of Products	7,059,487	4,460,152
	(iii) Activation Fees	115,700	-
		7,175,187	4,460,152
		7,175,187	4,460,152
18	Other Income		
	(i) Dividend Received	5,000	1,840
	(ii) Interest Received on Income Tax Refund	66,412	12,717
	(iii) Interest Income	20,411	8,797
	(iv) Miscellaneous Receipts	-	1,154
	(v) Sundry Balance W.off/ W.back	17,385	-
	(vi) Interest Received	1,799,999	1,538,995
	(vii) Profit on Sale of Investments	402,912	-
		2,312,119	1,563,503
		2,312,119	1,563,503
19	Employee Benefits Expense		
	(i) Salary & Wages	6,844,522	701,612
	(ii) Contribution to PF & other funds	411,821	-
	(iii) Staff Welfare expenses	41,421	4,162
		7,297,764	705,774
		7,297,764	705,774

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20 Other Expenses

(i)	Payment to Auditors:		
	- As Auditors	50,000	25,000
	- For Other Services	16,000	8,500
	- Out of Pocket Exp	1,028	536
(ii)	Listing & Depository Fee	270,478	85,832
(iii)	Advertisement & Marketing Expenses	11,659,661	6,725
(iv)	Conveyance Expenses	32,590	52,420
(v)	Director Sitting Fees	17,500	-
(vi)	Fulfillment Expense	685,398	496,289
(vii)	Insurance	14,182	26,169
(viii)	Professional Fees	317,250	82,500
(ix)	Membership & Subscription	2,200	-
(x)	Miscellaneous Expenses	348,459	26,962
(xi)	Postage & Courier	75,170	117,904
(xii)	Printing & Stationery	89,061	18,250
(xiii)	Rates & Taxes	98,290	17,305
(xiv)	Repairs to Others	213,905	-
(xv)	Share Transfer Expenses	21,600	23,613
(xvi)	Sundry Advance W/o	5,350,000	7,194
(xvii)	Travelling Expenses - Others	439,832	37,000
(xviii)	Travelling Expenses - Director	757,318	42,252
(xix)	E Commerce Technology Support	3,964,763	-
(xx)	Conference and Exhibition Expense	294,443	-
(xxi)	Electricity Expenses	349,486	-
(xxii)	Commission to Network Partners	252,900	-
(xxiii)	Rent	390,000	-
(xxiv)	Telephone Expenses	76,939	-
		25,788,453	1,074,451

21 Profit/(Loss) From Discontinuing Operations

(i)	From ordinary activities	-	(1,094,425)
(ii)	On disposal of assets	26,065,058	-
		26,065,058	(1,094,425)

Profit from discontinuing operations is from the disposal of various manufacturing assets of discontinued Pharmaceutical and Intermediate business as per the approval of the Members in Extra Ordinary General Meeting held on 25th March, 2013. The carrying amount of total asset is Rs. NIL (P.Y Rs. 95.86 Lacs) and total liabilities is Rs. 7.90 Lacs (P.Y. Rs. 42.32 Lacs).

22 In the opinion of the Board of Directors of the Company

- (i) The current assets are approximately of the value stated, if realized in the ordinary course of business
- (ii) The provision for depreciation and for all known liabilities is adequate and not in excess of the amount reasonably necessary.

23 Outstanding balances of the debtors, creditors, loans and advances are subject to confirmation and reconciliation, if any.

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, the same has not been recognized in these accounts.

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	<u>31.03.2015</u>	<u>31.03.2014</u>
25 Earning Per Share		
Profit/(Loss) for the period	(5,730,316)	(644,272)
No. of Equity Shares outstanding		
Basic	19,923,493	19,875,000
Diluted	20,271,027	19,875,000
Earning Per Equity Share		
Basic	(0.29)	(0.03)
Diluted	(0.28)	(0.03)
26	The Company has discontinued it's Pharmaceutical & Intermediate business and disposed off all the assets during the financial year. The Company is now operating in single segment i.e. Digital & eCommerce. However, corresponding previous periods figures have been given.	
(i)	<u>Segment Revenue</u>	
(a) Digital and ecommerce	9,487,306	6,023,655
(b) Pharmaceuticals & Intermediates	-	1,389,200
Total Income From Operations	9,487,306	7,412,855
(ii)	<u>Segment Result</u>	
Profit/(Loss) Before Tax And Extraordinary Items		
(a) Digital and ecommerce	(31,795,374)	450,153
(b) Pharmaceuticals & Intermediates	-	-
Total segment results from continuing operations	(31,795,374)	450,153
Add : Profit/(Loss) from discontinuing operations	26,065,058	(1,094,425)
Profit/(Loss) for the period	(5,730,316)	(644,272)
(iii)	<u>Capital Employed</u>	
(Segment Assets -Segment Liabilities)		
(a) Digital and ecommerce	49,184,482	41,285,076
(b) Pharmaceuticals & Intermediates	-	5,353,880
Total Capital Employed In Segments	49,184,482	46,638,956
27 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		
(i)	Key management personnel and their relatives	
(a) Mr. Pradeep Malu	Managing Director	
(ii)	Other parties where key management personnel and /or their relatives have significant influence	
(a) Inovent Solutions Ltd.	Associates	
(b) Cardiod Plasteel Pvt. Ltd.	Associates	
(c) Crest Latex Pvt. Ltd.	Associates	
(d) Radelf Pharmacueticals Private Ltd	Associates	
(e) Kushal C.Sacheti	Director	
(iii)	Details relating to person referred to in items (i) above:	
Remuneration	31.03.2015	31.03.2014
	2,344,009	900,000
(iv)	The following transactions were carried out with the related parties referred to in item (ii) above in the ordinary course of business	
	Trade Advance [With (ii)(a)]	
Opening Balance	17,247,022 Dr	19,489,159 Dr
Trade money given during the year	6,844,060 Dr	7,817,547 Dr
Trade money settled during the year	6,692,514 Cr	10,059,684 Cr
Closing Balance	17,398,568 Dr	17,247,022 Dr

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	Sale of Investment [With (ii)(b)]	-	3,003,000
	Sale of Investment [With (ii)(c)]	-	2,997,000
	Equity Share Warrants Issued [With (ii)(b to e)]		
	Cardioid Plasteel Pvt. Ltd.	500,000	-
	Crest Latex Pvt. Ltd.	550,000	-
	Radelf Pharmaceuticals Private Ltd	500,000	-
	Kushal C. Sacheti	3,000,000	-
	Equity Share Issued [With (ii)(e)]		
	Kushal C. Sacheti	600,000	-
	Premium Received on Equity Share Issued		
	Kushal C. Sacheti	2,400,000	-
(v)	Year End Outstanding		
	Mr. Pradeep Malu	77,372 Cr	15,311 Cr
	Inovent Solutions Ltd.	17,398,568 Dr	17,247,022 Dr
	Cardioid Plasteel Pvt.Ltd.	-	-
	Crest Latex Pvt.Ltd.	-	-
	Radelf Pharmaceuticals Private Ltd	-	-
	Kushal C.Sacheti	22080 Cr	-

28 Additional information pursuant to the provisions Revised Schedule III to the Companies Act, 2013 (As certified by the Management)

	Foreign Exchange	INR	Foreign Exchange
(i) Value of imports calculated on C.I.F basis	Nil	Nil	Nil
(ii) Expenditure in Foreign Currency			
E Commerce Technology Support	USD 1937.12	122,760	Nil
Conference and Exhibition Expense	Euro 1450.00	117,655	Nil
(iii) (a) Total value of all imported raw materials, spare parts and components consumed	Nil	Nil	Nil
(b) Total value of indigenous raw materials, Spare parts and components consumed	Nil	Nil	Nil
(iv) The amount remitted during the year in foreign currencies on account of dividend	Nil	Nil	Nil
(v) Earnings in Foreign Exchange	Nil	Nil	Nil
(vi) The amount of dividend proposed to be distributed	Nil	Nil	Nil

29 Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year classifications/disclosures.

As per our report of even date

For Jhawar Mantri & Associates

Firm Registration No. 113221W

Chartered Accountants

B.P. Mantri

(Partner)

Membership No. 045701

Mumbai, 20th May 2015

For iStreet Network Limited

Pradeep Malu

Managing Director

(DIN : 00001959)

Mayur Vora

Chief Financial Officer

Mumbai, 20th May 2015

Neeraj Gupta

Director

(DIN : 05327106)

Ruchi Seksaria

Company Secretary

PROXY FORM

Forn No. MGT 11

iStreet Network Limited

CIN: L51900MH1986PLC040232, Registered Office: 513, Palm Spring, Link Road Malad West, Mumbai 400 064

Email: investors@istreetnetwork.com , website : www.istreetnetwork.com Tel No. 022 4257 6767

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

(2) Name _____
 Address _____
 E-mail Id: _____ Signature _____

Or failing him

(3) Name _____
 Address _____
 E-mail Id: _____ Signature _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Toes, One up Banquets, First floor, Palm Spring, Link Road Malad West, Mumbai-400 064 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
Ordinary Business:			
1	Adoption of Audited Financial Statements for the year ended 31 st March 2015		
2	Re-appointment of Mr. Pradeep Malu who retires by rotation		
3	Appointment of M/s Jhavar Mantri & Associates, Chartered Accountants, as Statutory Auditors and fixing their remuneration.		
Special Business			
4	Regularisation of Ms. Meethu Malu as Director of the Company		
5	Appointment of Mr. Naval Choudhary as an Independent Director		
6	To approve the material related party transactions with iStreet Bazaar Private Limited, Subsidiary of the Company		
7	To approve the material related party transactions with Inovent Solutions Limited		
8	Revision in remuneration of Managing Director		

Signed this..... Day of..... 2015

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

Affix 1 Re. Revenue Stamp

Note:

- 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.
- For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 28th Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the Resolutions 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.

**iStreet Network Limited
(CIN: L51900MH1986PLC040232)**

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Email: investors@istreetnetwork.com , website: www.istreetnetwork.com Tel No. 022 4257 6767

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 28th Annual General Meeting of the Company held on Wednesday, 23rd September 2015 at OnToes, One up Banquets, First floor, Palm Spring, Link road, Malad West, Mumbai – 400064

.....
Proxy's Name in Block Letters

.....
Member's/Proxy'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. Shareholders are requested to bring their copy of the Annual Report along with them to the Annual General Meeting, as copies of the Report will not be distributed again at the Meeting, in view of 'Green Initiative' adopted by the Company.
4. 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.