

Annual Report

2015-16

Great Price
Great Saving

iStreet Bazaar
Internet Retail Store

5,756* Stores
in Western India
(on 31st March 2016)

PRICE ACCESS
ASSORTMENT FOR EVERYONE

istreet
BAZAAR®

Huge Product
Choice

Lakhs of Smiling
Customers

istreet
iStreet Network Limited

www.iStreetNetwork.com

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Safe Harbor Statement:

This Annual Report solely for information & reporting purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

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

Our actual results may differ materially from those included in this Annual Report for a variety of reasons, including, but not limited to – timely raising funds for the project, changes in political, business, and economic conditions; foreign exchange rate fluctuations; the impact and integration of recent and future acquisitions; our need to successfully react to the increasing importance of internet, internet or online commerce, mobile payments and mobile commerce and the social aspect of commerce; an increasingly competitive environment for our businesses; the complexity of managing an increasingly large and growing enterprise with a broad range of businesses; our need to manage regulatory, tax and litigation risks (including risks); and our need to timely upgrade and develop our systems, infrastructure, and customer service capabilities at reasonable cost while maintaining site stability and performance and adding new products and features.

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

RE-ENGINEERING RETAIL

eCommerce is transforming business world over. However, its India story is a bit different. India is the second most populous country in the world and still eCommerce (non-travel) has touched ONLY just 3%~4% of our total population. India just doesn't adopt technologies and processes the way they operate elsewhere around the world. Few inherent reasons like reach, education (know-how), trust etc. keep it away from the last mile.

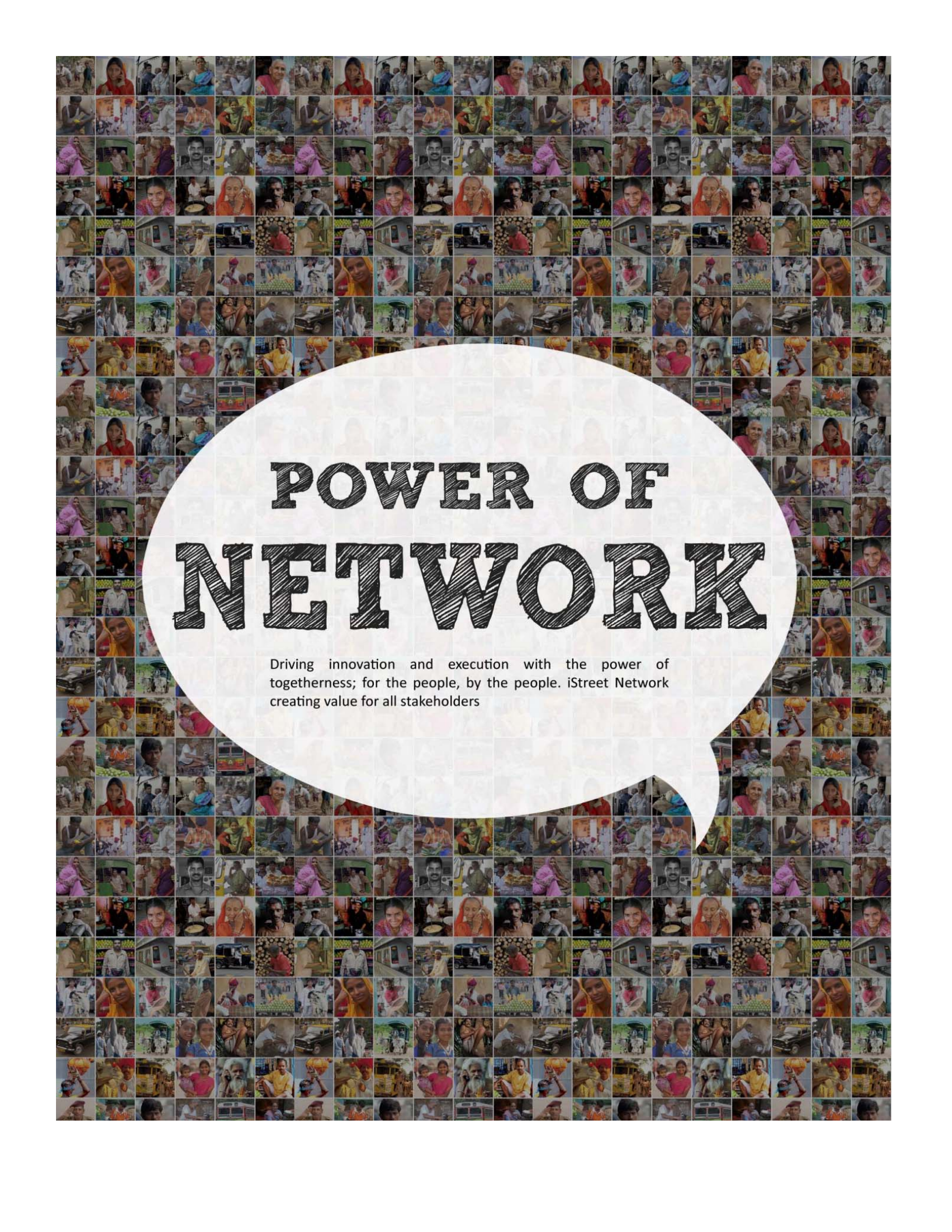
It prompted us to innovate and adapt eCommerce process for India. We have evolved iStreet Bazaar, a Network of Internet Retail Stores that delivers benefits of technology to *common people of India*. In the smallest town, common people can get access to huge product choice at the best price with great experience at iStreet Bazaar Stores.





EMPOWERING

Empowering Mom & Pop Stores in India – iStreet Bazaar making them ready for the next big change in retail – The Internet Retail. *Zero Risk, Zero Investment business opportunity by iStreet Bazaar*



POWER OF NETWORK

Driving innovation and execution with the power of
togetherness; for the people, by the people. iStreet Network
creating value for all stakeholders



Lakshya Malu
iStreet Bazaar
Co-Founder

Make in India and Distribution Infrastructure in Tandem

Make in India -- A phenomenal national program launched by our Prime Minister Modi has made India the top FDI destination in the world¹ in under 1.5 year. The program is designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property, infrastructure, and build best-in-world manufacturing ecosystem.

A program is a good program when it improves the lives of people of the society – be it a government program or a business proposition or a project of any NGO.

According to me, Make in India program has TWO major agenda – economic and social. Economic agenda has a focus on increasing GDP and enhancing employment opportunity. The social agenda, although subtle, is to unite India, instill a sense of pride. And this is the unique way to unite India. You are creating a 120cr people nation that is welcoming and saying come Make in India. You are creating millions of consumers who proudly say – we buy products ‘Made in India’. And that’s a culture shift that will happen as a byproduct of this program in next 10 years. Consumers in India will let go of the thought of rejecting a product by seeing the label ‘Made in India’ instead will be instilled with a sense of pride.

Make in India will definitely have a social impact across India and the world. Effects of the same that we are witnessing every day. The economic agenda of the program will be achieved as we keep investing on the framework of creating business opportunity. Be it the ease of business index or how our infrastructure can spur growth across several sectors. For example, Amul started with the intent to aggregate the producers. Amul started almost 60 years ago, and today has become a over Rs. 20,000cr (USD 3.4 bn) company². Amul focused on building an aggregation infrastructure of small farmers. Make in India is the starting step to creating an ecosystem that will create many more Amuls from India. Small but impact creators, farmers, small but innovative, small but world class, small but a Great Indian Brand flourishing under such an ecosystem.

Make in India products must reach to the people of India; they should reach to Bharat, But how? We have over 120cr population and the question is do they have access to the products of their choice? Let me twist the question. Do our small and medium sized Indian manufacturers have the ability or infrastructure for a go-to-market that can be reached to 120cr. people? Though, in the last couple of years, eCommerce has been creating a huge buzz the sector has been able to reach only 3% of the population of this country. 97% of the population still can’t benefit from such technological

infrastructure. Our 97% of the population can't consume such technologies.

Let me share an example of power of a good distribution network. When Apple launched its iPhone 5 it recorded preorders of over 20lac units. And when iPhone 6 was launched, it sold over 10 lacs units in the first weekend sale after launch³. Such kind of scale is possible only when it is backed by massive technology infrastructure, fulfilment and distribution capabilities.

A fundamentally competitive manufacturing sector needs a thriving ecosystem of distribution, access to leading technologies, efficient infrastructure and low cost capital. None of these measures are easy to implement but strong domestic demand and a committed government can make a big difference. Other than 'Make in India', initiatives such as 'Skill India', 'Start-up India', 'Digital India' are support pillars by government for manufacturing sector to thrive. Fusion of online and offline models, digital and physical infrastructure where each is leveraging of the benefits of the other can offer expedited growth and pave a path for the future. Under the program – Make in India, as the world class manufacturing facilities are being set up, as the world class products are being manufactured, it is imperative to set up a world class infrastructure to take these incredible products available to Bharat as well. Combination of technology and physical infrastructure can become a winning combination.

The common people of India will be benefited by saving more money and therefore, can live better lives. We need to create an infrastructure where products of these manufacturers can reach in the shortest possible time to a huge Indian consumer audience and large Indian consumer base have access to these Indian manufactured products on a regular basis. If a huge distribution and marketing infrastructure is provided to these manufactures, there is no doubt in these ventures becoming successful. There has never been a better time to Make in India.

--Lakshya Malu

1 "India pips US, China as No. 1 foreign direct investment destination -- The Times of India". Timesofindia.indiatimes.com, Times News Network, Sep 30, 2015

2 http://www.business-standard.com/article/companies/amul--turnover--grows--14--to--cross--rs--20k--cr--in--fy15--15051400858_1.html

3 https://en.wikipedia.org/wiki/IPhone_5 http://www.nytimes.com/2015/09/29/technology/personaltech/apple--iphone--6s--breaks--first--weekend--sales--record.html?_r=0

Founders & Promoters:

Pradeep Malu, Founder
Lakshya Malu, Co-Founder

Board of Directors:

	DIN
Naval Choudhary <i>Independent Director</i>	00192164
Neeraj Gupta <i>Independent Director</i>	05327106
Sanjeev Chhajed <i>Independent Director</i>	02849462
Meethu Malu <i>Non Executive Director</i>	07074018
Pradeep Malu <i>Managing Director</i>	00001959

Company Secretary & Compliance Officer:

Ruchi Seksaria- (up to 30.04.2016)

Dipankar Basu- (from 30.04.2016)

Statutory Auditors:

Jhawar Mantri & Associates
Chartered Accountants

Secretarial Auditors:

M/s Dilip Bharadiya & Associates
Company Secretaries

Internal Auditors:

RRDL & Associates
Chartered Accountants

Banker:

HDFC Bank Ltd.

Registered Office:

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

29TH ANNUAL GENERAL MEETING

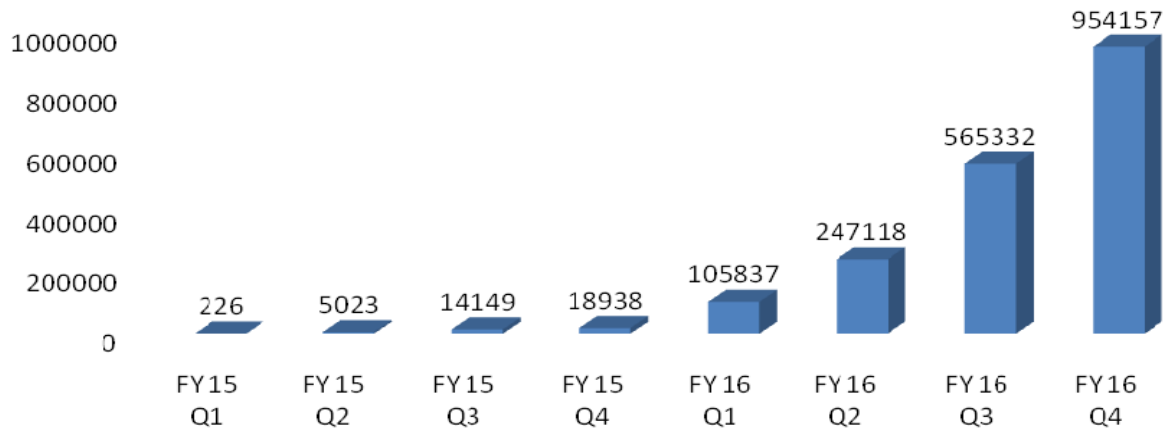
On Tuesday, September 20, 2016 at 11 am

Venue:

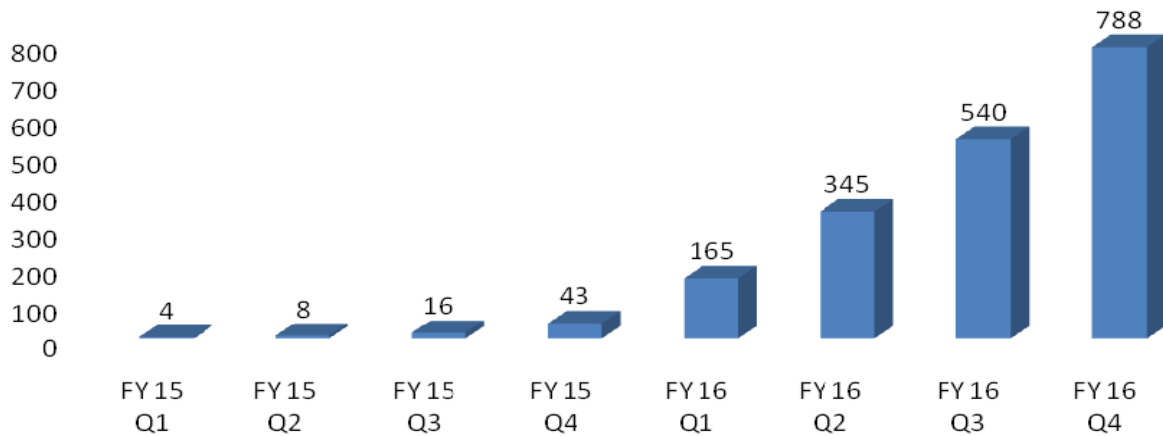
OnToes One-up Banquets, 1st floor, Palm Spring, Link Road, Malad West, Mumbai – 400064

Key Trends

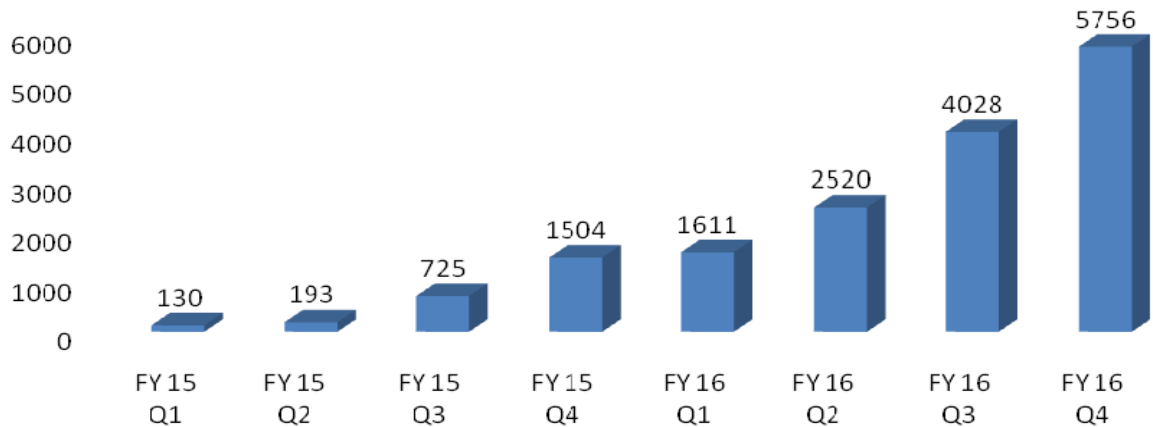
Transactions



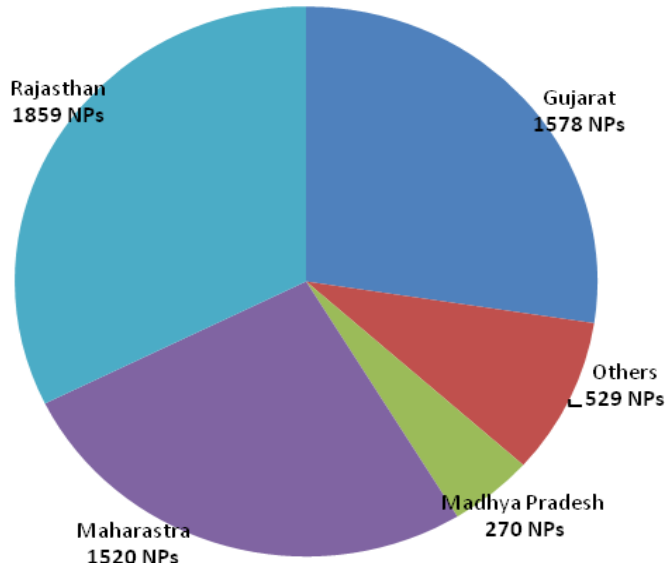
Sales (In Lacs)



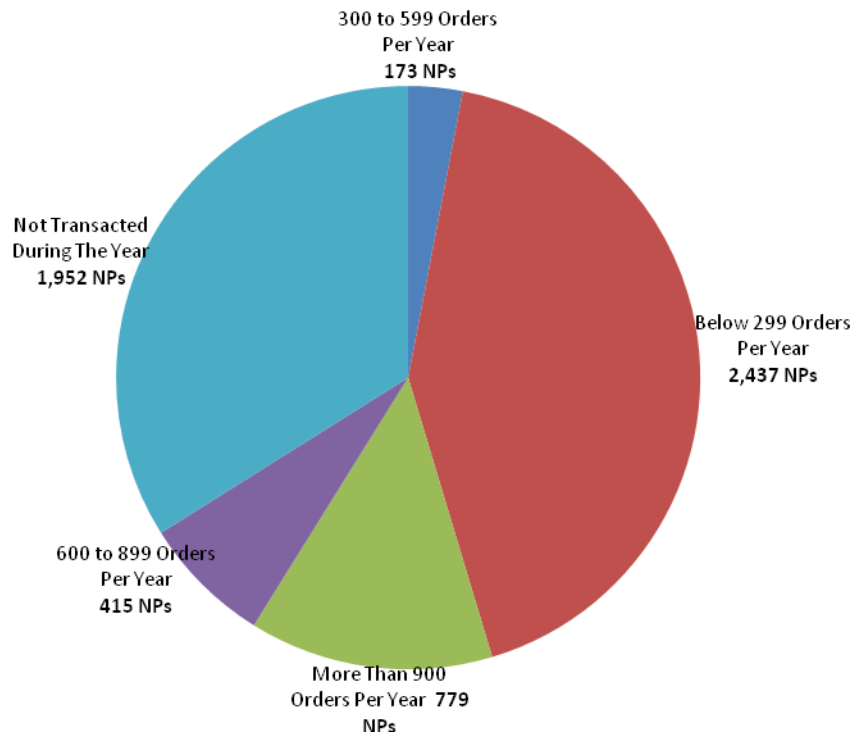
Network Partners



Geographical Network Partners Spread



Network Partner Business Matrix



NOTICE

NOTICE is hereby given that the 29th Annual General Meeting of iStreet Network Limited will be held on Tuesday, September 20, 2016 at On Toes One-up Banquets, 1st floor, Palm Spring, Link Road, Malad West, Mumbai – 400064 at 11am to transact the following businesses:

ORDINARY BUSINESS:

Item No. 1:- Adoption of Financial Statements

- a. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2016 together with the Reports of the Board of Directors and the Auditors thereon; and
- b. To receive, consider and adopt the Consolidated Financial Statements of the Company for the financial year ended March 31, 2016, together with the Report of the Auditors thereon.

Item No. 2:- To Appoint Ms. Meethu Malu (DIN: 07074018) who retires by rotation and being eligible, offers herself for re-appointment

Item No. 3:- Ratification of Appointment of Auditors

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

“RESOLVED that pursuant to provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s Jhavar Mantri & Associates, Chartered Accountants (Firm Registration No.113221W) as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM to be held in the year 2017 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

Item No. 4:- Approval to implement Employee Stock Option Scheme, 2016 and Grant of Employee Stock Options to the Employees of the Company there under:-

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time (hereinafter referred to as **“SEBI SBEB Regulations”**), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the **“Board”** which term shall be deemed to include Nomination & Remuneration Committee that would discharge the obligations of Compensation Committee as prescribed under the SEBI SBEB Regulations, approval and consent of the Shareholders of the Company (**“Shareholders”**) be and is hereby accorded respectively to introduce and implement the iStreet Network Limited Employee Stock Option Scheme 2016 (hereinafter referred to as the (**“iSNL ESOP 2016”**)) and to the Board to create, offer and grant from time to time upto 25,00,000 (Twenty Five Lakhs) Employee Stock Options (**“ESOPs”**) to the eligible employees as defined under Regulation 2(1)(f) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as may be decided solely by the Board under the Scheme, exercisable into not more than 25,00,000 (Twenty Five Lakhs) fully paid-up equity shares in the Company of face value of Rs. 4/- (Rupees Four) each, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations as may be prevailing from time to time.”

“RESOLVED FURTHER THAT the Board be and is hereby further authorised to issue and allot equity shares upon exercise of ESOPs from time to time in accordance with the Scheme and such equity shares shall rank *pari passu* in all respects with the then existing equity shares of the Company.”

“RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organisation, and others, if any additional equity shares are required to be issued by the Company to the Shareholders (“Additional Shares”), the ceiling as aforesaid of 25,00,000 (Twenty Five Lakhs) ESOPs and equity shares respectively to be issued and allotted shall be deemed to increase in proportion of such Additional Shares issued to facilitate making a fair and reasonable adjustment.”

“RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 4/- (Rupees Four) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees.”

“RESOLVED FURTHER THAT the Board be and is hereby also authorized at any time to modify, change, vary, alter, amend, suspend or terminate the iSNL ESOP 2016 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Shareholders and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the iSNL ESOP 2016 and do all other things incidental and ancillary thereof.”

“RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the iSNL ESOP 2016.”

“RESOLVED FURTHER THAT the Board be and is hereby also authorized to take necessary steps for listing of the equity shares allotted under the iSNL ESOP 2016 on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the concerned Stock Exchanges and other applicable laws, guidelines, rules and regulations.”

“RESOLVED FURTHER THAT the Board be and is hereby further authorized to do all such acts, deeds and things, as it may in its absolute discretion, deem necessary including appointing Merchant Bankers, Compliance Officer, Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of iSNL ESOP 2016 as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard.

“RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution.”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified.”

Item No. 5:- Grant of Employee Stock Options to the Employees of the Subsidiary Company(ies) or Associate Company(ies) or Holding Company of the Company under iSNL Employee Stock Option Scheme 2016

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 as amended from time to time (hereinafter referred to as “**SEBI SBEB Regulations**”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be accepted by the Board of Directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to

include Nomination & Remuneration Committee that would discharge the obligations of Compensation Committee as prescribed under the SEBI SBEB Regulations, approval and consent of the Shareholders of the Company ("**Shareholders**") be and is hereby accorded to create, offer and grant from time to time 25,00,000 (Twenty Five Lakhs) Employee Stock Options ("**ESOPs**"), within the overall ceiling of 25,00,000 (Twenty Five Lakhs) equity shares as specified in a separate Resolution to be approved by the Shareholders of the Company through Notice of the Annual General Meeting dated September 20, 2016, to the eligible employees as defined under Regulation 2(1)(f) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 including employees of any existing and future subsidiary company(ies) or associate company(ies) or holding Company of the Company whether in or outside India (hereinafter referred to as an "**Employee(s)**"), as may be decided solely by the Board under the 'iStreet Network Limited Employee Stock Option Scheme 2016' (hereinafter referred to as the "**ESOP 2016**"), exercisable into not more than 25,00,000 (Twenty Five Lakhs) fully paid-up equity shares in the Company in aggregate of face value of Rs. 4/- (Rupees Four) each, at such price or prices, in one or more tranches and on such terms and conditions, as may be determined by the Board in accordance with the provisions of the Plan, SEBI SBEB Regulations and in due compliance with other applicable laws and regulations as may be prevailing from time to time.

"RESOLVED FURTHER THAT the Board for this purpose be and is hereby further authorised to issue and allot equity shares upon exercise of ESOPs from time to time in accordance with the Plan and such equity shares shall rank *pari passu* in all respects with the then existing equity shares of the Company."

"RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and/or sale of division/undertaking or other re-organisation, and others, if any additional equity shares are required to be issued by the Company to the Shareholders ("**Additional Shares**"), the ceiling as aforesaid of 25,00,000 (Twenty Five Lakhs) ESOPs and equity shares respectively to be issued and allotted shall be deemed to increase in proportion of such Additional Shares issued to facilitate making a fair and reasonable adjustment."

"RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Plan shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of Rs. 4/- (Rupees Four) per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees."

"RESOLVED FURTHER THAT the Board be and is hereby also authorized at any time to modify, change, vary, alter, amend, suspend or terminate the **iSNL ESOP 2016** subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Shareholders and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the **iSNL ESOP 2016** and do all other things incidental and ancillary thereof."

"RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the **iSNL ESOP 2016**."

"RESOLVED FURTHER THAT the Board be and is hereby also authorized to take necessary steps for listing of the equity shares allotted under the **iSNL ESOP 2016** on the Stock Exchanges, where the equity shares of the Company are listed as per the provisions of the Listing Agreement with the concerned Stock Exchanges and other applicable laws, guidelines, rules and regulations."

"RESOLVED FURTHER THAT the Board be and is hereby further authorized to do all such acts, deeds and things, as may it may in its absolute discretion, deem necessary including appointment of Merchant Bankers, Compliance Officer, Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of **iSNL ESOP 2016** as also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals as also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

"RESOLVED FURTHER THAT the Board be and is hereby also authorised to nominate and appoint one or more persons to represent the Company for carrying out any or all of the activities that the Board is authorised to do for the purpose of giving effect to this resolution."

“RESOLVED FURTHER THAT all actions taken by the Board in connection with the above and all incidental and ancillary things done are hereby specifically approved and ratified.”

Item No. 6:- Grant of Options to issue securities equal to or exceeding one per cent of the issued Capital of the Company during any one financial year to identified employees under iSNL Employee Stock Option Scheme 2016:

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

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 , the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval and consent be and is hereby accorded respectively to the ‘iSNL Employee Stock Option Scheme 2016’ (hereinafter referred to as the “iSNL ESOP 2016”/ “Scheme”) and to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include Nomination & Remuneration Committee that would discharge the obligations of Compensation Committee as prescribed under the SEBI SBEB Regulations, approval, for Grant of option to identified employees, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of Grant of option in one or more tranches, within the overall ceiling of 25,00,000 (Twenty Five Lakhs) ESOPs on such terms and in such manner in the ‘iStreet Network Limited Employee Stock Option Scheme 2016’ (hereinafter referred to as the “iSNL ESOP 2016”/ “Scheme”).

Item No. 7:- To approve the limit of transactions with related parties

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

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013, Regulation 23 of SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015, 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 iStreet Bazaar Private Limited, Inovent Jewels Private Limited and Last Mile Services Private Limited, Related Parties under Section 2(76) of the Companies Act, 2013 and Regulation 2(zb) of SEBI(Listing Obligations and Disclosure Requirements) Regulations,2015 related to transfer or receipt of products, goods, materials or services for an estimated amount upto Rs. 300 crores (Rupees Three Hundred Crores only) with each party on such terms and conditions as may be approved by the Board of Directors of the Company.”

“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, Inovent Jewels Private Limited and Last Mile Services 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.”

Place: Mumbai
Date : August 17, 2016

By Order of the Board of Directors
For iStreet Network Limited

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

Dipankar Basu
Company Secretary

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote on poll instead of himself/herself such a proxy/ proxies need not be a member of the company.
2. The Register of Members and Share Transfer Books of the Company will remain closed from September 13, 2016 to September 20, 2016 (both days inclusive).
3. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act,2013 (“Act”) setting out material facts concerning the business under Item Nos. 4,5,6 and 7 of the Notice , is annexed hereto. The relevant details as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 (“SEBI Listing Regulations”), of the person seeking re-appointment as Director under Item No 2 of the Notice, are also annexed.
4. Pursuant to the provisions of Section 105 of the Companies Act,2013 a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
5. Corporate members intending to send their authorized representatives to attend the meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
6. The instrument appointing a proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the Companies, societies etc, must be supported by an appropriate resolution/authority, as applicable.
7. Members are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, members are requested to bring their folio number /demat account number/DP-ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.
8. Members may note that the Notice of 29th Annual General Meeting, Annual Report, Attendance Slip, Proxy Form and e-voting instructions are also available on the Company’s website i.e www.istreetnetwork.com. The physical copies of the documents will also be available for inspection at the Company’s registered office for inspection during normal business hours on working days.
9. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
10. Only bonafide members of the Company whose name appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves the right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.
11. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by members at the meeting.
12. Members holding shares in Electronic (Demat) Form are advised to inform the particulars of their bank account, change of address and Email ids to their respective Depository Participants only. The Company or its Registrar and Transfer Agents i.e Adroit Corporate Services Pvt. Ltd cannot act on request received directly from the members holding shares in demat mode for changes in any bank mandate or other particulars etc., and such instructions shall be given directly to the Depository Participants by the members.
13. Members holding shares in Physical Form are advised to inform the particulars of their bank account , change of address and email ids to Adroit Corporate Services Pvt. Ltd. 19/20 Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai 400 059

14. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you communications including annual report, notices, etc in electronic mode.
15. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014 and Regulation 36 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, companies can serve Annual Reports and other communications through electronic mode to those members who have registered their e-mail address with the Company or with the Depository.
16. Copies of Notice and Annual report are being sent by electronic mode to those members whose email ids are registered with our R&T agents, unless members have requested for physical copy specifically. For members whose e-mail ids are not available, physical copy has been sent by permitted mode.
17. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by National Securities Depository Limited. The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM through ballot paper. Members who cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The complete instructions on e-voting facility provided by the Company are annexed to this Notice, explaining the process of e-voting with necessary user id and password along with the procedure for such e-voting.
18. The Company has fixed the cut-off date i.e September 13, 2016 and facility for remote e-voting shall remain open for a period of 3 days from September 16, 2016(9.00 a.m.) to September 19, 2016(5.00 p.m.) (both days inclusive).
19. Company has appointed M/s Dilip Bharadiya, Practicing Company Secretary (FCS 7956) as the Scrutinizer for carrying out the e-voting and voting by poll at the Annual General Meeting.
20. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 6.00 p.m) on all working days up to and including the date of the Annual General Meeting.
21. Additional information, pursuant to Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, director seeking appointment/ re-appointment at the Annual General Meeting of the Company to be held on September 20, 2016 is furnished as annexure to this Notice. The Directors have furnished consent/declarations for their appointment/reappointment as required under Companies Act, 2013 and rules made there under.
22. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents, Adroit Corporate Services Pvt. Ltd. 19/20 Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai 400 059.
23. Members seeking any information with regard to accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.
24. The instructions for e-voting are as under:
 - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participant(s)]:
 - (i) Open the email and also 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) If you are already registered with NSDL for e-voting, then you can use your existing user ID and password for casting your vote

- (v) If you are logging in for the first time , please enter the User ID and password provided in the PDF file attached with the e-mail as initial password. The Password change menu appears on your screen. Change the password 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” (E voting Event Number) 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 dilip@csdilip.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 and PASSWORD
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- C. Other Instructions:
- (i) The e-voting period commences on September 16, 2016 (9:00 am IST) and ends on September 19, 2016 (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 September 13, 2016, may cast their vote by e-voting. The 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.
 - (ii) 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.
 - (iii) 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. 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 Meeting through electronic voting system or poll paper.
 - (iv) 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, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. 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.
 - (v) Mr Dilip Bharadiya, Practicing Company Secretary (FCS 7956) has been appointed 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. The Scrutinizer shall after the conclusion of voting at the AGM, 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 favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same.
 - (vi) 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 www.evoting.nsdl.com 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. 4, 5 & 6

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based compensation scheme/ plan. Your Company believes in rewarding its employees including Directors of the Company as well as that of the Subsidiary Company(ies) or Associate Company(ies) or Holding Company for their continuous hard work, dedication and support, which has led the Company and the Subsidiary Company(ies) on the growth path. The Company intends to implement iStreet Network Limited Employee Stock Option Scheme 2016 ("**iSNL ESOP 2016**") with a view to attract and retain key talents working with the Company and its Subsidiary, Associate or Holding Company(ies) by way of rewarding their performance and motivate them to contribute to the overall corporate growth and profitability.

The Company seeks approval of the Shareholders in respect of **iSNL ESOP 2016** and for grant of Stock Options to the eligible employees / Directors of the Company, that of its Subsidiary Company(ies) or associate company(ies) or holding Company as may decided by the Nomination and Remuneration Committee ("**Committee**") from time to time in due compliance with Companies, Act, 2013 (including rules framed thereunder), SEBI SBEB Regulations and other applicable laws and regulations.

Further, the Company may identify certain employee/s to whom it may be necessary to grant option exceeding one per cent in one year to ensure continuity of their service with the Company. The resolution as set out in Item No. 6 provides that the Company may grant option equal to or exceeding one per cent in one year to identified eligible employee/s or director/s of the Company

The Board of Directors recommend the passing of the resolution 4,5 and 6 appended to this notice as special resolution by the Shareholders of the Company.

The main features of the **iSNL ESOP 2016** are as under:

1 Total number of options to be granted:

25,00,000 (Twenty Five Lakhs) Options would be available for grant to the eligible employees of the Company and eligible employees of the Subsidiary Company(ies) or associate company(ies) or holding Company in aggregate under **iSNL ESOP 2016**, in one or more tranches exercisable into not exceeding 25,00,000 (Twenty Five Lakh) equity shares in aggregate in the Company of face value of Rs. 4/- each fully paid-up

Vested Options lapsed due to non-exercise and/or unvested Options that get cancelled due to resignation/ termination/not meeting the performance condition by the employees or otherwise, would be available for being re-granted at a future date. The Board is authorized to re-grant such lapsed / cancelled options as per the provisions of **iSNL ESOP 2016**

The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, and others, a fair and reasonable adjustment needs to be made to the Options granted. Accordingly, if any additional equity shares are required to be issued pursuant to any corporate action, the above ceiling of Options or equity shares shall be deemed to increase in proportion of such additional equity shares issued subject to compliance of the SEBI SBEB Regulations.

2. Identification of classes of employees entitled to participate in iSNL ESOP 2016

Following class/classes of employees are entitled to participate in **iSNL ESOP 2016**:

- (i) Permanent employees of the Company working with the Company or on deputation with any other company in India or out of India;
- (ii) Directors of the Company; and
- (iii) Permanent employees and Directors of the Subsidiary Company(ies) in India or outside India or associate company(ies) or holding Company working with respective company or on deputation with any other company.

Following class/classes of employees are not eligible:

- (i) an employee who is a Promoter or belongs to the Promoter Group;
- (ii) a Director who either by himself or through his relatives or through anybody corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and
- (iii) an Independent Director within the meaning of the Companies Act, 2013.

The Committee may, at its discretion, lay down certain performance metrics on the achievement of which such Options would be granted.

3. Transferability of Employee Stock Options:

The Options granted to an employee shall not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of the Option grantee, the right to exercise all the Options granted to him till such date shall be transferred to his legal heirs or nominees within the period as may be prescribed under iSNL ESOP 2016.

4. Requirements of vesting and period of vesting:

The Options granted shall vest so long as an employee continues to be in the employment of the Company or the Subsidiary Company or associate company or holding Company as the case may be. The Committee may, at its discretion, lay down the detailed terms and conditions relating to vesting, and the proportion in which Options granted would vest subject to the minimum vesting period of 1 year.

In the event that an employee who has been granted benefits under a scheme is transferred or deputed to an associate company prior to vesting or exercise, the vesting and exercise as per the terms of grant shall continue in case of such transferred or deputed employee even after transfer or deputation.

5. Maximum period within which the Options shall be vested:

Options granted under iSNL ESOP 2016 would vest within a maximum period of 3 years from the date of grant of such Options subject to Regulation 18(1) and 24(1) of the SEBI SBEB Regulations.

6. Exercise price or pricing formula:

The exercise price per Option shall not be less than face value of equity share and shall not exceed market price of the equity share of the Company as on date of grant of Option which may be decided by the Committee. Market price in this context refers to the meaning assigned to it under the SEBI SBEB Regulations.

7. Exercise period and the process of Exercise:

The vested Options shall be allowed for exercise on and from the date of vesting. The vested Options need to be exercised within a maximum period of 3 years from the date of vesting of such Options.

The vested Option shall be exercisable by the employees by a written application to the Company expressing his/ her desire to exercise such Options in such manner and on such format as may be prescribed by the Committee from time to time. The Options shall lapse if not exercised within the specified exercise period.

8. Lock in :

The Compensation Committee may specify any lock-in period for shares arising of ESOP for any particular or all employees at the time of grant of such options.

9. Appraisal process for determining the eligibility of employees under iSNL ESOP 2016:

The appraisal process for determining the eligibility of the employees will be decided by the Committee from time to time. The employees would be granted Options under the iSNL ESOP 2016 based on various parameters such as performance rating, period of service, rank or designation and such other parameters as may be decided by the Committee from time to time.

10. Maximum number of Options to be issued per employee and in aggregate:

The number of Options that may be granted to any specific employee of the Company or of its Subsidiary Company or associate company (ies) or holding Company under the Plan, in any financial year and in aggregate under the iSNL ESOP 2016 may exceed 1% of the issued Equity Share Capital (excluding outstanding warrants and conversions) of the Company subject to maximum of 25,00,000 Equity Shares in aggregate.

In the event, the Special Resolution as proposed under item no.7 is not approved by the members, the number of Options that may be granted to any specific employee under the scheme shall not exceed such options equivalent to 1% of the Issued Share Capital of the Company in one financial year.

11. Accounting and Disclosure Policies:

The Company shall follow the requirements as stipulated under Regulation 15 of the SEBI SBEB Regulations, including compliance with 'Guidance Note on Accounting for Employee Share-based Payments' and/or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India from time to time, including the disclosure requirements prescribed therein.

12. Method of Option Valuation:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Option granted. The difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the Options and the impact of this difference on profits and on EPS of the company shall also be disclosed in the Directors' Report.

13. Primary Route:

The Board shall issue shares upon exercise by way of primary issue and subject however to adherence with applicable laws and regulations as prevailing and in force from time to time.

14. Implementation of scheme :

The scheme will be implemented and administered directly by the Company. In terms of provisions of Section 62(1) (b) and all other applicable provisions, if any, of the Companies Act, 2013 and in compliance of Reg. 6(1) and 6(3) of SEBI(SBEB) Regulations consent of the Shareholders is being sought by way of a Special Resolution(s) set out at Item No. 4, 5 and 6 of this Notice.

None of the Directors and/or Key Managerial Personnel of the Company and/or their relatives are in any way concerned in the aforesaid Special Resolution(s), except to the extent of their entitlements, if any, under the Scheme.

Item no.7

iStreet Bazaar Private Limited, Inovent Jewels Private Limited and Last Mile Services Private Limited are related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2 – (zb) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. iStreet Network Limited, iStreet Bazaar Private Limited, Last Mile Services Private Limited and Inovent Jewels Private Limited have common members.

In terms of Section 188 of the Companies Act, 2013 the contracts/arrangements/transactions by the Company with iStreet Bazaar Private Limited, Last Mile Services Private Limited and Inovent Jewels Private Limited relating to the following:-

- (i) Sale, purchase or supply of any goods or material,
- (ii) Selling or otherwise disposing of, or buying, property of any kind,
- (iii) Leasing of property of any kind
- (iv) Availing or rendering of services
- (v) Appointment of any agent for purchase or sale of goods, material, services or property
- (vi) Such related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company and
- (vii) 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 2014 and in terms of Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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, 2016.

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

(a) Name of Related Party	iStreet Bazaar Private Limited	Inovent Jewels Private Limited	Last Mile Services Private Limited
(b) Name of Director or Key Managerial Personnel who are related	Mr. Pradeep Malu, Managing Director and Mrs. Meenu Malu shareholder are related	Mr. Pradeep Malu, Managing Director and Mr. Lakshya Malu shareholder are related	Mr. Pradeep Malu, Managing Director and Mr. Lakshya Malu shareholder are related
(c) Nature of relationship	Director and/or Shareholder of iStreet Network Limited is also director and/or shareholders in iStreet Bazaar Private, thus within the meaning of 2(76) of the Companies Act, 2013, both are related parties.	Director and/or Shareholder of iStreet Network Limited are also directors and/or shareholders in Inovent Jewels Private, thus within the meaning of 2(76) of the Companies Act, 2013, both are related parties.	Director and/or Shareholder of iStreet Network Limited are also directors and/or shareholders in Last Mile Services Private, thus within the meaning of 2(76) of the Companies Act, 2013, both are related parties.
(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.	Any contract that falls under section 188 (1) (a) to 188 (1) (g) of the Companies Act, 2013.	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)	Estimated amount around Rs. 300 crores (Rupees Three Hundred Crores only)	Estimated amount around Rs. 300 crores (Rupees Three Hundred Crores only)
(f) Any other information relevant or important for the members to make a decision on proposed transaction:	NIL	NIL	NIL
(g) Extent of shareholding interest of Promoter, Director, KMPs of the Company in ISL	100% of the Shareholding of iStreet Bazaar Private Limited is held by promoter and promoter group of the Company	100% of the Shareholding of Inovent Jewels Private Limited is held by promoter and promoter group of the Company	100% of the Shareholding of Last Mile Services Private Limited is held by promoter and promoter group of the Company

*Note: Financial Statements of iStreet Bazaar Private Limited and Inovent Jewels Private Limited are audited. Last Mile Services Private Limited was incorporated on July 8, 2016.

In terms of Section 188 of the Companies Act, 2013 and Regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 Ordinary Resolution.

The Board of Directors therefore recommends the resolution as set out in item no. 7 of the Notice for approval of shareholders of the Company who are unrelated vis-a-vis the subject matter of contract by an Ordinary Resolution.

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

ADDITIONAL INFORMATION OF DIRECTOR RECOMMENDED FOR RE-APPOINTMENT AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:-

(In Pursuance of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

Details of the director seeking Re-appointment in the forthcoming Annual General Meeting

BRIEF RESUME OF DIRECTOR:

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, NYC, USA.

- (i) Date of Birth – 24/03/1986
- (ii) Date of Appointment – 31/03/2015
- (iii) DIN: 07074018
- (iv) Qualifications – Masters In Computer Science
- (v) Nature of expertise in specific functional areas – Computer Science
- (vi) Details of remuneration sought to be paid- Rs 2,500 sitting fees per Board meeting.
- (vii) Last drawn remuneration – Sitting fees Rs 2,500 drawn for one Board meeting attended by her.
- (viii) Shareholding as on March 31,2016 – 2,00,000
- (ix) Relationship with other Director / KMPs – She is related to Mr. Pradeep Malu, Promoter and Managing Director
- (x) Number of Board Meeting attended during the year – She has attended One Board Meeting during the year.
- (xi) Terms and conditions of appointment or reappointment – Non Executive Non Independent Director liable to retire by rotation.
- (xii) Membership/Chairmanship of Committees of other Boards – Nil
- (xiii) Other Directorships - Nil

By Order of the Board of Directors
For iStreet Network Limited

Date : August 17, 2016
Place: Mumbai

Dipankar Basu
Company Secretary

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

DIRECTORS' REPORT

To,
The Members,
iStreet Network Limited

Your Directors have pleasure in presenting the Twenty Ninth Annual Report together with the Audited Standalone and Consolidated Financial Statements of the Company for the year ended March 31, 2016.

1. FINANCIAL RESULTS:

Particulars	Standalone		*Consolidated
	Rs. in Lakhs		Rs. in Lakhs
	March 31,2016	March 31,2015	March 31,2016
Total Revenues	1,862.09	94.87	1,862.70
Total Expenditure	2,135.90	398.55	2,160.50
Earning before interest, tax, depreciation and amortization (EBITDA)	(273.81)	(303.68)	(297.80)
Other Income (Net)	-	-	-
Finance Cost	-	-	-
Depreciation and amortization expense	15.79	14.28	15.79
Profit/(Loss) before tax from operations	(289.60)	(317.96)	(313.59)
Profit from disposal of assets of discontinued operations	-	260.66	-
Profit/(Loss) before tax	(289.60)	(57.30)	(313.59)
Tax Expense	-	-	-
Net Profit /(Loss) for the year after tax	(289.60)	(57.30)	(313.59)

*There are no corresponding figures for March 31, 2015

The company launched Internet Retail Store concept in January, 2014 and named it as 'iStreet Bazaar', The Company has set up 5,756 such iStreet Bazaar Stores till 31st March 2016. More details about the concept and spread have been provided in this report in the section Management Discussion and Analysis Report. On standalone basis, Company's total revenues increased from Rs 94.87 Lakhs in FY 2014-15 to Rs. 1,862.09 Lakhs during the financial year, registering a growth of 1,862 %. Net Loss from operations is decreased from Rs. 317.96 Lakhs in FY 2014-15 to Rs. 289.60 Lakhs during the financial year 2015-16. On consolidated basis, total revenues were Rs. 1,862.70 Lakhs and Net Loss after tax was Rs. 313.59 Lakhs during the financial year.

During the year, in order to expand its business faster and raise resources / funds for this purpose, the Board of Directors in the meeting held on April 29,2015 decided to transfer company's business to a 100% subsidiary company and accordingly the Company acquired 100% Equity Shares of iStreet Bazaar Private Limited (iSBPL) (100% subsidiary). However, you (members) via Postal Ballot on October 1, 2015 rejected the proposal for transfer of the business to 100% subsidiary. As the proposal of transferring its business to 100% subsidiary didn't get approval from you, the business continued as usual in the company. Based upon your decision of non subsidiarisation of business, the Board of Director in the meeting held on May 28, 2016 had decided to dispose off its investment in 100% subsidiary - iSBPL. Accordingly, entire investment was disposed off on June 22, 2016 and iSBPL is no longer 100% subsidiary of the company with effect from June 22, 2016. However, iSBPL was 100% subsidiary company as on 31.03.2016, the financials has thus been consolidated.

2. DIVIDEND:

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

3. SHARE CAPITAL:

During the year, your Company has allotted 10,75,000 Equity Shares of Rs. 4 each against equal number of Equity warrants on receipt of full payment of Rs 20/- per share from the warrant holders. Consequently, the issued, subscribed and paid up capital has increased from Rs. 8,01,00,000 shares to Rs. 8,44,00,000 as on March 31, 2016. The money has been utilized for the purpose of which it was raised.

4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year as stipulated under Regulation 34(3) of the Listing Regulations is separately given hereinafter and forms part of this Annual Report.

5. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year Ms. Meethu Malu (DIN: 07074018), Woman Director (Non – Executive Non-Independent category) and Mr. Naval Choudhary (DIN: 00192164), Independent Director were regularized in the 28th AGM. In accordance with the provisions of Section 152 of the Companies Act, 2013 Ms. Meethu Malu, Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offers herself for re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

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

Remuneration and Nomination Policy: The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The details of this policy are explained in the Corporate Governance Report. 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 which is annexed to this report and forms a part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Independent Directors affirmation: The Company has received the necessary declaration from each Independent Director, in accordance with Section 149(7) of the Companies Act, 2013, that they met the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013.

Familiarisation Programmes for Independent Directors:

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

Key Managerial Personnel: During the year, Ms. Ruchi Seksaria resigned as Company Secretary of the Company w.e.f April 30, 2016. The Directors place on record their appreciation for the contribution made by her during her tenure. The Board at its Meeting held on April 30, 2016 has appointed Mr. Dipankar Basu as Company Secretary.

6. DIRECTORS RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls established and maintained by the Company, reviews performed by Management in concurrence with the Audit Committee, is of the opinion that the Company's internal financial controls were adequate and effective as on 31 March, 2016.

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.

7. WHISTLE BLOWER POLICY:

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

8. SUBSIDIARY DETAILS AND FINANCIAL PERFORMANCE:

During the year, in order to expand its business faster and raise resources / funds for this purpose, the Board of Directors in the meeting held on April 29, 2015 decided to transfer company's business to a 100% subsidiary company and accordingly the Company acquired 100% Equity Shares of iStreet Bazaar Private Limited (iSBPL) (100% subsidiary). However, members via Postal Ballot on October 1, 2015 rejected the proposal for transfer of the business to 100% subsidiary. As the proposal of transferring its business to 100% subsidiary didn't get approval from you, the business continued as usual in the company. Based upon your decision of non subsidiarisation of business, the Board of Director in the meeting held on May 28, 2016 had decided to dispose off its investment in 100% subsidiary - iSBPL. Accordingly, entire investment was disposed off on June 22, 2016 and iSBPL is no longer 100% subsidiary of the company with effect from June 22, 2016. However, iSBPL was 100% subsidiary company as on 31.03.2016, the financials has thus been consolidated. The Gross Revenue of the iSBPL for FY 15-16 stood at 0.61 Lakh and incurred a loss of Rs. 23.99 Lakhs.

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

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

10. INTERNAL FINANCIAL CONTROL SYSTEM:

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

The financial control system and framework is required to ensure:

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

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

The Statutory Auditors of the Company has audited the IFC over Financial Reporting and their Audit Report is annexed as Annexure - A to the Independent Auditors' Report under Consolidated Financial Statements and as Annexure- B to the Standalone Financial Statements.

11. RISK MANAGEMENT:

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks helps in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. Some of the identified risks are related to adoption of the new and innovative business concept by the consumers and retailers, capabilities of our network partners to deliver the desired experience to the customers, not able to raise resources and funds for reaching to a sustainable level of business etc.

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

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

13. RELATED PARTY TRANSACTIONS:

There was no related party transactions entered between the Company, Directors, management, or their relatives except for those disclosed in the financial statements and all such transactions were well within the approved / prescribed limits All the contracts/arrangements/transactions entered into by the Company with the related parties during the financial year 2015-16 were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material, requiring approval of the Board/ shareholders, in accordance with the policy of the Company on materiality of related party transactions. The policy on Related Party Transactions as approved by the Board is available on website of the Company at <http://istreetnetwork.com/wp-content/uploads/2013/08/Related-party-transaction-policy.pdf>. The details of related party disclosure form a part of the notes to the financial statements provided in the annual report.

As the company is expanding its business, it may be necessary to bring in or to deal / transact with related parties to utilize their respective strength and therefore, a fresh approval is being sought from you in the forthcoming Annual General Meeting (For details, please refer to the Notice of 29th Annual General Meeting available here).

14. PUBLIC DEPOSITS:

During the year, your Company has not accepted any deposits under Section 73 of the Act, and as such, no amount on account of principal or interest on public deposits was outstanding as of March 31, 2016.

15. MATERIAL ORDERS PASSED BY THE REGULATORY AUTHORITIES OR COURT:

There are no significant material order passed by the regulators/courts which can impact the going concern status of the Company and its future operations.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

17. CONSOLIDATED FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company are prepared in accordance with relevant Accounting Standards viz. AS-21, AS-23 and AS-27 issued by the Institute of Chartered Accountants of India and forms an integral part of this Report. Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures is given in Form AOC-1 and forms an integral part of this Report **Annexure 2**.

18. COMMITTEES OF THE BOARD:

The Board of Directors has the following Committees:

- (i) Audit Committee
- (ii) Remuneration and Nomination Committee
- (iii) Stakeholders' Relationship Committee

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

19. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, are annexed as **Annexure - 3** and form an integral part of this Report.

20. 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 2016-17.

21. CORPORATE GOVERNANCE:

The adherence to the corporate governance practices by the Company not only justifies the legal obedience of the laws but dwells deeper conforming to the ethical leadership and stability. It is the sense of good governance that our leaders portray, which trickles down to the wider management and is further maintained across the entire functioning of the Company. The Company is committed to maintain the highest standards of corporate governance and adheres to the corporate governance requirements set out by SEBI. The report on Corporate Governance for the financial year ended March 31, 2016, as per regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of this Annual Report. The requisite Certificate from the Statutory Auditors of the Company confirming compliance with the conditions of Corporate Governance annexed herewith as “**Annexure – 4**”

22. CERTIFICATION:

The CEO and CFO certification on the financial statement is annexed hereto as “**Annexure- 5**”

23. 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**” and forms an integral part of this Report.

24. 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 through open source. Technology is more towards building ecommerce platform (front end) and back end process. |
| | (ii) Expenditure on R&D | : We continuously innovate our business processes to improve user experience and bring in ease of operation, automation, cost effectiveness and higher productivity. However, though such expenditure are incurred on regular basis but not identified as R&D expenses hence considered as NIL (Previous year Nil) |
| (c) | <u>Foreign exchange earnings and outgo</u> | |
| | (i) Foreign exchange earnings | : Nil (Previous year Nil) |
| | (ii) Foreign exchange outgo | : Rs. 4,60,628 (Previous year Rs. 2,40,415) |

25. GREEN INITIATIVES:

Electronic copies of the Annual Report 2015-16 and Notice of the 29th Annual are sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email address, physical copies are sent in the permitted mode.

26. STATUTORY AUDITORS:

At the AGM held on September 23, 2015, the Members approved the appointment of M/s. Jhavar Mantri & Associates, Chartered Accountants, bearing Firm Registration No. 113221W as statutory auditors for a period of two years commencing from the Twenty-Eighth AGM till the conclusion of the Thirtieth AGM subject to ratification by members every year. As recommended by the Audit Committee the Board has proposed the ratification of appointment of M/s. Jhavar Mantri & Associates Chartered Accountants, bearing Firm Registration No. 113221W as statutory auditors for the Financial Year 2016-17. Their appointment is accordingly proposed in the Notice of the forthcoming AGM vide item No.3 for ratification by Members.

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

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

28. 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.

29. ACKNOWLEDGEMENTS:

We thank our network partners, customers, vendors, service providers, 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 support and believing in us and in themselves that they were 'game changers'.

30. CAUTIONARY STATEMENT:

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

For and on Behalf of Board of Directors

Date : August 17, 2016
Place : Mumbai

Pradeep Malu
Managing Director
DIN: 00001959

Sanjeev Chhajer
Director
DIN:02849462

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company Business Model & the Industry:

Indian Retail Industry is over US\$500 billion and has dominance of Mom & Pop stores. These Mom & Pop stores have limited space, limited capital and low risk appetite but collectively, they have extensive reach. These over 1.40 crore Mom & Pop stores cover almost over 90% of retail industry in India. There are still issues with these Mom & Pop stores like best price and assortment / choice of products. In last few years, eCommerce has been able to provide solution in a very limited way. eCommerce is transforming business world over. However, it's India story is a bit different. India is the second most populous country in the world and still eCommerce (non-travel) has touched a very few selected population. India just doesn't adopt technologies and processes the way they operate elsewhere around the world. Few inherent reasons like internet reach, education (know-how), trust etc. keep it away from the last mile.

It prompted us to innovate and adapt eCommerce process for India and after huge number of pilot runs, we innovated a concept of **Internet Retailing**. We started creating a Network of Internet Retail Stores across India. These Internet Retail Stores of the Company are known as 'iStreet Bazaar'. Till 31st March, 2016, we have created 5,756 such iStreet Bazaar Stores, largely across Western India. iStreet Bazaar is the first Internet Retail Store chain in India. These stores take the benefit of eCommerce to smaller towns and villages and even to the common people of Metro cities. It gives the common man the benefits, comfort and joy of shopping through the Internet. iStreet Bazaar through its world class platform and network 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. 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 and benefit at an iStreet Bazaar Store.

Indian Retail industry is run by Mom & Pop Stores. They have limited retail space, limited capital and always look for a low risk business. The business model of the Company offers the opportunity to these small Mom & Pop retailers of setting up an iStreet Bazaar store in their neighborhood area. The biggest advantage of the opportunity in setting up an iStreet Bazaar Stores is that the Stores wouldn't have to carry any actual inventory. This makes their retail business almost risk free with no worries of unsold stock or requirement of high working capitals. It also eliminates iStreet Bazaar store-owners from being restricted to one, two or three product categories. The iStreet Bazaar Stores will have thousands of products available across several categories.

The company is in the process of building a Network of Lakhs of Mom & Pop Retail stores – iStreet Bazaar Stores across India in next couple of years who can be accessed by any one (common people of India) anywhere and buy products and services ONLINE. The company is Re-Engineering Retail by building Network of Internet Retail Stores.

Discussion on Financial Position Relating to Operational Performance:

Particulars	FY 2015-16 (Rs. in Lakhs.)	FY 2014-15 (Rs. in Lakhs.)	Change (Rs. in Lakhs.)	Remarks
Share Capital	801.00	844.00	43.00	Allotted 10,75,000 Equity Shares of Rs.4 each against equal number of Equity Warrants on receipt of full payment
Reserves & Surplus				
(i) Securities Premium Account	196.00	24.00	172.00	Allotted 10,75,000 equity shares at a premium of Rs. 16/- on each shares upon converting Equity Warrants
(ii) Profit and Loss	676.72	387.12	289.60	Current year's Loss. All the expenses related to creating Network of iStreet Bazaar and Marketing have been charged to Profit & Loss Account as the present Accounting Standards do not recognize such assets

Trade Payables	10.17	14.35	(4.18)	Minor change
Other Current Liabilities	84.12	75.63	8.49	Minor Change
Fixed Assets (At Gross Value)				
Tangible Assets	6.72	7.81	(1.09)	Minor purchases
Intangible Assets	34.43	41.34	(6.91)	Minor creation
Non-Current Investments	1.66	0.66	1.00	Acquired 100% equity of iStreet Bazaar Private Limited during the year for Rs. 1 Lakh to make it 100% subsidiary company.
Long-Term Loans and Advances	14.05	28.45	(14.40)	Security Deposits
Current Investments	-	100.85	(100.85)	Investment liquidated during the year
Trade Receivables	0.56	1.93	(1.37)	Minor change
Cash and Cash Equivalents	3.50	19.83	(16.33)	-
Short-Term Loans and Advances	188.71	165.43	23.28	Short term Advances
Other Current Assets	179.40	196.03	(16.63)	Advances of trade nature

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

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

Particulars	Q1-FY16	Q2-FY16	Q3-FY16	Q4-FY16
No .of Transactions in the Quarter	1,05,837	2,47,118	5,65,332	9,54,157
Sale Value (Rs. Lakhs) in the Quarter	1,65,04,305	3,45,44,151	5,39,68,190	7,87,79,239
Cumulative number of Network Partners at the end of Quarter	1,611	2,520	4,028	5,756

Particulars	FY 2015-16 (Rs. in Lakhs.)	FY 2014-15 (Rs. in Lakhs.)	Change (Rs. in Lakhs.)	Remarks
Revenue from Operations	1,837.96	71.75	1766.21	Registered 2,461% growth
Other Income	24.13	23.12	1.01	Interest and Profit on Sale of Investments. Minor change.
Gross Profit	73.70	4.06	69.64	Gross Margin marginally dropped in terms of percentage to Revenue, from 5.66% to 4.01%.
Employee Benefit Expense	105.20	72.97	32.23	New hiring
Depreciation & Amortization Expenses	15.79	14.28	1.51	Minor increase
Other Expenses	266.44	257.88	8.56	Marginal increase in expenses like Marketing etc however, good growth in Revenue achieved
Net Profit/(Loss)	289.60	317.95	(28.35)	Current year's Loss. All the expenses related to creating Network and Marketing have been charged to Profit & Loss Account as the present Accounting Standards do not recognize such assets

“iStreet Bazaar” Stores as on 31st March, 2016:

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 has setup 5756 iStreet Stores across the five States as on 31.03.2016.

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. We analyzed our Network Partner’s performance on the basis of no. of transactions they did in last financial year. Approx 66% Network Partners were active in the last financial year.

Supply Chain:

The Company has vendor selection & 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 continued to add large number of products in various categories like Home Appliances, Kitchen Utility, Accessories, FMCG etc. 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:

Presently, it takes 3 to 5 days to deliver the products by the company. The Company is taking steps in order to shorten the delivery period to give better experience to the buyers.

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 received balance money of Rs. 1.72 crore on conversion of 10,75,000 Equity Warrants in Equity Shares. The Company intends to raise Rs. 100 crores in immediate future. The Company plans to raise money through various routes like Preferential Issue, Venture funds, Private Equity etc. The funds are required for building technology, infrastructure, expanding operations.

Human Resources:

We value our employees and believe that success is a result of the cumulative contribution of all our employees. The Human Resource Development (HRD) function, continuously strives to emphasize creation of a conducive work environment. On the Statutory front, during the year, no case pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, was reported. The year also saw reinforcement of the already existing “Whistle Blower” policy in order to emphasize and encourage reporting of any wrongdoing or any unethical practices. The direct employees’ strength as on 31.03.2016 was 13.

Legal Compliances:

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

Internal controls:

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

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.

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 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 that 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, our online –offline fusion models, in partnership with Mom & Pops brings a tremendous opportunity to tap the untapped market.

Our top Focus would be on the following:

- Technological Advancements
- Convergence of Online and Off line Channels
- Delivery Experience
- Payments and Transactions
- Operational Framework
- Customer Acquisition

Challenges, Risk & Concern

External Challenges are:

- Product and Market Strategy
- Customer and Digital Experience
- Payments and Transactions
- Fulfillment

Internal challenges are:

- Organisation Scaling
- Tax and Regulatory Structuring
- Risk, Fraud and Cyber Security
- Compliance Framework

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 through Internet Retail Store
- Raising financial resources for the project
- Distribution & Fulfillment challenge in the remote areas
- Supply Chain

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. We have adopted a risk management framework to ensure early identification and management of various critical risks, which accrue to our business model.

Future Outlook

At iStreet, we believe we are well-positioned to capture market opportunities and to benefit from the expected growth from online retail. Online retailing today represents one of the fastest and the most dynamically growing segments. It is also the most challenging in accomplishing its fundamental proposition to deliver the entire gamut of products and services to the customer's doorstep. Logistics and infrastructure in an e-retailing business are the very backbone of the fulfillment network and the basis of winning a customers' loyalty. We believe our operational track record in successful delivery of projects, responsiveness, process innovation, turnaround times, and productivity will continue to strengthen our business and induce new growth opportunities. We remain positive on the business. Going forward we plan to have 1,26,000 Stores by March 2019.

CORPORATE GOVERNANCE REPORT

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

1. COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE

Effective corporate governance practices constitute the strong foundation on which successful Commercial enterprises are built to last. At iStreet Network Limited, (‘the Company’), the adherence to the corporate governance practices not only justifies the legal obedience of the laws but dwells deeper conforming to the ethical leadership and stability. It is the sense of good governance that our leaders portray, which trickles down to the wider management and is further maintained across the entire functioning of the Company. Your Company envisages the importance of building trust and integrity through transparent and accountable communication with the internal and external stakeholders as well as the customers of the Company. This involves keeping the stakeholders of the Company updated on a timely basis about the development, the plans and the performance of the Company with a view to establish the long term affiliations. The Company keeps itself abreast with the best governance practices on the global front, at the same time conforming to the recent amendments.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) the Company has executed fresh Listing Agreements with the Stock Exchanges. The Company is in compliance with the requirements stipulated under Clause 49 of the Listing Agreements and regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

2. BOARD OF DIRECTORS

The Board of Directors (‘the Board’) is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. The Board of your Company provides leadership and guidance to the Company’s management and directs, supervises and controls the performance of the Company. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

(a). Composition and category of Directors:

The Board is broad-based and consists of eminent individuals from industry, management, export and financial background. The Company is managed by the Board of Directors in coordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Board consists of five Directors as on 31st March 2016. The composition of the Board is in conformity with the listing agreement. The day-to-day management of the Company is carried on by Mr. Pradeep Malu Managing Director of the Company subject to the supervision and control of Board of Directors.

Name	Date of Appointment	Category of Director	Directorship in other Companies	No of Board Committees in which Member/ Chairman (excluding iStreet Network)
Pradeep Malu	26/06/1986	Managing Director	NIL	NIL
Neeraj Gupta	18/09/2014	Independent, Non-Executive	NIL	NIL
Sanjeev Chhajed	13/01/2005	Independent, Non-Executive	NIL	NIL
Naval Choudhary	20/05/2015	Independent, Non-Executive	5	2
Meethu Malu	31/03/2015	Non-Executive Non Independent Woman Director	NIL	NIL

Note:

- (i) As per regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, other directorships exclude directorship of private limited companies, foreign companies and companies under Section 8 of the Act. Chairmanships/Membership of Board Committees shall only include Audit Committee and Stakeholders Relationship Committee.
- (ii) None of the Directors on the Board hold membership of more than 10 committees nor any director is the Chairman of more than 5 committees across all companies where he/she holds directorships.

(b). Directors' Profile:

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

Naval Choudhary, Independent Director , 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 several companies including 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 is a Fellow Member of the Institute of Chartered Accountants of India. He has rich experience in Finance and Taxation. He is practicing in Mumbai and advises large number of mid size companies in various fields of business. He is associated with the Company as an Independent director for over ten years.

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 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.

(c). 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.

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

(d). Board evaluation

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

(e). Board Meetings and attendance at Board Meetings:

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director. This ensures timely and informed decisions by the Board. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting. The managing director appraises the Board on the overall performance of the Company at every Board meeting. Legal issues, write-offs, provisions, purchase and disposal of capital assets are all brought to the notice of the Board. In the Financial year 2015-16, the Board met ten times. The meetings were held on April 29, 2015, May 20, 2015, July 23,2015, August 17,2015, October 12,2015,October 18,2015, October 28,2015, December 10,2015, January 05,2016 and January 20, 2016. The Interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the SEBI Listing Regulation.

Sr. No.	Name of Directors	No. of Board meetings attended	Whether attended last AGM held on 23 rd September ,2015
1.	Mr. Pradeep Malu	10 out of 10	Yes
2.	Mr. Neeraj Gupta	8 out of 10	Yes
3.	Mr. Naval Choudhary *	7 out of 8	Yes
4.	Mr. Sanjeev Chhajed	6 out of 10	Yes
5.	Mr Kushal C Sacheti**	1 out of 10	No
6.	Ms. Meethu Malu	1 out of 10	No

*Mr. Naval Choudhary was appointed as director in Board meeting held on May 20, 2015.

**Mr. Kushal C Sacheti who was an Independent Director ceased to meet the independence criteria on 20.05.2015, as he acquired more than 2% of total voting rights on that date. Mr Kushal C Sacheti later resigned from the Board w.e.f 27.02.2016.

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

None of the directors are related to each other except Ms. Meethu Malu, Woman Director who is the daughter of Mr. Pradeep Malu, Managing Director.

(g) Shareholding of Non-Executive Directors:

Mr Kushal C Sacheti was an Non Executive Independent Director, however he ceased to meet the criteria of independence on 20.05.2015 as he acquired 7,50,000 i.e more than 2% of the voting rights on that date. He later resigned from the Board w.e.f 27.2.2016. As on March 31, 2016,Mr Naval Choudhary holds 500 shares and Ms. Meethu Malu holds 2,00,000 shares in the equity share capital of the Company.

(h) Independent Directors' Meetings:

The Independent Directors met on February 08, 2016 without the presence of Non- Independent Directors and members of the Management. At this meeting, the Independent Directors *inter-alia* evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company's Management and the Board.

(i) Code of Business Conduct & Ethics:

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team of the Company. The Board of Directors and the members of Senior Management Team are required to affirm annual Compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically, and with integrity, conduct themselves in professional, courteous and

respectful manner. The Code is displayed on the Company's website – <http://istreetnetwork.com/wp-content/uploads/2013/08/Code-of-Conduct.pdf>

(j) Conflict of Interests:

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

3. COMMITTEES OF THE BOARD

The iStreet Board have constituted various Committees to deal with specific areas and activities which concern the Company and requires a closer review. The Committees are formed with approval of the Board and function under their respective Charters. These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee meetings are placed before the Board for noting. The Board currently has the following Committees:

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee

A. AUDIT COMMITTEE

Composition:

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI Listing Regulation. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance. It functions in accordance with its terms of reference that defines its authority, responsibility and reporting function. The Company's Audit Committee comprises of three independent directors Mr. Sanjeev Chhajed, Mr. Neeraj Gupta and Mr Naval Choudhary. Mr. Naval Choudhary was appointed as a member to the Audit Committee with effect from 20th May, 2015. Mr. Pradeep Malu, Managing Director tendered his resignation from the membership of the Committee on 22nd July, 2015 with a view to adopt better corporate governance practices.

Meetings and Attendance:

The Audit Committee met four times during the Financial Year 2015-16. The maximum gap between two meetings was not more than 120 days. The Committee met on May 20, 2015, July 23, 2015, October 12, 2015 and January 20, 2016. The necessary quorum was present for all Meetings. Mr Neeraj Gupta was present at the last Annual General meeting of the Company. The Table below provides the Attendance of the Audit Committee members:

Sr. No.	Name of the Directors	Position	Category	No. of Meetings attended
1	Sanjeev Chhajed	Member	Independent, Non Executive	3 out of 4
2	Neeraj Gupta	Member	Independent, Non Executive	3 out of 4
3	Naval Choudhary*	Member	Independent, Non Executive	3 out of 3
4	Pradeep Malu**	Member	Managing Director	1 out of 1

Note: *Appointed as a member w.e.f. July 23,2015. **Ceased to be a member w.e.f July 22,2015.

Terms of reference:

The Audit Committee *inter-alia* performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, recommendation for the appointment of Statutory Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions and Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has put in place an enterprise wide Risk Management framework. This holistic approach provides the assurance that, to the best of its capabilities, the Company and all its business units identify, assess and mitigate risks that could materially impact its performance in achieving the stated objectives. The Committee ensures that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities, to review strategic decisions of the Company on regular basis.

Functions of Audit Committee:

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. Compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2016. The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. Managing Director, Chief Financial Officer and the Internal Auditors are permanent invitees to the Audit Committee Meetings. The Company Secretary acts as a Secretary to the Committee as required by Regulation 18(1)(e) of the SEBI Listing Regulation. The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Un-audited Consolidated Financial Results as required by the Regulation 33 of the SEBI Listing Regulation. The Company's quarterly Un-audited Standalone Financial Results are made available on the web-site link <http://istreetnetwork.com/investors/quarterly-results/> and are also sent to the Bombay Stock Exchange where the Company's equity shares are listed for display at their website. The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as a Whistle Blower Policy) and reviews the finding of investigation into cases of material nature and the actions taken in respect thereof.

Internal Controls and Governance Processes:

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

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

The Company's Nomination and Remuneration Committee comprises of three independent directors Mr. Sanjeev Chhajed, Mr. Neeraj Gupta and Mr Naval Choudhary. Mr. Naval Choudhary was appointed as a member to the Nomination and Remuneration Committee with effect from 20th May, 2015. The Composition of Remuneration and Nomination Committee is in pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulation.

Meeting and Attendance:

The Remuneration and Nomination Committee met once during the year on May 20, 2015. The necessary quorum was present for the Meeting. The Table below provides the Attendance of the Remuneration and Nomination Committee members:

Sr. No.	Name of the Directors	Position	Category	No. of Meetings attended
1	Sanjeev Chhajed	Member	Independent, Non-Executive	1 out of 1
2	Neeraj Gupta	Member	Independent, Non -Executive	1 out of 1
3	Naval Choudhary*	Member	Independent, Non-Executive	1 out of 1
4	Kushal C. Sacheti**	Member	Non-Independent Non-Executive	0 out of 1

Note: *Appointed as a member w.e.f May 20,2015. ** Change in designation to Non Executive Non Independent Director on 20.05.2015 and later resigned from the Board and committee w.e.f 27.02.2016

Terms of Reference:

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

- Formulate the criteria for determining qualifications, positive attributes and independence of a director
- Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy
- To carry out evaluation of Director's performance
- Recommend to the Board - appointment and removal of Director, KMP and Senior Management Personnel;
- To devise a policy on Board diversity, composition, size
- Oversee the formulation and implementation of ESOP Schemes, its administration, supervision, and formulating detailed terms and conditions in accordance with SEBI Guidelines

REMUNERATION POLICY

(i) Remuneration to Non-Executive Directors:

The Non-Executive Directors are paid remuneration by way of Sitting Fees for the Board Meetings attended by them. The total amount of sitting fees paid to Non-Executive Directors during the Financial Year 2015-16 was Rs. 65,000. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

(ii) Remuneration to Executive Directors:

The appointment and remuneration of Executive Directors including Managing Director is governed by the recommendation of the Remuneration and Nomination Committee, resolutions passed by the Board of Directors and shareholders of the Company. The remuneration package of Managing Director comprises of salary, perquisites and allowances and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Remuneration and Nomination Committee and recommended to the Board for approval thereof. The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. The Remuneration and Nomination Policy is displayed on the website of the Company at the link <http://istreetnetwork.com/wp-content/uploads/2016/07/Nomination-and-Remuneration-Policy.pdf>

Details Of Remuneration Paid To Directors For The Year Ended March 31, 2016

(a) Non Executive Directors

Name of the Director	Sitting Fees (Rs.)	No. of Shares held
Neeraj Gupta	22,500	NIL
Sanjeev Chhajed	20,000	NIL
Naval Choudhary	17,500	500
Meethu Malu	2,500	2,00,000
Kushal C. Sacheti*	2,500	7,50,000

Note: *Kushal C. Sacheti resigned from the Board w.e.f. 27.02.2016

(b) Executive Director

Name	Salary	Commission	Contribution to Provident Fund and other funds	Perquisites	Total
Mr. Pradeep Malu	24,00,000	Nil	2,88,000	Nil	26,88,000

Performance Evaluation

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

C. STAKEHOLDER RELATIONSHIP COMMITTEE

Composition and Attendance

The Stakeholders Relationship Committee comprises of Mr. Neeraj Gupta, Independent Director and Mr. Pradeep Malu, Managing Director as members of the Committee, Ms. Ruchi Seksaria as Secretary and Compliance Officer (till 30th April, 2016) and Mr. Dipankar Basu (with effect from 30th April, 2016). The table below highlights the composition and attendance of the Members of the Committee. The necessary quorum was present for all. The Committee is headed by Mr. Neeraj Gupta. The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with section 178 of the Act.

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

The role of Stakeholders' Relationship Committee is as follows:

- considering and resolving the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc.;
- ensuring expeditious share transfer process in line with the proceedings of the Stakeholder Relationship Committee;
- evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company;
- providing guidance and making recommendations to improve service levels for the investors.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent- Adroit Corporate Services Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Minutes of the Stakeholders' Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action. During the financial year ended March 31, 2016, no complaints were received from the shareholders. 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.

8. AFFIRMATIONS AND DISCLOSURE

(a) Compliances with Governance Framework:

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

(b) Related Party transactions:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulation during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under the note 26 of significant accounting policies and notes forming part of the financial statements in accordance with "Accounting Standard 18". A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval. As required under Regulation 23(1) of the SEBI Listing Regulation, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website on the website of the Company at the <http://istreetnetwork.com/wp-content/uploads/2013/08/Related-party-transaction-policy.pdf> None of the transactions with Related Parties were in conflict with the interest of the Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

(c) Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all requirements Specified under SEBI Listing Regulations as well as other regulations and guidelines of SEBI. However, in the financial year 2013-14 a fine of Rs. 19,000/- was imposed by Bombay Stock Exchange for delay in submission of printed copies of Annual Report. Apart from this, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

(d) Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the SEBI Listing Regulation, the Company has implemented a Whistle Blower Policy, which encourages Directors and employees to bring to the Company's attention, instances of unethical behavior, actual or suspected incidents of fraud or violation of the Company's Code that could adversely impact the Company's operations, business performance and / or reputation. The Company will investigate such reported incidents in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld.

This policy is intended to:

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

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

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

(e) Code of Conduct for Directors and Senior Management:

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

(f) Code of Conduct for Prohibition of Insider Trading:

The Company has adopted an Insider Trading Policy to regulate, monitor and report trading by insiders under the SEBI (Prohibition of Insider Trading) Regulations, 2015. This policy also includes practices and procedures for fair disclosure of unpublished price-sensitive information, initial and continual disclosure. The Company has automated the disclosures and declarations to identified designated employees and the Board reviews the policy on a need basis. The Code for prohibition of Insider Trading is available at the website of the Company at the link viz. <http://istreetnetwork.com/wp-content/uploads/2015/05/Code-of-Internal-Procedures-for-Insider-Trading.pdf>

(g) Disclosure of Accounting Treatment:

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

(h) Risk Management:

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

(i) Reconciliation of share capital audit:

Mr. Dilip Bharadiya (FCS 7956), Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

(j) Non-mandatory requirements:

Adoption of non-mandatory requirements of SEBI Listing Regulation is being reviewed by the Board from time-to time.

9. SUBSIDIARY COMPANY

The audit committee reviews the consolidated financial statements of the Company. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary company are periodically placed before the Board of Directors of the Company. The Company does not have any material non-listed Indian subsidiary company. The Company has a policy for determining 'material subsidiaries' which is available on the website of the Company at the link <http://istreetnetwork.com/wp-content/uploads/2015/12/Policy-for-determining-material-subsiidiary.pdf>

10. 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	Financial Year	Date and Time	Venue	Special Resolution
EGM	2012-13	25 th March, 2013 10.00 A.M.	513, Palm Spring, Link Road, Malad (W), Mumbai - 400 064	For change in company's name from Principal Pharmaceuticals & Chemicals Ltd. to iStreet Network Ltd.
26 th AGM	2012-13	5 th August, 2013 10.00 A.M.	513, Palm Spring, Link Road, Malad (W), Mumbai - 400 064	For appointment of Managing Director – Mr. Pradeep Malu
27 th AGM	2013-14	27 th August 2014 11:00 A.M.	513, Palm Spring, Link Road, Malad (W), Mumbai - 400 064	1. Borrowing limits of the Company u/s 293(1)(d) of Companies Act, 1956 and u/s 180(1)(c) of the Companies Act, 2013 2. To create Securities in favor of Lenders u/s 180(1) of the Companies Act, 2013. 3. Granting Loan, giving of guarantee or security and acquiring securities of Body corporate u/s 186 of the Companies Act, 2013 4. To adopt new set of Articles of Association
EGM	2013-14	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
28 th AGM	2014-15	23 rd September 2015 11.00A.M	On Toes One-up Banquets, 1st floor, Palm Spring, Link Road, Malad (W), Mumbai - 400 064	Revision in remuneration of Managing Director – Mr. Pradeep Malu

11. POSTAL BALLOT

During the financial year 2015-16, the Company had sought the approval of the members through postal ballot on the following resolutions:-

- (i) To transfer 'iStreet Bazaar' project of the Company to its wholly owned subsidiary, iStreet Bazaar Private Limited (iSBPL);
- (ii) To enhance the borrowing powers of the Company and creation of charge / providing of security up to Rs. 300 crores;
- (iii) To enhance the limit to give Loans and / or to investment money up to Rs. 300 crores.

The voting rights of the members had been reckoned on the cut-off date i.e. August 14, 2015 and the notice along with Postal Ballot form was dispatched to all the members by courier or electronically by August 17, 2015. The Board had appointed Mr. Dilip Bharadiya (FCS 7956), Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot voting process in accordance with the law and in a fair and transparent manner. NSDL was engaged to provide the electronic voting facility to the members of the Company. The voting (postal & e-voting) period commenced from Sunday, August 30, 2015 (9:00 a.m.) and ended on Monday, September 28, 2015 (17:30 p.m.). results of the postal ballot were announced at 5:00 pm on Thursday, October 1, 2015. Following were the results of the resolution passed through postal ballot :-

Resl No.	Particulars	Type of Resolution	% Votes in favor	%Votes against
1	Transfer its till recently incubated 'iStreet Bazaar'. Project to its wholly owned subsidiary, iStreet Bazaar Private Limited ("iSBPL)	Special	0.17%	99.83%
2	Borrowing powers of the Company and creation of charge/providing of security upto Rs. 300 crore in excess of the limits.	Special	99.99%	0.01%
3	Loans and investment by the Company up to Rs 300 crore in excess of the limits.	Special	99.99%	0.01%

Based on the

- The resolution number 1 was failed as the number of votes cast against it were more than the number of votes cast in favor of it.
- Resolutions numbers 2 & 3 were passed as Special Resolutions where the number of votes cast in favor of the proposal were more than three times than the number of votes cast against it.

12. MEANS OF COMMUNICATION

- (i) The Unaudited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI Listing Regulation.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in Regional and English daily newspapers within forty-eight hours of approval thereof.
- (iii) The Company's financial results and official press releases are displayed on the Company's Website at the link <http://istreetnetwork.com/investors/quarterly-results/>
- (iv) Any presentation made to the institutional investors or / and analysts are also posted on the Company's website.
- (v) Management Discussion and Analysis forms part of the Company's Annual Report.
- (vi) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre.
- (vii) A list of Frequently Asked Questions (FAQs) giving details about the Company is uploaded on the Company's website under 'Investor FAQs' section

Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants.

Nomination

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

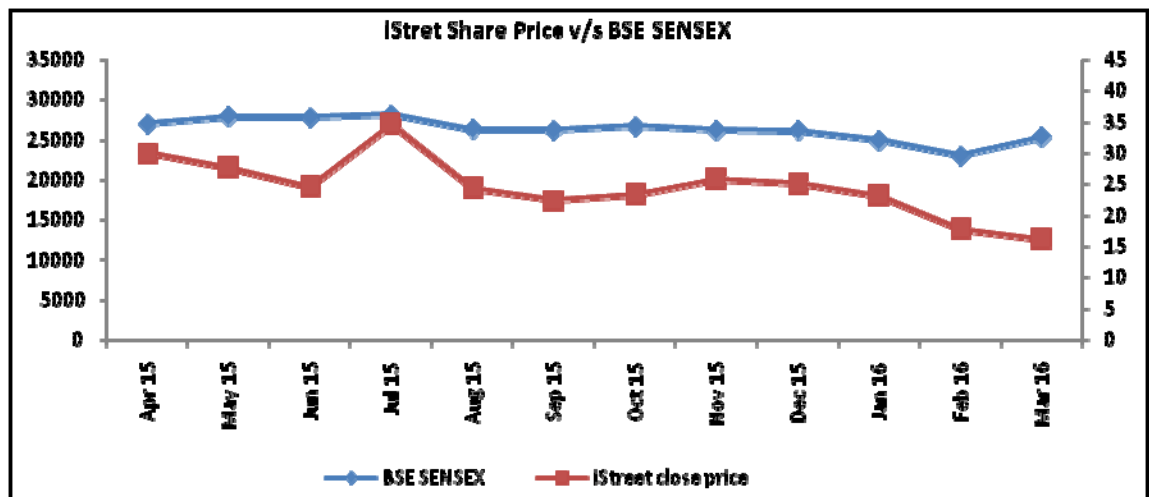
13. GENERAL SHAREHOLDER INFORMATION

Day and Date of Annual General meeting	Tuesday, September 20, 2016
Time	11.00 A.M
Venue	On Toes One-up Banquets, 1st floor, Palm Spring, Link Road, Malad (W), Mumbai- 400064
Financial year	April 1,2015 to March 31,2016
Dividend payment date	NA
Listing of Equity Shares on stock Exchanges	BSE Ltd. 25th floor, P. J. Towers, Dalal Street Mumbai 400 001
Stock Exchange Code	524622
International Securities Identification Number (ISIN)	INE532B01020
Face Value per share	Rs 4/-
Date of Book Closure/Record Date	13 th September 2016 to 20 th September 2016 (both days inclusive)
Payment of Annual Listing Fees	Listing fees paid for the financial year 2016-17
Financial calendar for 2016-17 (tentative dates):	
For the quarter ending June 2016	August 9, 2016
For the quarter ending September 2016	Mid of November, 2016
For the quarter ending December 2016	Mid of February, 2017
For the quarter ending March 2017	End of May 2017

14. **Market Price Data for 2015-16**

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

Months	High Price(Rs.)	Low Price (Rs.)	Volume of Equity Shares
April 2015	39.05	29.95	2,54,506
May 2015	32.95	26.55	1,91,545
June, 2015	32.75	21.50	2,49,568
July 2015	44.95	24.55	12,29,506
August 2015	37.00	22.00	4,47,676
September 2015	27.75	21.00	1,90,095
October 2015	33.95	21.35	10,67,696
November 2015	25.80	22.35	1,55,269
December 2015	31.40	23.00	5,55,914
January 2016	29.25	19.55	9,80,031
February 2016	25.65	16.10	3,36,555
March 2016	21.50	12.65	6,25,392



15. (i) **Distribution of shareholding as on March 31, 2016:**

No of Equity Shares	No of Shareholders	% of shareholders	No. of shares held	Amount in Rs	% of shareholding
1-500	8110	85.23	1916983	7667932	9.09
501-1000	787	8.27	640878	2563512	3.04
1001-2000	292	3.07	454034	1816136	2.15
2001-3000	108	1.14	281267	1125068	1.33
3001-4000	37	0.39	135332	541328	0.64
4001-5000	48	0.50	226939	907756	1.08
5001-10000	68	0.71	520987	2083948	2.47
10001 & Above	65	0.68	16923580	67694320	80.21
TOTAL	9515	100.00	21100000	84400000	100.00

(ii) **According to categories of shareholders as on March 31, 2016:**

S. N.	Categories	No of Shares	Percentage
1.	Resident Individuals	5876704	27.85
2.	Non Resident Indians (Individuals)	213355	1.01
3.	Corporate Bodies – Promoter	7385525	35.00
4.	Corporate Bodies	2933735	13.90
5.	Directors – Promoter	4125843	19.55
6.	Directors	500	0.00
6.	Directors Relative – Promoter	517700	2.45
7.	Clearing Member	25844	0.12
8.	Corporate Body – Broker	20794	0.10
	Total	21100000	100.00

(iii) Details of Shares held by Directors as on March 31, 2016:

Name of Directors	No. of Equity Shares Held
Pradeep Malu	39,25,843
Neeraj Gupta	NIL
Sanjeev Chhajed	NIL
Kushal C Sacheti*	7,50,000
Meethu Malu	2,00,000
Naval Choudhary	500

**Note: Kushal C Sacheti resigned from the Board w.e.f 27.02.2016

(iv) Statement Showing Shareholding Pattern as March 31, 2016:

Category	No. of Shares held	%
(A). Promoters – Indian	12029068	57.01
(B). Public		
Bodies Corporate	2954529	14.00
Individuals	5876704	27.85
Clearing member	25844	0.12
NRIs	213355	1.01
NRI Corp Bodies	0	0.00
Directors	500	0.00
Total Public Shareholding	9070932	42.99
TOTAL (A)+(B)	21100000	100.00

(v) Dematerialization of shares and liquidity:

93.21% of the total equity share capital of the Company have been dematerialised (NSDL – 72.82% and CDSL 20.39%) as on March 31, 2016. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Share Registrars and Transfer Agents for assistance in this regard.

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

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

There are no outstanding GDR/ ADR / warrants / any convertible instruments as on March 31, 2016.

(vii) Plant Location

The Company has no manufacturing unit as on March 31,2016.

(viii) 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

(ix) 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

Date : August 17, 2016
Place : Mumbai

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

ANNEXURE -1

Disclosures required with respect to Section 197(12) of the Companies Act, 2013 read with Companies Appointment and Remuneration of Managerial Personnel, Rules 2014.

(i) the Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year; (no other Director draw any remuneration)	Disclosure			
	Name of the Director		Ratio	
	Mr Pradeep Malu, Managing Director		11:1	
	1. No other Directors draw any remuneration. 2. The median remuneration of employees of the Company was Rs. 2.17 lakhs			
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	There is no change in remuneration of Director or any Key Managerial Personnel.			
(iii) the percentage increase in the median remuneration of employees in the financial year	During FY 2016, Median Remuneration has decreased by 1.13% as compared to last Financial Year.			
(iv) the number of permanent employees on the rolls of company as on 31 st March, 2016	There were 13 employees as on March 31,2016.			
(v) the explanation on the relationship between average increase in remuneration and company performance;	As compared to last financial year, Median remuneration has decreased by 1.13% and company performance has increased by 2462%			
(vi) comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Aggregate remuneration of key managerial personnel (KMP) in FY 16 (Rs. In Lakhs)		37.85	
	Revenue (Rs. in Lakhs)		1838	
	Remuneration of KMP's (as a % of Revenue)		2.06%	
	Profit / (Loss) Before Tax (PBT) (Rs. In Lakhs)		(289.60)	
	Remuneration of KMP's (as a % of PBT)		N.A.	
(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.	Market capitalization (Rs in crores)		Price earnings ratio	
	March 31,2016	March 31,2015	March 31,2016	March 31,2015
	33.97	68.22	-11.73	-120.63
(viii) 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.	March 31,2016		1994	%Change
	Rs. 16.10		Rs.10	1.6
(ix) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Nil – For Managerial Remuneration. Mr. Pradeep Malu, Managing Director was entitled to draw 60 lakh p.a. , however he drew only Rs.23.44 lakh in FY 14-15 vs. 24.00 lakh in FY 15-16 (excluding Company's contribution for Provident Fund)			
(x) comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company	Ms. Ruchi Seksaria Company Secretary*	Mr Mayur Vora CFO	Total	
	5,71,935	8,12,904	13,84,839	
Remuneration in Financial Year 2015-16			1838 Lakhs	
Revenue			0.75%	
Remuneration as% of revenue			(289.6) Lakhs	
Profit / (Loss) before Tax (PBT)			N.A.	
Remuneration as% of PBT				
(xi) the key parameters for any variable component of remuneration availed by the directors;	Not Applicable			
(xii) 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			
(xiii) 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			

Note: * Ms Ruchi Seksaria resigned as Company Secretary w.e.f April 30,016.

**ANNEXURE -2
Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sl. No.	Particulars	Details
1.	Name of the subsidiary	iStreet Bazaar Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as Holding company 01.04.2015 to 31.03.2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share capital	1,00,000
5.	Reserves & surplus	(24,16,112)
6.	Total assets	10,55,358
7.	Total Liabilities	33,71,470
8.	Investments	NIL
9.	Turnover	60,679
10.	Profit before taxation	(23,99,376)
11.	Provision for taxation	NIL
12.	Profit after taxation	(23,99,376)
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

Note: The Company had acquired 100% shares of iStreet Bazaar Pvt. Ltd. (iSBPL) in order to transfer and build its entire Internet Retail business through its wholly-owned subsidiary. The transfer of such business to iSBPL was then put to vote through postal ballot but the same was rejected by the shareholders. Consequent to the Shareholders' decision, the Board of Directors of the Company decided to sell the entire shareholding in its subsidiary – iSBPL. The same has been done and iSBPL as of now is no more a subsidiary of the Company.

The Company does not have any associates and joint ventures, hence Part "B" is not applicable.

For and on Behalf of Board of Directors

Pradeep Malu
Managing Director
DIN: 00001959

Neeraj Gupta
Director
DIN: 05327106

Place: Mumbai
Date : August 17,2016

Mayur Vora
Chief Financial Officer

Dipankar Basu
Company Secretary

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/
Indian Non-Government Company
(v) Address of the Registered office and contact details : 513, Palm Spring, Above Croma, Link Road, Malad West,
Mumbai 400064. Tel: +91- 22- 42576767,
Email: info@istreetnetwork.com.
Website: www.istreetnetwork.com
(vi) Whether listed company : Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent : M/s. Adroit Corporate Services Private Limited
19, Jafarbhoy Industrial Estate, 1st Floor Industrial
Estate, 1st Floor Andheri (East), Mumbai 400059
Tel No. 022-28590942 Email: adroit@vsnl.net
Website: www.adroitcorporate.com

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:-

S.N.	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

S.N.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares Held	Applicable Section
1.	iStreet Bazaar Private Ltd 515, Palm Spring, Link Road, Malad West, Mumbai - 400064	U74999MH2015PTC261757	Subsidiary*	100%	2(87)

Note : * The Company had acquired 100% shares of iStreet Bazaar Pvt. Ltd. (iSBPL) in order to transfer and build its entire Internet Retail business through its wholly-owned subsidiary. The transfer of such business to iSBPL was then put to vote through postal ballot but the same was rejected by the shareholders. Consequent to the Shareholders' decision, the Board of Directors of the Company decided to sell the entire shareholding in its subsidiary – iSBPL. The same has been done and iSBPL as of now is no more a subsidiary of the Company.

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

(i) Category-wise Share Holding

Please refer next page

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	35.33	7385525	0	7385525	35.00	-0.33
e) Banks /FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
f-1) Directors and Relative	417700	0	417700	2.09	517700	0	517700	2.45	0.37
f-2) DIRECTORS	4384625	0	4384625	21.90	4125843	0	4125843	19.55	-2.34
Total Shareholding of promoter (A)	11877850	0	11877850	59.32	12029068	0	12029068	57.01	-2.31
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	3799075	14700	3813775	19.05	2940129	14400	2954529	14.00	-5.04
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	2258395	1286200	3544595	17.70	2952668	1266900	4219568	20.00	2.30
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	416775	0	416775	2.08	1657136	0	167136	7.85	5.77
c) Others (Specify)									
c-1) Non Resident Indians (Individuals)	50087	155300	205387	1.03	61355	152000	213355	1.01	-0.01
c-2) Clearing Member	16618	0	16618	0.08	25844	0	25844	0.12	0.04
c-3) Directors	150000	0	150000	0.75	500	0	500	0.00	-0.75
Sub-total (B)(2)	6690950	1456200	8147150	40.68	7637632	1433300	9070932	42.99	2.31
Total Public Shareholding(B)=(B)(1)+(B)(2)	6690950	1456200	8147150	40.68	7637632	1433300	9070932	42.99	2.31
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)	18568800	1456200	20025000	100	19666700	1433300	21100000	100	0

(ii) Shareholding of Promoters (including promoter group)

Sl No.	Shareholder's Name	No. of Shares held at the beginning of the year 01/04/2015			No. of Shares held at the end of the year 31/03/2016			% 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	35.33	0.00	7075525	33.53	0.00	-1.80*
2	Pradeep Malu	4284625	21.40	0.00	3925843	18.61	0.00	-2.79
3	Meenu Malu	100000	0.50	0.00	100000	0.47	0.00	-0.03*
4	Manju Gang	217700	1.09	0.00	217700	1.03	0.00	-0.06*
5	Meethu Malu	100000	0.50	0.00	200000	0.95	0.00	0.45
6	Lakshya Malu	100000	0.50	0.00	200000	0.95	0.00	0.45
7	Cardioid Plasteel Pvt Ltd	0	0.00	0.00	100000	0.47	0.00	0.47
8	Radelf Pharmaceuticals Pvt Ltd	0	0.00	0.00	100000	0.47	0.00	0.47
9	Crest Latex Pvt Ltd	0	0.00	0.00	110000	0.52	0.00	0.52
	Total	11877850	59.32	0.00	12029068	57.01	0.00	-2.31

Note* reduction of shareholding is due to increase in capital during the year.

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

Sl No.	Name of Promoter's	Particulars	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding at the year end	
				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	01/04/2015	7075525	35.33	7075525	35.33
		Transaction during the year		0	0.00		
		At the End of the year	31/03/2016	-	-	7075525	33.53
2	Pradeep Malu	At the beginning of the year	01/04/2015	4284625	21.40	4284625	21.40
		Gift to Lakshya and Meethu Malu	15/01/2016	-200000	0.95	4084625	19.36
		Sold during the year	11/03/2016	-38930	0.18	4045695	19.17
		Sold during the year	18/03/2016	-56408	0.27	3989287	18.91
		Sold during the year	25/03/2016	-10127	0.05	3979160	18.86
		Sold during the year	31/03/2016	-53317	0.25	3925843	18.61
		At the End of the year	31/03/2016	-	-	3925843	18.61
3	Meenu Malu	At the beginning of the year	01/04/2015	100000	0.50	100000	0.50
		Transaction during the year		0	0.00		
		At the End of the year	31/03/2016	-	-	100000	0.47
4	Manju Gang	At the beginning of the year	01/04/2015	217700	1.09	217700	1.09
		Transaction during the year		0	0.00		
		At the End of the year	31/03/2016	-	-	217700	1.03
5	Meethu Malu	At the beginning of the year	01/04/2015	100000	0.50	100000	0.50
		Shares received in gift	15/01/2016	100000	0.47	200000	0.95
		At the End of the year	31/03/2016	-	-	200000	0.95
6	Lakshya Malu	At the beginning of the year	01/04/2015	100000	0.50	100000	0.50
		Shares received in gift	15/01/2016	100000	0.47	200000	0.95
		At the End of the year	31/03/2016	-	-	200000	0.95
7	Cardioid Plasteel Pvt. Ltd	At the beginning of the year	01/04/2015	0	0.00	0	-
		Conversion of warrants into equity shares	18/10/2015	100000	0.48	100000	0.48
		At the End of the year	31/03/2016	-	-	100000	0.47
8	Radelf Pharmaceuticals Pvt Ltd	At the beginning of the year	01/04/2015	0	-	0	-
		Conversion of warrants into equity shares	18/10/2015	100000	0.48	100000	0.48
		At the End of the year	31/03/2016	-	-	100000	0.47
9	Crest Latex Pvt. Ltd.	At the beginning of the year	01/04/2015	0	0.00	0	-
		Conversion of warrants into equity shares	18/10/2015	110000	0.53	110000	0.53
		At End of the year	31/03/2016	-	-	110000	0.52

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on March 31,2016:

Sr No.	Top Ten Shareholders*	Shareholding at the beginning of the year		Cumulative Shareholding end of the year	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Devkant Synthetics India Private Limited	3352218	16.74	2419501	11.47
2	Kushalchand Sacheti**	0	0.00	750000	3.55
3	Dimple Jain	0	0.00	150000	0.71
4	Puran Chhaganlal Chhaged	136200	0.68	136200	0.65
5	Vijay Batuklal Bhayani	0	0.00	94884	0.45
6	Ajeet Modi	96000	0.48	96000	0.45
7	Ashvin Ramniklal Shah	9990	0.05	91615	0.43
8	Systematix Fincorp India Limited	0	0.00	86000	0.41
9	Savita Gulati	0	0.00	71000	0.34
10	Maxgrow Fintrade Private Limited	0	0.00	61700	0.29

Note : (i) *The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated
(ii) **KushalChand Sacheti resigned from the Board w.e.f 27.02.2016

(v) Shareholding of Directors and Key Managerial Personnel:

Name Of Shareholder	Shareholding		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
NAVAL CHOUDHARY, INDEPENDENT, NON EXECUTIVE DIRECTOR				
At the beginning of the year	500	0	500	0
Transaction during the year	NIL	NIL		
At the end of the year	500	0	500	0

Note: (i) Details of Shareholding of Mr. Pradeep Malu, Managing Director and Ms. Meethu Malu, Director is shown under Promoter category
(ii) Other Directors and Key Managerial Personnel do not hold any shares in the Company as on March 31,2016
(iii) Kushal C Sacheti resigned from the Board w.e.f 27.02.2016

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, MD	Total Amount Rs.
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24,00,000	24,00,000
	(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)	26,88,000	26,88,000
	Ceiling as per the Act*	60,00,000	60,00,000

* with the approval of shareholders as Special Resolution passed in AGM held on September 23,2015.

B. Remuneration to other Directors

Sr. No	Particulars of Remuneration	Fee for Attending board/ committee meetings	Commission	Others, please Specify	Total Amount
1.	Independent Directors				
	Neeraj Gupta	22,500	-	-	22,500
	Sanjeev Chhajed	20,000	-	-	20,000
	Naval Choudhary	17,500	-	-	17,500
	Total (1)	60,000	-	-	60,000
2.	Other Non-Executive Directors				
	Ms. Meethu Malu	2,500	-	-	2,500
	Mr. Kushal C Sacheti*	2,500	-	-	2,500
	Total (2)	5,000	-	-	5,000
	Total (B)=(1+2)	65,000	-	-	65,000
	Total Managerial Remuneration				65,000
	Overall Ceiling as per the Act			Sitting fees @ Rs. 100,000 Per meeting	

Note: *Kushal C Sacheti resigned from the Board w.e.f 27.02.2016.

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

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Ruchi Seksaria Company Secretary*	Mr Mayur Vora CFO	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,71,935	8,12,904	13,84,839
	(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)	5,71,935	8,12,904	13,84,839

*Resigned w.e.f April 30,2016

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Authority (RD/NLCLT/Court)	Appeal made, if 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

Date : August 17, 2016
Place : Mumbai

Pradeep Malu
Managing Director
DIN :00001959

Sanjeev Chhajed
Director
DIN: 02849462

ANNEXURE -4
AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of ,
iStreet Network Ltd.
Mumbai

We have examined the compliance of conditions of corporate governance by iStreet Network Ltd. for the year ended on March 31, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. 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 we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

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

B.P. Mantri
Partner
Membership No. 45701

Place: Mumbai
Date: May 28, 2016

ANNEXURE -5

MANAGING DIRECTOR'S AND CHIEF FINANCIAL OFFICER CERTIFICATION

Ref: Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors,
iStreet Network Limited,

We, Mr. Pradeep Malu, Managing Director and Mr. Mayur Vora, Chief Financial Officer of iStreet Network Limited do hereby certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee that there are no:
1. Significant changes in internal control over financial reporting during the year;
 2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For iStreet Network Limited

For iStreet Network Limited

Pradeep Malu
Managing Director
DIN: 00001959

Mayur Vora
Chief Financial Officer

Date : May 28, 2016
Place : Mumbai,

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE
COMPANY'S CODE OF CONDUCT**

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

For iStreet Network Limited

Date : May 28, 2016
Place : Mumbai

Pradeep Malu
Managing Director

ANNEXURE -6
Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2016

[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

We 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 us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on 31st March, 2016, 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. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I of Secretarial Audit Report**, for the financial year ended on 31st March, 2016, 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 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Securities and Exchange Board of India (Share based Employee Benefits), Regulations, 2014; **NOT APPLICABLE DURING THE AUDIT PERIOD**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NOT APPLICABLE DURING THE AUDIT PERIOD**
 - (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. We have relied on the representations made by the Company and its Officers and report of the Internal Auditors 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. We 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 BSE Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the financial year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We 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 period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and at times at a shorter notice and the consent of the Directors were taken for the same, 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.

We 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.

We further report that during the year under review, the Company has:

- i. issued and allotted 10,75,000 Equity shares during the year and complied with the provisions of the applicable Acts.
- ii. made an investment in iStreet Bazaar Private Limited, thus, making iStreet Bazaar Private Limited - a 100% Subsidiary of the Company.

Dilip Bharadiya & Associates

Place : Mumbai
Date : May 25, 2016

Dilip Bharadiya
Proprietor

ANNEXURE – I of Secretarial Audit Report

List of documents verified:

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended 31st March, 2015.
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.- Minutes of General Body Meetings held during the financial year under report.
4. Statutory Registers viz.
 - Register of Directors' & KMP
 - Register of Directors' Shareholding
 - Register of loans, guarantees and security and acquisition made by the Company
 - Register of Charge
 - Register of Related Party Transaction
 - Register of Members
5. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
7. Intimations received from directors under the Prohibition of Insider Trading Code.
8. 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.
9. Intimations / documents / reports / returns filed with the Stock Exchange pursuant to the provisions of the Listing Agreements entered into by the Company with the Stock Exchange(s), from time to time and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year under report.

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
iStreet Network Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of iStreet Network Limited ('the Company') which comprises the Balance Sheet as at 31st March 2016, 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 Standalone 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 standalone 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. 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 2016 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, 2016 ('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, a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 standalone 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 2016 taken on record by the Board of Directors, none of the Director is disqualified as on 31st March 2016, from being appointed as a Director in terms of Section 164 (2) of the Act;
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
- g. 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 Jhavar Mantri & Associates
Chartered Accountants
(Firm Registration No. 113221W)

Place:- Mumbai
Date:- May 28,2016

B.P. Mantri (M. No. 45701)
Partner

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31st March 2016, we report that:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
(b) The company has a regular programme of physical verification of its fixed assets by which fixed assets are verified over a year. As explained to us no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
(c) There are no immovable properties held by the company, hence clause not applicable.
2. The company has a regular programme of physical verification of inventory at monthly intervals. As explained to us no material discrepancies were noticed on such verification.
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, hence, question of terms and conditions prejudicial to the interest of company as stipulated does not arise.
(c) Since there are no such loans, question of regular in repaying the principal or interest amounts as stipulated does not arise.
(d) Since there are no such loans, question of overdue amount as stipulated does not arise.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provision of the Section 185 and 186 of the Act, with respect to the loans and investment made.
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 income tax, sales tax, service tax, value added tax, cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities except in case of provident fund there are general delay ranging from 1 to 2 months. As explained to us, the Company did not have any dues on account of employees' state insurance, duty of customs 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, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of the section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Note No. 26 of Notes to the Financial Statements as required by the applicable accounting standards.
14. The company has made preferential allotment of equity shares against the share warrants during the year under review and the same is in compliance with Section 42 of the Act and the same has been used for the purpose for which raised.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the company has not entered into any non-cash transaction with directors or person connected with directors in compliance with section 192 of the Act.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

Place : Mumbai
Date: May 28,2016

B.P. MANTRI
Partner
M. No. 45701

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under clause (i) of the sub section 3 of the section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of iStreet Network Limited ('the company') as of 31st March 2016 in conjunction with our audit of the standalone financial statement of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and there operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud and error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

A company's internal financial controls over financial reporting those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipt and expenditure of the company are being made only in accordance with authorizations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016 based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Jhwar Mantri & Associates
Chartered Accountants
(Firm Registration No. 113221W)

Place : Mumbai
Date : May 28,2016

B.P. Mantri
Partner
M. No. 45701

iStreet Network Limited

BALANCE SHEET AS AT 31st MARCH 2016

	Note No.	As At 31.03.2016 Rs	As At 31.03.2015 Rs
I) <u>EQUITY AND LIABILITIES</u>			
(1) <u>Shareholders Funds</u>			
(a) Share Capital	3	84,400,000	80,100,000
(b) Reserves and Surplus	4	(48,072,988)	(36,312,598)
(c) Money Received Against Share Warrants	5	-	5,397,080
Total Shareholder Funds		36,327,012	49,184,482
(2) <u>Current Liabilities</u>			
(a) Trade Payables	6	1,017,085	1,435,750
(b) Other Current Liabilities	7	8,412,875	7,563,635
Total Current Liabilities		9,429,960	8,999,385
Total		45,756,972	58,183,867
II) <u>ASSETS</u>			
(1) <u>Non-Current Assets</u>			
(a) Fixed Assets			
(i) Tangible Assets	8.1	672,225	781,460
(ii) Intangible Assets	8.2	3,443,769	4,134,262
(iii) CWIP		-	463,795
(b) Non-Current Investments	9	166,000	66,000
(c) Long-Term Loans and Advances	10	1,405,000	2,845,000
Total Non-Current Assets		5,686,994	8,290,517
(2) <u>Current Assets</u>			
(a) Current Investments	11	-	10,085,164
(b) Inventories	12	2,851,099	1,485,473
(c) Trade Receivables	13	56,844	192,636
(d) Cash and Cash Equivalents	14	350,406	1,983,088
(e) Short-Term Loans and Advances	15	18,871,129	16,543,561
(f) Other Current Assets	16	17,940,500	19,603,428
Total Current Assets		40,069,978	49,893,350
Total		45,756,972	58,183,867

Notes to the financial statements are integral part of this Balance Sheet

As per our report of even date
For Jhwar Mantri & Associates
Firm Registration No. 113221W
Chartered Accountants

For iStreet Network Limited

B.P. Mantri
(Partner)
Membership No. 045701

Pradeep Malu
(Managing Director)
DIN : 00001959

Neeraj Gupta
(Director)
DIN : 05327106

Mayur Vora
(Chief Financial Officer)

Dipankar Basu
(Company Secretary)

Place : Mumbai
Dated : 28.05.2016

Place : Mumbai
Dated : 28.05.2016

iStreet Network Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

<u>Particulars</u>	<u>Note No.</u>	<u>Year Ended</u> <u>31.03.2016</u> <u>Rs</u>	<u>Year Ended</u> <u>31.03.2015</u> <u>Rs</u>
<u>INCOME</u>			
I. Revenue from operations	17	183,795,884	7,175,187
II. Other Income	18	2,413,314	2,312,119
III. Total		<u>186,209,198</u>	<u>9,487,306</u>
<u>EXPENSES</u>			
IV. Purchase of Stock in Trade		177,791,598	8,254,363
Changes In Inventories		(1,365,626)	(1,485,473)
Employee Benefit Expense	19	10,520,200	7,297,764
Depreciation and Amortization Expenses	8.1	1,579,140	1,427,573
Other Expenses	20	26,644,276	25,788,453
Total		<u>215,169,588</u>	<u>41,282,680</u>
V. Profit before exceptional and extraordinary items and tax (III-IV)		(28,960,390)	(31,795,374)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		28,960,390	(31,795,374)
VIII. Extraordinary Items (Net of Income)		-	-
IX. Profit / (Loss) Before Tax (VII-VIII)		(28,960,390)	(31,795,374)
X. Tax expenses:		-	-
XI. Profit/(Loss) for the period from continuing operations(IX-X)		(28,960,390)	(31,795,374)
XII. Profit/(Loss) from discontinuing operations	21		
- From ordinary activities		-	-
- 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
XV. Profit/(Loss) for the period (XI + XIV)		(28,960,390)	(5,730,316)
Profit Carried to Balance Sheet		<u>(28,960,390)</u>	<u>(5,730,316)</u>
No. of Equity Shares (*On weighted average basis)			
Basic		20,762,123	19,923,493
Diluted		21,100,000	20,271,027
Earning Per Equity Share			
Basic	25	(1.39)	(0.29)
Diluted		(1.37)	(0.28)

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

As per our report of even date
For Jhawar Mantri & Associates
Firm Registration No. 113221W
Chartered Accountants

For iStreet Network Limited

B.P. Mantri
(Partner)
Membership No. 045701

Pradeep Malu
(Managing Director)
DIN : 00001959

Neeraj Gupta
(Director)
DIN : 05327106

Mayur Vora
(Chief Financial Officer)

Dipankar Basu
(Company Secretary)

Place : Mumbai
Dated : 28.05.2016

Place : Mumbai
Dated : 28.05.2016

iStreet Network Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

<u>Particulars</u>	<u>Year Ended</u> <u>31.03.2016</u> Rs	<u>Year Ended</u> <u>31.03.2015</u> Rs
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before tax as per Statement of Profit and Loss	(28,960,390)	(31,795,374)
Adjustments for :		
1. Depreciation and Amortization Expenses	1,579,140	1,427,573
2. Interest/Dividend/Other Income/Income from discontinuing operation	(1,830,083)	(1,799,999)
3. Operating Profit/(Loss) before Working Capital Changes	(29,211,333)	(32,167,800)
Adjustments for :		
(i) Trade and Other Receivables	1,798,720	1,139,558
(ii) Inventories	(1,365,626)	(1,485,473)
(iii) Trade and other payables	430,575	4,017,564
Cash used/generated in/ from Operating activities	(28,347,664)	(28,496,151)
Income Tax , FBT	-	-
Net cash used in /generated from Operating activities	(28,347,664)	(28,496,151)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets Inclusive of Capital WIP	(335,839)	(3,070,842)
Sale of Assets	20,224	34,383,338
Long Term Loans and Advances	1,440,000	-
Short Term Loans and Advances	(2,327,568)	(1,192,524)
Dividend/Rent/other Received	1,830,083	1,799,999
Net cash from Investing activities	626,900	31,919,971
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital	21,500,000	3,000,000
Proceeds from Issue of Equity Share Warrant	(5,397,080)	5,397,080
Investment in Subsidiary Co	(100,000)	-
Investment in Mutual Funds	10,085,164	(10,085,164)
Net Cash From Financing activities	26,088,084	(1,688,084)
Net Increase in Cash and Cash equivalents	(1,632,682)	1,735,736
Cash and cash equivalents as at (Opening Balance)	1,983,088	247,352
Cash and cash equivalents as at (Closing Balance)	350,406	1,983,088

As per our report of even date
For Jhavar Mantri & Associates
Firm Registration No. 113221W
Chartered Accountants

For iStreet Network Limited

B.P. Mantri
(Partner)
Membership No. 045701

Pradeep Malu
(Managing Director)
DIN : 00001959

Neeraj Gupta
(Director)
DIN : 05327106

Mayur Vora
(Chief Financial Officer)

Dipankar Basu
(Company Secretary)

Place : Mumbai
Dated : 28.05.2016

Place : Mumbai
Dated : 28.05.2016

iStreet Network Limited

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

- 1 iStreet Network Ltd is a public limited company and listed on BSE stock Exchange (ISTRNETWK – 524622). The company is an Internet & Retail Catalogue company and sells products and services through its Internet Retail Stores known as 'iStreet Bazaar'. iStreet Bazaar – the Internet Retail Store is a physical store in a neighborhood area which runs on virtual inventory. Common people who have constraints in buying products online, can do so at these stores.

iStreet Bazaar Stores solves issues like – price, access, experience and assortments. It puts a face to the online transaction which increases the level of trust that is important particularly in Indian scenario.

The Company has setup 5,756 such Internet Retail Stores across the India. The network of Internet Retail Stores is a backbone intangible asset for the company to run the business. The network is much more than just shops, it gives to customer eCommerce shopping experience based on trust and familiarity relationship. It is integral to the customer's experience in dealing with the company.

Typically, research shows that there are four business models – Asset Builders, Service Providers, Technology Creators and Network Orchestrators. We are Network Orchestrators. What is a Network Orchestrator company? A Company, which creates a network of peers where in all participants interact and have share in the value creation in one way or the other. They may sell products or services, build relationships, share advice, give reviews, collaborate, co-create, and more.

Network Orchestrators rely on intangibles such as knowledge or relationships or other people's assets as well as new "non-management" and "non-ownership" competencies related to facilitating a network of individuals and their individual assets and relationships.

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 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.

(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.

	31.03.2016 Rs.	31.03.2015 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)	<u>100,000,000</u>	<u>100,000,000</u>
(ii) <u>Issued, Subscribed & Fully Paid</u> 21,100,000 Equity Shares of Rs.4/- each fully paid up (P.Y.20,025,000 Equity Shares of Rs.4/- each fully paid up)	<u>84,400,000</u>	<u>80,100,000</u>
(iii) <u>Reconciliation of the number of shares outstanding</u>		
At the beginning of the year	No. of shares 20,025,000	No. of shares 19,875,000
Add: Issued during the Year	1,075,000*	150,000@
At the end of the year	<u>21,100,000</u>	<u>20,025,000</u>

*The Company has allotted 10,75,000 Equity Shares of Rs. 4 each during the Financial year on various dated on preferential basis against equal number of Equity warrants on full payment of Rs. 20/- per share. These shares are locked in as per followings -

<u>No of Equity Shares</u>	<u>Issued To</u>	<u>Lock-in Till</u>
600000	Non-Promoter	24.07.2016
165000	Non-Promoter	29.11.2016
310000	Promoter Group	29.11.2018

@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>	<u>%</u>
Pradeep Malu	3,925,843	18.61	4,284,625	21.40
Inovent Solutions Ltd*	7,075,525	33.53	7,075,525	35.33
Devkant Synthetics (I) Pvt. Ltd.	2,419,501	11.47	3,273,656	16.35
	<u>13,420,869</u>	<u>63.61</u>	<u>14,633,806</u>	<u>73.08</u>

*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.

	31.03.2016	31.03.2015
4 Reserves and Surplus		
(i) Securities Premium Account		
Opening Balance	2,400,000	-
Add : Additions During the Year	<u>17,200,000</u>	<u>2,400,000</u>
Closing Balance	<u>19,600,000</u>	<u>2,400,000</u>
(ii) Profit and Loss		
Opening Balance	(38,712,598)	(32,861,045)
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	<u>(28,960,390)</u>	<u>(5,730,316)</u>
Closing Balance	<u>(67,672,988)</u>	<u>(38,712,598)</u>
Total	<u>(48,072,988)</u>	<u>(36,312,598)</u>

5 Money Received Against Share Warrants

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

*The Company has allotted 10,75,000 equity shares on conversion of equal number of Equity share warrants during the Financial Year.

@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 received Rs. 22080/- from one of equity warrant holder, which shall be adjusted against the allotment of shares.

6 Trade Payables

Trade Payables	1,017,085	1,435,750
	<u>1,017,085</u>	<u>1,435,750</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	574,811	336,104
(ii) Advance from Customers	4,006,850	89,009
(iii) Other Payables	3,831,214	7,138,522
	<u>8,412,875</u>	<u>7,563,635</u>

Fixed Assets

Note : 8.1 :- Tangible Assets and Depreciation

S. N. Particulars		Gross Block				Depreciation				Net Block		
		As on 01-04-2015	Additions	Deduction / Adjustment	As on 31-3-2016	As on 01-04-2015	For the year	Deduction / Adjustment	Transfer to Reserve*	Upto 31-3-2016	Upto 31-3-2016	Upto 31-3-2015
1	Office Equipments	454,251	15,205	-	469,456	264,331	39,843	-	-	304,174	165,282	189,920
2	Computer Systems	647,960	139,013	-	786,973	107,790	218,693	-	-	326,483	460,490	540,170
3	Furniture & Fixture	51,821	-	-	51,821	444	4,924	-	-	5,368	46,453	51,377
	Total	1,154,032	154,218	-	1,308,250	372,565	263,460	-	-	636,025	672,225	781,467
	Previous Year	60,118,297	816,824	59,781,089	1,154,032	51,909,012	35,369	51,693,054	(121,237)	372,565	781,467	8,209,285

* 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 Amortisation

S. N. Particulars		Gross Block				Amortisation				Net Block		
		As on 01-04-2015	Additions	Deduction / Adjustment	As on 31-3-2016	As on 01-04-2015	For the year	Deduction / Adjustment	Transfer to Reserve	Upto 31-3-2016	Upto 31-3-2016	Upto 31-3-2015
1	Software	4,917,338	645,416	20,223	5,542,531	783,076	1,318,298	2,612	-	2,098,762	3,443,769	4,134,262
	Total	4,917,338	645,416	20,223	5,542,531	783,076	1,318,298	2,612	-	2,098,762	3,443,769	4,134,262
	Previous Year	3,736,243	1,790,223	-	5,526,466	-	1,392,204	-	-	1,392,204	4,134,262	3,736,243

9 Non Current Investment

(Long Term, Other than trade)

Unquoted, At Cost :(i) Investments in Equity Instruments;**Fully Paid**

10000 Equity Shares of iStreet Bazaar Private Limited of Rs.10*	100,000	-
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

(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

	<u>166,000</u>	<u>66,000</u>
Aggregate amount of unquoted investments	<u>166,000</u>	<u>66,000</u>

*The company has acquired 10000 Equity shares of iStreet Bazaar Pvt Ltd of Rs.10 from Pradeep Malu and Lakshya Malu in current financial year and becomes 100% subsidiary of the company.

10 Long-Term Loans and Advances**Security Deposits**

(Unsecured Considered Good)

(i) Office Deposit	1,360,000	2,800,000
(ii) Security Deposits	45,000	45,000
	<u>1,405,000</u>	<u>2,845,000</u>

11 Current Investments

Investment in Mutual Funds

(i) Birla Sun Life Saving Fund [PY 209.833 Units]	-	54,615
(ii) Birla Sun Life Short Term Fund [PY 8325.025 Units]	-	423,301
(iii) DSP BR Money Manager Fund [PY 2.681 Units]	-	5,000
(iv) HDFC Cash Mgmt Treasury Advantage [PY 267.411 Units]	-	7,651
(v) HDFC Floating Rate Income [PY 4076.016 Units]	-	94,597
(vi) UTI -Short Term Income Fund [PY 583505.735 Units]	-	9,500,000
	<u>-</u>	<u>10,085,164</u>

Market Value of Mutual Fund Investment as on 31.03.16	<u>-</u>	<u>10,419,399</u>
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12 Inventories

(i) Stock in Trade	2,851,099	1,307,474
(ii) Stock in Transit	-	177,999
	<u>2,851,099</u>	<u>1,485,473</u>

13 Trade Receivables

Unsecured, Considered Good

(i) Due For a Period Exceeding Six Month	-	-
(ii) Other Debts	56,844	192,636
	<u>56,844</u>	<u>192,636</u>

14 Cash and Cash Equivalents

(i) Cash in hand	169	1,183,287
(ii) Balance with Scheduled bank	350,237	799,801
	<u>350,406</u>	<u>1,983,088</u>

15 Short-Term Loans and AdvancesUnsecured, Considered Good

(i) Inter Corporate Deposit	15,500,000	15,000,000
(ii) Others (Interest Receivable on Inter Corporate Deposit)	3,371,129	1,543,561
	<u>18,871,129</u>	<u>16,543,561</u>

16 Other Current Assets

<u>Unsecured, Considered Good</u>			
(i)	Amount Recoverable in Cash or Kind	198,631	57,104
(ii)	Trade Advances to Related Parties [Refer Note No.16.1]	15,973,236	17,398,568
(iii)	Interest Receivable	18,530	18,530
(iv)	TDS Receivable	81,179	110,130
(v)	Service Tax, VAT Credits	1,617,148	948,449
(vi)	Prepaid Expense	42,476	1,054,047
(vii)	Advance to Staff	9,300	16,600
		<u>17,940,500</u>	<u>19,603,428</u>

Note 16.1

-Advance and deposits for trade given to an Associate enterprise Inovent Solution Ltd. towards expanding Internet Retail Store activities and using their complete infrastructure, human knowledge, experience, resources and brand name.

-Advance and deposits for trade given to an 100% Subsidiary company iStreet Bazaar Private Limited towards business expansion and operations activities.

17 Revenue From Operation

(i)	Sales of Products	183,804,784	7,059,487
(ii)	Activation Fees	(8,900)	115,700
		<u>183,795,884</u>	<u>7,175,187</u>

18 Other Income

(i)	Dividend Received	1,500	5,000
(ii)	Interest Received on Income Tax Refund	2,064	66,412
(iii)	Miscellaneous Receipts	1,122	-
(iv)	Sundry Balance W.off/ W.back	26,379	17,385
(v)	Interest Received	1,830,083	1,820,410
(vi)	Profit on Sale of Investments	552,166	402,912
		<u>2,413,314</u>	<u>2,312,119</u>

19 Employee Benefits Expense

(i)	Salary & Wages	9,792,198	6,844,522
(ii)	Contribution to PF & other funds	629,514	411,821
(iii)	Staff Welfare expenses	98,488	41,421
		<u>10,520,200</u>	<u>7,297,764</u>

20 Other Expenses

(i)	Payment to Auditors:		
	- As Auditors	150,000	50,000
	- For Other Services	33,000	16,000
	- Out of Pocket Exp	-	1,028
(ii)	Listing & Depository Fee	318,188	270,478
(iii)	Advertisement & Marketing Expenses	4,615,854	11,659,661
(iv)	Conveyance Expenses	52,537	32,590
(v)	Director Sitting Fees	65,000	17,500
(vi)	Fulfillment Expense	6,208,357	685,398
(vii)	Insurance	33,192	14,182
(viii)	Professional Fees	593,434	317,250
(ix)	Membership & Subscription	1,250	2,200
(x)	Miscellaneous Expenses	352,801	348,459
(xi)	Postage & Courier	-	75,170
(xii)	Printing & Stationery	280,110	89,061
(xiii)	Rates & Taxes	141,052	98,290
(xiv)	Repairs to Others	117,643	213,905
(xv)	Share Transfer Expenses	101,174	21,600
(xvi)	Sundry Advance W/o	109,340	5,350,000
(xvii)	Travelling Expenses - Others	526,207	439,832
(xviii)	Travelling Expenses - Director	23,264	757,318
(xix)	E Commerce Technology Support	975,751	3,964,763
(xx)	Conference and Exhibition Expense	117,988	294,443
(xxi)	Electricity Expenses	482,304	349,486
(xxii)	E Coupons and Commission	8,260,682	252,900
(xxiii)	Rent	2,916,000	390,000
(xxiv)	Telephone Expenses	169,148	76,939
		<u>26,644,276</u>	<u>25,788,453</u>

21 Profit/(Loss) From Discontinuing Operations

(i) On disposal of assets*	-	26,065,058
	-	26,065,058

*Profit from discontinuing operations was 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. NIL) and total liabilities is Rs. 8.16 Lacs (P.Y. Rs. 7.90 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 From the next financial year the wholesale business of the company will be carried out in its wholly owned subsidiary company -iStreet Bazaar Private Limited. Hence balance of debtors and creditors as on 31.03.2016 of the wholesale business is transferred to wholly owned subsidiary company. 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.

25 Earning Per Share

<u>Particulars</u>	31.03.2016	31.03.2015
Profit/(Loss) for the period	(28,960,390)	(5,730,316)
No. of Equity Shares outstanding		
Basic	20,762,123	19,923,493
Diluted	21,100,000	20,271,027
Earning Per Equity Share		
Basic	(1.39)	(0.29)
Diluted	(1.37)	(0.28)

26 Related Party Disclosures

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

- (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) iStreet Bazaar Pvt Ltd Subsidiary
(b) Cardioid Plasteel Pvt. Ltd. Associates
(c) Crest Latex Pvt. Ltd. Associates
(d) Radelf Pharmacueticals Private Ltd Associates
(e) Kushal C.Sacheti Director (Resigned w.e.f. 27.02.2016)
(f) Inovent Solutions Ltd. Associates

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

	31.03.2016	31.03.2015
Remuneration	2,400,000	2,344,009

- (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 and f)]

Opening Balance	17,398,568 Dr	17,247,022 Dr
Trade money given during the year	53,74,008 Dr	6,844,060 Dr
Trade money settled during the year	67,99,340 Cr	6,692,514 Cr
Closing Balance	1,59,73,236 Dr	17,398,568 Dr

Purchase of Investment [With (ii)(a)]	100,000	-
Outstanding Investment [With (ii)(a)]	100,000	-

Equity Share Warrants Issued [With (ii)(b to e)]

Cardioid Plasteel Pvt. Ltd.	-	500,000
Crest Latex Pvt. Ltd.	-	550,000
Radelf Pharmacueticals Private Ltd	-	500,000

Kushal C. Sacheti	-	3,000,000
	31.03.2016	31.03.2015
Equity Share Capital received [With (ii)(b to e)]		
Cardioid Plasteel Pvt. Ltd.	400,000	-
Crest Latex Pvt. Ltd.	440,000	-
Radelf Pharmaceuticals Private Ltd	400,000	-
Kushal C. Sacheti	2,400,000	600,000
Premium Received on Equity Share Issued		
Cardioid Plasteel Pvt. Ltd.	6,400,000	-
Crest Latex Pvt. Ltd.	7,040,000	-
Radelf Pharmaceuticals Private Ltd	6,400,000	-
Kushal C. Sacheti	38,400,000	2,400,000
(v) Year End Outstanding		
Mr. Pradeep Malu	1,72,148 Cr	77372 Cr
Inovent Solutions Ltd.	1,30,73,433 Dr	17,398,568 Dr
iStreet Bazaar Pvt Ltd	28,99,803 Dr	-
Kushal C.Sacheti	-	22080 Cr

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

	31.03.2016		31.03.2015	
	Foreign Exchange	INR	Foreign Exchange	INR
(i) Value of imports calculated on C.I.F basis	Nil	Nil	Nil	Nil
(ii) Expenditure in Foreign Currency				
E Commerce Technology Support	USD 7050.85	460,628	USD 1937.12	122,760
Conference and Exhibition Expense	Nil	Nil	Euro 1450.00	117,655
(iii) (a) Total value of all imported raw materials, spare parts and components consumed	Nil	Nil	Nil	Nil
(b) Total value of indigenous raw materials, Spare parts and components consumed	Nil	Nil	Nil	Nil
(iv) The amount remitted during the year in foreign currencies on account of dividend	Nil	Nil	Nil	Nil
(v) Earnings in Foreign Exchange	Nil	Nil	Nil	Nil
(vi) The amount of dividend proposed to be distributed	Nil	Nil	Nil	Nil

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

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

B.P. Mantri
(Partner)
Membership No. 045701

Place : Mumbai
Dated : 28.05.2016

For iStreet Network Limited

Pradeep Malu
(Managing Director)
DIN : 00001959

Mayur Vora
(Chief Financial Officer)

Place : Mumbai
Dated : 28.05.2016

Neeraj Gupta
(Director)
DIN : 05327106

Dipankar Basu
(Company Secretary)

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT

To,
The Members of
iStreet Network Limited

Report on Consolidated financial Statement

We have audited the accompanying consolidated financial statement of iStreet Network Limited('the Holding company') and its subsidiary (referred to as 'the company'), (the Holding Company and its subsidiary together referred to as "the Group"), comprising the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the companies Act 2013('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance, and consolidated 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 companies Act 2013 (hereinafter referred to as 'the Act') read with Rule 7 of the companies (Accounts) Rules,2014. The Board of Directors of the company is responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgment and estimate that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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 and error, which have been use for the purpose of preparation of the consolidated financial statement by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matter which are required to be included in the audit report under the provision of the Act, and the rules made there under.

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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amount and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the consolidated financial statement, where due to fraud and error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statement that give a true and fair view in order to design audit procedure that are appropriate in the circumstances. An audit also include evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statement give the information require 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 consolidated state of affairs of the group, as at 31 March 2016, and their consolidated loss and their consolidated cash flow for the year ended on that date.

Other Matters

We did not audit the financial statements of iStreet Bazaar Pvt Ltd subsidiary whose financial statement reflect total assets of Rs. 10,55,357 as at 31st March 2016, total revenue of Rs. 60,679 and net cash flow amounting to Rs. 2,720 for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the group's share of net loss of Rs. 31,359,766 for the year ended 31st March 2016, as considered in the consolidated financial statements, in respect of iStreet Bazaar Pvt Ltd, whose financial statements have not been audited

by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and, our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosure included in respect of this subsidiary and our report in terms of sub section (3) and (11) of section 143 of the Act, in so far as it relates to the subsidiary, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on other legal and regulatory requirements

1. As required by sub section 3 of 143 of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of accounts as required by the law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor's.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss , and the consolidated cash flow statement dealt with by the this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the director of the Holding Company as on 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of the subsidiary company incorporated in India, none of the directors of the group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of the company in term of sub-section 2 of section 164 of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A', and
 - g. 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) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. There was no pending litigation which would impact the consolidated financial position of the group;
 - ii. The Group entities did not have any material foreseeable losses on long-term contracts including derivative contracts; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company.

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

Place : Mumbai
Date: May 28,2016

B.P. MANTRI
Partner
M. No. 45701

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under clause (i) of the sub section 3 of the section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of iStreet Network Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and there operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud and error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, which are company incorporated in India, in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

A company's internal financial controls over financial reporting those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipt and expenditure of the company are being made only in accordance with authorizations of the management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to iStreet Bazaar Private Limited subsidiary company, which is company incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Place : Mumbai

Date: May 28,2016

B.P. MANTRI
Partner
M. No. 45701

iStreet Network Limited
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2016

	Note No.	As At 31.03.2016 Rs
I) <u>EQUITY AND LIABILITIES</u>		
(1) <u>Shareholders Funds</u>		
(a) Share Capital	3	84,400,000
(b) Reserves and Surplus	4	(50,489,100)
(c) Money Received Against Share Warrants	5	-
Total Shareholder Funds		33,910,900
(2) <u>Current Liabilities</u>		
(a) Trade Payables	6	1,017,085
(b) Other Current Liabilities	7	8,884,542
Total Current Liabilities		9,901,627
Total		43,812,527
II) <u>ASSETS</u>		
(1) <u>Non-Current Assets</u>		
(a) Fixed Assets		
(i) Tangible Assets	8.1	672,225
(ii) Intangible Assets	8.2	3,443,769
(iii) CWIP		-
(b) Non-Current Investments	9	66,000
(c) Long-Term Loans and Advances	10	1,405,000
Total Non-Current Assets		5,586,994
(2) <u>Current Assets</u>		
(a) Current Investments		-
(b) Inventories	11	2,851,099
(c) Trade Receivables	12	56,844
(d) Cash and Cash Equivalents	13	453,126
(e) Short-Term Loans and Advances	14	18,871,129
(f) Other Current Assets	15	15,993,335
Total Current Assets		38,225,533
Total		43,812,527

Notes to the financial statements are integral part of this Consolidated Balance Sheet

As per our report of even date
For Jhavar Mantri & Associates
Firm Registration No. 113221W
Chartered Accountants

For iStreet Network Limited

B.P. Mantri
(Partner)
Membership No. 045701

Pradeep Malu
(Managing Director)
DIN : 00001959

Neeraj Gupta
(Director)
DIN : 05327106

Mayur Vora
(Chief Financial Officer)

Dipankar Basu
(Company Secretary)

Place : Mumbai
Dated : 28.05.2016

Place : Mumbai
Dated : 28.05.2016

iStreet Network Limited

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2016

	<u>Particulars</u>	<u>Note No.</u>	<u>Year Ended 31.03.2016 Rs</u>
	<u>INCOME</u>		
I.	Revenue from operations	16	183,856,563
II.	Other Income	17	2,413,314
III.	Total		186,269,877
IV.	<u>EXPENSES</u>		
	Cost of Material Consumed		-
	Purchase of Stock in Trade		177,850,848
	Changes In Inventories		(1,365,626)
	Employee Benefit Expense	18	12,889,358
	Depreciation and Amortization Expenses	8.1	1,579,140
	Other Expenses	19	26,675,923
	Total		217,629,643
V.	Profit before exceptional and extraordinary items and tax (III-IV)		(31,359,766)
VI.	Exceptional Items		-
VII.	Profit before extraordinary items and tax (V-VI)		(31,359,766)
VIII.	Extraordinary Items (Net of Income)		-
IX.	Profit / (Loss) Before Tax (VII-VIII)		(31,359,766)
X.	Tax expenses:		-
XI.	Profit/(Loss) for the period from continuing operations(IX-X)		(31,359,766)
XII.	Profit/(Loss) from discontinuing operations		-
	- From ordinary activities		-
	- On disposal of assets		-
XIII.	Tax expense on Profit from discontinuing operations		-
XIV.	Profit/(Loss) for the period from discontinuing operations after tax (XII - XIII)		-
XV.	Profit/(Loss) for the period (XI + XIV)		(31,359,766)
	Profit carried to Balance Sheet		(31,359,766)
	No. of Equity Shares (*On weighted average basis)		
	Basic		20,762,123
	Diluted		21,100,000
	Earning Per Equity Share	24	
	Basic		(1.51)
	Diluted		(1.49)

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

As per our report of even date
For Jhavar Mantri & Associates
Firm Registration No. 113221W
Chartered Accountants

For iStreet Network Limited

B.P. Mantri
(Partner)
Membership No. 045701

Pradeep Malu
(Managing Director)
DIN : 00001959

Neeraj Gupta
(Director)
DIN : 05327106

Mayur Vora
(Chief Financial Officer)

Dipankar Basu
(Company Secretary)

Place : Mumbai
Dated : 28.05.2016

Place : Mumbai
Dated : 28.05.2016

iStreet Network Limited
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

<u>Particulars</u>	<u>Year Ended</u> 31.03.2016 Rs
A. CASH FLOW FROM OPERATING ACTIVITIES :	
Net Profit/(Loss) before tax as per Statement of Profit and Loss	(31,359,766)
Adjustments for :	
1. Depreciation	1,579,140
2. Interest/Dividend/Other Income/Income from discontinuing operation	(1,830,083)
3. Amortisation	-
Interest paid	-
4. Operating Profit/(Loss) before Working Capital Changes	(31,610,709)
Adjustments for :	
(i) Trade and Other Receivables	3,745,885
(ii) Inventories	(1,365,626)
(iii) Trade and other payables	885,504
Cash used/generated in/ from Operating activities	(28,344,946)
Income Tax , FBT	-
Net cash used in /generated from Operating activities	(28,344,946)
B. CASH FLOW FROM INVESTING ACTIVITIES :	
Purchase of Fixed Assets Inclusive of Capital WIP	(335,839)
Sale of Assets	20,224
Long Term Loans and Advances	1,440,000
Short Term Loans and Advances	(2,327,568)
Dividend/Rent/other Received	1,830,083
Net cash from Investing activities	626,900
C. CASH FLOW FROM FINANCING ACTIVITIES:	
Proceeds from Issue of Share Capital	21,500,000
Proceeds from Issue of Equity Share Warrant	(5,397,080)
Investment in Mutual Funds	10,085,164
Net Cash From Financing activities	26,188,084
Net Increase in Cash and Cash equivalents	(1,529,962)
Cash and cash equivalents as at (Opening Balance)	1,983,088
Cash and cash equivalents as at (Closing Balance)	453,126

As per our report of even date
For Jhavar Mantri & Associates
Firm Registration No. 113221W
Chartered Accountants

B.P. Mantri
(Partner)
Membership No. 045701

Place : Mumbai
Dated : 28.05.2016

For iStreet Network Limited

Pradeep Malu
(Managing Director)
DIN : 00001959

Mayur Vora
(Chief Financial Officer)

Place : Mumbai
Dated : 28.05.2016

Neeraj Gupta
(Director)
DIN : 05327106

Dipankar Basu
(Company Secretary)

iStreet Network Limited

CONSOLIDATED NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31st MARCH 2016

- 1 iStreet Network Ltd is a public limited company and listed on BSE stock Exchange (ISTRNETWK – 524622). The company is an Internet & Retail Catalogue company and sells products and services through its Internet Retail Stores known as 'iStreet Bazaar'. iStreet Bazaar – the Internet Retail Store is a physical store in a neighborhood area which runs on virtual inventory. Common people, who have constraints in buying products online, can do so at these stores.

iStreet Bazaar Private Limited is a 100% wholly owned subsidiary of iStreet Network Limited. The company is in wholesale of products and services through its Internet Retail Stores known as 'iStreet Bazaar'.

iStreet Bazaar Stores solves issues like – price, access, experience and assortments. It puts a face to the online transaction which increases the level of trust that is important particularly in Indian scenario.

The Company has setup 5,756 such Internet Retail Stores across the India. The network of Internet Retail Stores is a backbone intangible asset for the company to run the business. The network is much more than just shops, it gives to customer eCommerce shopping experience based on trust and familiarity relationship. It is integral to the customer's experience in dealing with the company.

Typically, research shows that there are four business models – Asset Builders, Service Providers, Technology Creators and Network Orchestrators. We are Network Orchestrators. What is a Network Orchestrator company? A Company, which creates a network of peers where in all participants interact and have share in the value creation in one way or the other. They may sell products or services, build relationships, share advice, give reviews, collaborate, co-create, and more.

Network Orchestrators rely on intangibles such as knowledge or relationships or other people's assets as well as new "non-management" and "non-ownership" competencies related to facilitating a network of individuals and their individual assets and relationships.

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 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.

(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) Basis of Consolidation

- (a) The Financial statements of the Subsidiary company in consolidation are drawn up to the same reporting date as of the company for the purpose of consolidation.
- (b) The Consolidated financial statements have been prepared in accordance with the Accounting Standard (AS) 21 'Consolidated Financial Statement' and generally accepted accounting principles.
- (c) Principles of consolidation :
The consolidated financial statements have been prepared as per the following principles :
 - (i) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together of the like items of assets, liabilities, income and expenses after eliminating intergroup balances, intragroup transactions, unrealised profits or losses and minority interest have been separately disclosed.
 - (ii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the company's separate financial statement except as otherwise stated in the notes to the accounts.
 - (iii) The difference between cost of investments in Subsidiaries, over the net asset at the time of acquisition is recognised in financial statement as goodwill, which is written off/adjusted against reserves.

(o) Other Accounting Policies

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

		31.03.2016
		Rs
3 Share Capital		
(i)	<u>Authorised</u> 25,000,000 Equity Shares of Rs.4/- each	<u><u>100,000,000</u></u>
(ii)	<u>Issued, Subscribed & Fully Paid</u> 21,100,000 Equity Shares of Rs.4/- each fully paid up	<u>84,400,000</u> <u>84,400,000</u>
(iii)	<u>Reconciliation of the number of shares outstanding</u>	No. of shares
	At the beginning of the year	20,025,000
	Add: Issued during the Year	<u>1,075,000</u>
	At the end of the year	<u><u>21,100,000</u></u>

The Company has allotted 10,75,000 Equity Shares of Rs. 4 each during the Financial year on various dated on preferential basis against equal number of Equity warrants on full payment of Rs. 20/- per share. These shares are locked in as per followings -

<u>No of Equity Shares</u>	<u>Issued To</u>	<u>Lock-in Till</u>
600000	Non-Promoter	24.07.2016
165000	Non-Promoter	29.11.2016
310000	Promoter Group	29.11.2018

(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	3,925,843	18.61	3,925,843
Inovent Solutions Ltd*	7,075,525	33.53	7,075,525
Devkant Synthetics (I) Pvt. Ltd.	2,419,501	11.47	<u>2,419,501</u>
	13,420,869	63.61	<u><u>13,420,869</u></u>

*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.

4 Reserves and Surplus

(i)	Securities Premium Account	
	Opening Balance	2,400,000
	Add : Additions During the Year	17,200,000
	Closing Balance	<u>19,600,000</u>
(ii)	Profit and Loss	
	Opening Balance	(38,729,334)
	Add: Net Profit/(Net Loss) for the current year	(31,359,766)
	Closing Balance	<u>(70,089,100)</u>
(iii)	Minority Interest*	-
		<u>(50,489,100)</u>

*Due to loss in subsidiary company, there is no minority interest as holding company has absorbed losses.

5 Money Received Against Share Warrants

Money received against share warrants	<u>-*</u>
	<u>-</u>

*The Company has allotted 10,75,000 equity shares on conversion of equal number of Equity share warrants during the Financial Year.

6 Trade Payables

Trade Payables	1,017,085
	<u>1,017,085</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	603,430
(ii)	Advance from Customers	4,006,850
(iii)	Other Payables	4,274,262
		<u>8,884,542</u>

Fixed Assets

Note : 8.1 :- Tangible Assets and Depreciation

S. N.	Particulars	Gross Block				Depreciation				Net Block
		As on 01-04-2015	Additions	Deduction / Adjustment	As on 31-3-2016	As on 01-04-2015	For the year	Deduction / Adjustment	Upto 31-3-2016	Upto 31-3-2016
1	Office Equipments	454,251	15,205	-	469,456	264,331	39,843	-	304,174	165,282
2	Computer Systems	647,960	139,013	-	786,973	107,790	218,693	-	326,483	460,490
3	Furniture & Fixture	51,821	-	-	51,821	444	4,924	-	5,368	46,453
	Total	1,154,032	154,218	-	1,308,250	372,565	263,460	-	636,025	672,225

Note : 8.2 :- Intangible Assets and Amortisation

S. N.	Particulars	Gross Block				Amortisation				Net Block
		As on 01-04-2015	Additions	Deduction / Adjustment	As on 31-3-2016	As on 01-04-2015	For the year	Deduction / Adjustment	Upto 31-3-2016	Upto 31-3-2016
1	Software	4,917,338	645,416	20,223	5,542,531	783,076	1,318,298	2,612	2,098,762	3,443,769
	Total	4,917,338	645,416	20,223	5,542,531	783,076	1,318,298	2,612	2,098,762	3,443,769

9	Non Current Investment	31.03.2016
	(Long Term, Other than trade)	
	Unquoted, At Cost :	
(i)	<u>Investments in Equity Instruments;</u>	
	Fully Paid	
	1000 Equity Shares of Rs.10/-each fully paid up of The Saraswat Co-op Bank Ltd.	10,000
	100 Equity Shares of Rs.10/- each fully paid up of The Malad Sahakari Bank Ltd.	1,000
(ii)	<u>Investments in Government or trust securities;</u>	-
	National Saving Certificate (Lodged with Department of Prohibition, Gujarat Gvt.)	50,000
	National Saving Certificate (Lodged with Sales Tax Authority, Bombay)	5,000
		66,000
	Aggregate amount of unquoted investments	66,000
10	Long-Term Loans and Advances	
	Security Deposits	
	(Unsecured Considered Good)	
(i)	Office Deposit	1,360,000
(ii)	Security Deposits	45,000
		1,405,000
11	Inventories	
(i)	Stock in Trade	2,851,099
		2,851,099
12	Trade Receivables	
	Unsecured, Considered Good	
(i)	Due For a Period Exceeding Six Month	-
(ii)	Other Debts	56,844
		56,844
13	Cash and Cash Equivalents	
(i)	Cash in hand	90,169
(ii)	Balance with Scheduled bank	362,957
		453,126
14	Short-Term Loans and Advances	
	<u>Unsecured, Considered Good</u>	
(i)	Inter Corporate Deposit	15,500,000
(ii)	Others (Interest Receivable on Inter Corporate Deposit)	3,371,129
		18,871,129
15	Other Current Assets	
	<u>Unsecured, Considered Good</u>	
(i)	Amount Recoverable in Cash or Kind	1,148,469
(ii)	Trade Advances to Related Parties [Refer Note No.26.1]	13,073,433
(iii)	Interest Receivable	18,530
(iv)	TDS Receivable	81,179
(v)	Service Tax, VAT Credits	1,619,948
(vi)	Prepaid Expense	42,476
(vii)	Advance to Staff	9,300
		15,993,335

Note 15.1

Advance and deposits for trade given to an Associate enterprise Inovent Solution Ltd. towards expanding Internet Retail Store activities and using their complete infrastructure, human knowledge, experience, resources and brand name.

16 Revenue From Operation		
(i) Sales of Services		60,679
(ii) Sales of Products		183,804,784
(ii) Activation Fees		(8,900)
		<u>183,856,563</u>
17 Other Income		
(i) Dividend Received		1,500
(ii) Interest Received on Income Tax Refund		2,064
(iii) Miscellaneous Receipts		1,122
(iv) Sundry Balance W.off/ W.back		26,379
(v) Interest Received		1,830,083
(vi) Profit on Sale of Investments		552,166
		<u>2,413,314</u>
18 Employee Benefits Expense		
(i) Salary & Wages		12,161,356
(ii) Contribution to PF & other funds		629,514
(iii) Staff Welfare expenses		98,488
		<u>12,889,358</u>
19 Other Expenses		
(i) Payment to Auditors:		
- As Auditors		155,000
- For Other Services		33,000
(ii) Listing & Depository Fee		318,188
(iii) Advertisement & Marketing Expenses		4,615,854
(iv) Conveyance Expenses		52,537
(v) Director Sitting Fees		65,000
(vi) Fulfillment Expense		6,208,357
(vii) Insurance		33,192
(viii) Professional Fees		613,434
(ix) Membership & Subscription		1,250
(x) Miscellaneous Expenses		356,948
(xi) Printing & Stationery		280,110
(xii) Rates & Taxes		143,552
(xiii) Repairs to Others		117,643
(xiv) Share Transfer Expenses		101,174
(xv) Sundry Advance W/o		109,340
(xvi) Travelling Expenses - Others		526,207
(xvii) Travelling Expenses - Director		23,264
(xviii) E Commerce Technology Support		975,751
(xix) Conference and Exhibition Expense		117,988
(xx) Electricity Expenses		482,304
(xxi) E Coupons and Commission		8,260,682
(xxii) Rent		2,916,000
(xxiii) Telephone Expenses		169,148
		<u>26,675,923</u>
20 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.		
21 Outstanding balances of the debtors, creditors, loans and advances are subject to confirmation and reconciliation, if any.		

22 Consolidation Summary :

Entity	Net Assets (Total Assets-Total Liabilities)		Share in Profit & Loss	
	2015-16		2015-16	
	Amount	%	Amount	%
A) Parent Company	36,327,012	107%	(28,960,390)	92%
B) Subsidiary company :				
- India Company	(2,316,112)	-7%	(2,399,376)	8%
- ForeignCompany	-	-	-	-
C) Minority Interest in all Subsidiaries :				
- India Company	-	-	-	-
- ForeignCompany	-	-	-	-
Total	33,910,900	100%	(31,359,766)	100%

23 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.

24 Earning Per Share

<u>Particulars</u>	31.03.2016
Profit/(Loss) for the period	(31,359,766)
No. of Equity Shares outstanding	
Basic	20,762,123
Diluted	21,100,000
Earning Per Equity Share	
Basic	(1.51)
Diluted	(1.49)

25 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 of iStreet Network Limited |
| (b) Mr. Lakshya Malu | Managing Director of iStreet Bazaar Private Limited |
- (ii) Other parties where key Management Personnel and /or their relatives have significant influence
- | | |
|--|---------------------------------------|
| (a) Cardioid Plasteel Pvt. Ltd. | Associates of iStreet Network Limited |
| (b) Crest Latex Pvt. Ltd. | Associates of iStreet Network Limited |
| (c) Radelf Pharmacueticals Private Ltd | Associates of iStreet Network Limited |
| (d) Kushal C. Sacheti (Resigned w.e.f. 27.02.2016) | Director of iStreet Network Limited |
| (e) Inovent Solutions Ltd. | Associates of iStreet Network Limited |
- (iii) Details relating to person referred to in items (i) above:
- | | |
|--------------|--------------------------------|
| Remuneration | 31.03.2016
4,166,667 |
|--------------|--------------------------------|
- (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 and f)] | |
| Opening Balance | 17,398,568 Dr |
| Trade money given during the year | 23,79,587 Dr |
| Trade money settled during the year | 67,04,722 Cr |
| Closing Balance | 1,30,73,433 Dr |
| Purchase of Equity shares of iStreet Bazaar Private Limited [With (i)] | 100,000 |

Equity Share Capital received [With (ii)(a to d)]		
Cardioid Plasteel Pvt. Ltd.		400,000
Crest Latex Pvt. Ltd.		440,000
Radelf Pharmacueticals Private Ltd		400,000
Kushal C. Sacheti		2,400,000
Premium Received on Equity Share Issued [With(ii)(a to d)]		
Cardioid Plasteel Pvt. Ltd.		6,400,000
Crest Latex Pvt. Ltd.		7,040,000
Radelf Pharmacueticals Private Ltd		6,400,000
Kushal C. Sacheti		38,400,000
(v) Year End Outstanding		
Mr. Pradeep Malu		1,72,148 Cr
Inovent Solutions Ltd.		1,30,73,433 Dr
Kushal C.Sacheti		-

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

		31.03.2016	
		Foreign Exchange	INR
(i)	Value of imports calculated on C.I.F basis	Nil	Nil
(ii)	Expenditure in Foreign Currency		
	E Commerce Technology Support	USD 7050.85	460,628
	Conference and Exhibition Expense	Nil	Nil
(iii)	(a) Total value of all imported raw materials, spare parts and components consumed	Nil	Nil
	(b) Total value of indigenous raw materials, Spare parts and components consumed	Nil	Nil
(iv)	The amount remitted during the year in foreign currencies on account of dividend	Nil	Nil
(v)	Earnings in Foreign Exchange	Nil	Nil
(vi)	The amount of dividend proposed to be distributed	Nil	Nil

27 iStreet Network Limited has purchased 100% Equity shares of iStreet Bazaar Private Limited in current financial year hence previous year figures have not been consolidated.

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

B.P. Mantri
(Partner)
Membership No. 045701

Place : Mumbai
Dated : 28.05.2016

For iStreet Network Limited

Pradeep Malu
(Managing Director)
DIN : 00001959

Mayur Vora
(Chief Financial Officer)

Place : Mumbai
Dated : 28.05.2016

Neeraj Gupta
(Director)
DIN : 05327106

Dipankar Basu
(Company Secretary)

iStreet Network Limited

CIN: L51900MH1986PLC040232

Regd. Off.: 513, Palm Spring, Link Road, Malad West, Mumbai 400064. India
Tel. No.: +91 22 42576767; Website : www.istreetnetwork.com ; Email: info@istreetnetwork.com

Form No. MGT-11

PROXY FORM

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

I/We being the member(s) of _____ shares of the above named Company

Name of the member (s) :
Registered address :
E-mail Id :
Folio / DP ID-Client ID No. :

hereby appoint:

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

Or failing him/her

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

Or failing him/her

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Tuesday, September 20, 2016 at 11.00 a.m. at OnToes, One up Banquets, First floor, Palm Spring, Link road, Malad West, Mumbai – 400064 and at any adjournment thereof in respect of such resolutions as are indicated below:

	Resolutions	Optional	
		For	Against
Ordinary Business:			
1.	Adoption of Financial Statements		
2.	To appoint Ms. Meethu Malu (DIN: 07074018) who retires by rotation and being eligible,		
3.	Ratification of Appointment of Auditors.		
Special Business:			
4.	Approval to implement Employee Stock Option Scheme, 2016 and Grant of Employee		
5.	Grant of Employee Stock Options to the Employees of the Subsidiary Company(ies) or associate company(ies) or holding Company of the Company under iSNL Employee Stock Option Scheme 2016		
6.	Grant of Options to issue securities equal to or exceeding one per cent of the issued		
7.	To approve the limit of transactions with related parties		

Signed this..... Day of..... 2016

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

Affix revenue stamp

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- For the Resolutions, Explanatory Statement and notes please refer to the Notice of the Annual General Meeting.
- It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- Please complete all details including details of member(s) in above box before submission.
- A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

iStreet Network Limited
(CIN: L51900MH1986PLC040232)

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

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 29th Annual General Meeting of the Company held on Tuesday, September 20, 2016 at OnToes, One up Banquets, First floor, Palm Spring, Link road, Malad West, Mumbai – 400064

.....
Name of Proxy/Member/Authorised Representative
(In BLOCK LETTERS)

.....
Proxy's / Member's
Authorised Representative's Signature

Notes:

1. This Meeting is of Members only and you are requested not to bring with you any person who is not a Member.
2. Shareholders/Proxy holders are requested to bring the attendance slips with them when they come to the Meeting and hand over at the entrance after affixing their signature on them.
3. If it is intended to appoint a proxy, the Form of Proxy should be completed and deposited at the Registered Office of the Company at least 48 hours before the Meeting.

Route map for venue of the 29th Annual General Meeting:

Date: September 20, 2016

Time: 11:00 am

(Land mark- Above Croma Electronic Store)

