

ANNUAL REPORT

2016-2017



iStreet
iStreet Network Limited

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Safe Harbor Statement:

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

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

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

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

Board of Directors:

DIN

Naval Choudhary <i>Independent Director</i>	00192164
Neeraj Gupta <i>Independent Director</i>	05327106
Sanjeev Chhajed <i>Independent Director</i>	02849462
Meenu Malu <i>Additional Director</i>	00444932
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

30TH ANNUAL GENERAL MEETING

On Tuesday, September 26, 2017 at 11 am

Venue:

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

NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of iStreet Network Limited will be held on Tuesday, September 26, 2017 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

To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2017 together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 2:- To Appoint a Director in place of Mr. Pradeep Malu(DIN: 00001959) who retires by rotation and being eligible, offers himself for re-appointment.

Item No. 3:- To appoint M/s. K U Kothari & Co., Chartered Accountants (Firm Registration No. 105310W), as the Statutory Auditors of the Company and to fix their remuneration and in this regard to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), **M/s. K U Kothari & Co.,** Chartered Accountants,(Firm Registration No. **105310W**) be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring auditors M/s. Jhawar Mantri & Associates, Chartered Accountants, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Thirty Fifth Annual General Meeting of the Company to be held in the calendar year 2022 (subject to ratification of their appointment at every Annual General Meeting, if so required under the Act), at such remuneration as may be mutually agreed to, between the Board of Directors and the Auditors, plus applicable taxes and reimbursement of travel and out-of-pocket expenses.”

SPECIAL BUSINESS:

Item No. 4:- Appointment of Ms. Meenu Malu, as Director

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

“RESOLVED THAT in accordance with the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Meenu Malu (DIN : 00444932), who was appointed as an Additional Director of the Company with effect from February 8, 2017 pursuant to Section 161 of the Act and Articles of Association of the Company and who holds office upto the date of this

Annual General Meeting, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”

Place: Mumbai
Date : August 11, 2017

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. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Members holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. If a Proxy is appointed for more than fifty Members, the Proxy shall choose any fifty Members and confirm the same to the Company not later than 48 hours before the commencement of the meeting. In case, the Proxy fails to do so, the first fifty proxies received by the Company shall be considered as valid. The instrument of Proxy, in order to be effective, should be deposited, either in person or through post, at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorised under the said resolution to attend and vote on their behalf at the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 20 September, 2017 to Tuesday, 26 September, 2017 (both days inclusive) for the purpose of the AGM.
5. Members seeking any information with regard to accounts are requested to write to the Company at least 3 working days in advance so as to enable the Management to keep the information ready at the AGM.

6. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you communications including annual report, notices etc. in electronic mode.
7. Members holding shares in Electronic (Demat) Form are advised to inform the particulars of their bank account, change of address and Email ids to their respective Depository Participants with whom they are maintain their demat accounts. The Company or its Registrar and Transfer Agents i.e Adroit Corporate Services Pvt. Ltd cannot act on request received directly from the members holding shares in demat mode for changes in any bank mandate or other particulars etc., and such instructions shall be given directly to the Depository Participants by the members.
8. Members holding shares in Physical Form are advised to 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 by quoting the folio no.
9. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by members at the meeting.
10. Members are requested to bring their copies of Annual Report to the Meeting. In order to enable us to register your attendance at the venue of the Annual General Meeting, members are requested to bring their folio number /demat account number/DP-ID-Client ID to enable us to provide a duly filled attendance slip for your signature and participation at the meeting.
11. Members may note that the Notice of 30th 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 in the 'Investor Relations' section. The physical copies of the documents will also be available for inspection at the Company's registered office for inspection during normal business hours on working days.
12. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
13. Details as required pursuant to Secretarial Standards on General Meeting (SS-II) and Regulation 36(3) of the Listing Regulations in respect of the Director seeking appointment / re-appointment at the Annual General Meeting is furnished as annexure to this notice of the Annual Report. Requisite consent/declarations have been received from the Director seeking appointment / re-appointment as required under Companies Act, 2013 and rules made there under.
14. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9.00 am to 6.00 p.m) on all working days up to and including the date of the Annual General Meeting.
15. Only bonafide members of the Company whose name appear on the Register of Members/Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves the right to take all steps as may be deemed necessary to restrict non-members from attending the meeting.

16. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository Participant(s). Members of the Company who have registered their e-mail address are also entitled to receive such communication in physical form, upon request.

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

18. E-voting

(i) Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its Members facility to exercise their right to vote on the resolutions proposed to be passed at AGM through the electronic voting service facility arranged by National Securities Depository Limited (“NSDL”). The Members may cast their votes using an electronic voting system from a place other than the venue of the AGM (“remote E-voting”) which will be provided by National Securities Depository Limited (NSDL)

(ii) The facility for voting through ballot paper will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote E-voting shall be able to exercise their right at the meeting through ballot paper.

(iii) A Member can opt for only one mode of voting i.e. either through remote e-voting or at the meeting. If a member casts votes by both modes, then voting done through remote e-voting shall prevail.

(iv) Members who cast their votes by remote E-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again.

(v) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, September 19, 2017, i.e. the date prior to the commencement of book closure, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice.

The e- period will commence at (9 a.m. IST) on Friday, 22 September 2017 and will end at (5 p.m. IST) on Monday, September 25, 2017. 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 19, 2017, may cast their vote by remote E-voting. The remote E-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently

The process and manner for remote E-voting are as under:

A. If your email is registered with Company or depository participant which includes NSDL or CDSL, you will receive email communication from NSDL attached therewith an encrypted PDF file “iStreet remote e-voting.pdf” which will contain User ID & Password for e-voting. Open the PDF file attached to the email as per instructions in the body of the email. In case you are already registered with NSDL for evoting you can use your existing password for casting the vote and you will not receive fresh login credentials as attachment to the email. :

- (i) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (ii) Click on Shareholder - Login
- (iii) Put User ID and password as initial password/PIN noted in step (i) above. Click 'Login'.
- (iv) Password change menu will appear. Change the password/PIN with a 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.
- (v) Home page of remote E-voting opens. Click on remote E-voting: Active Voting Cycles.
- (vi) Select Electronic Voting Number "EVEN" of "iStreet Network Limited".
- (vii) Now you are ready for voting as Cast Vote page opens.
- (viii) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (ix) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xi) 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 dilipbcs@gmail.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 as below/at the bottom of the Attendance Slip for the AGM :

EVEN (E-voting Event Number)	USER ID	PASSWORD/PIN
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- (ii) Please follow all steps from Sl. No. A (i) to Sl. No. A (xi) above, to cast vote.

- C. Other Instructions:
- (i). In case of any queries/grievance's relating to voting by electronic means, members are requested to contact the following :-
 - a) Mr. Rajiv Ranjan , Assistant Manager, National Securities Depository Limited, Trade World, "A" Wing , 4th and 5th Floors, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 at telephone no. 022 24994738 or toll free no 1800222990 or at e-mail ID rajivr@nsdl.co.in
 - b) Mr. Dipankar Basu, Company Secretary at iStreet Network Limited, 513, Palm Spring, Above Croma, Link Road, Malad West, Mumbai – 400 064 at telephone no 022 42576767 or at e-mail ID dipankar@istreetnetwork.com
 - (ii). 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). If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
NOTE: Shareholders who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ Client ID).
In case Shareholder are holding shares with CDSL, USER-ID is 16 digit beneficiary ID of which first 8 digits is DP ID and next 8 digit is Client ID.
In case Shareholders are holding shares in physical mode, USER-ID is the combination of (EVEN No + Folio No).
 - (iv). You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
 - (v). Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. September 19, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or RTA.
 - (vi). 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 E-voting as well as voting at the AGM through ballot paper.
 - (vii). The Chairman shall, at the AGM at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 - (viii). 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 general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote E-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Managing Director or a

person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

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 Managing Director or a person authorized by him in writing and the same shall be communicated to the BSE Limited, Mumbai where the shares of the Company are listed. The results will also be available for inspection at the registered

Date : August 11, 2017

Place: Mumbai

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

EXPLANATORY STATEMENT

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

Pursuant to Section 102 of the Companies Act, 2013 (“the Act”), the following Explanatory Statement sets out all material facts relating to the business mentioned under Item Nos. 3 and 4 of the accompanying Notice dated August 11, 2017.

Item No. 3: Appointment of the Statutory Auditors of the Company and fix their remuneration.

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

As per the provisions of Section 139 of the Companies Act, 2013 (“the Act”) read with rules thereunder, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Further, Section 139 of the Act, a period of three years has been provided to comply with this requirement. In view of the same, the term of the existing Statutory Auditors, M/s Jhawar Mantri & Associates Chartered Accountants is upto the conclusion of this Annual General Meeting (AGM).

The Board based on the recommendation of Audit Committee, propose to appoint **M/s. K U Kothari & Co.**, Chartered Accountants, (Firm Registration No. **105310W**) as Statutory Auditors of the Company for a period of five years, commencing from the conclusion of this AGM till the conclusion of Thirty Fifth Annual General Meeting of the Company to be held in the calendar year 2022, which shall be subject to ratified at every Annual General Meeting, if so required by the Act.

Further, the Company has received a written consent and a certificate from **M/s. K U Kothari & Co.**, Chartered Accountants to the effect that if appointed, their appointment would be in accordance with Section 139 read with Section 141 of the Act.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested or otherwise, in the resolution.

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

Item No.4: Appointment of Ms. Meenu Malu, as Director

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company had appointed Ms. Meenu Malu (DIN:00444932) as an Additional Director of the Company in the category of Non- Executive Non Independent Director with effect from February 8, 2017. In accordance with the provisions of Section 161 of Companies Act, 2013, Ms. Meenu Malu shall hold office up to the date of the forthcoming Annual General Meeting.

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

A brief profile of Ms. Meenu Malu, including nature of her expertise, is provided in this Annual Report. Except Mr. Pradeep Malu, Ms. Meenu Malu, and their relative none of the other Directors or Key Managerial Personnel of the Company are concerned or interested, financially or otherwise, in this resolution.

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

Annexure to the Notice dated August 11, 2017

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

Name of Director	Mr. Pradeep Malu	Ms. Meenu Malu
Director Identification Number (DIN)	00001959	00444932
Date of Birth/Age	July 29, 1958/ 58 years	August 17, 1960 / 56 years
Date of first appointment on the Board	June 26, 1986	February 8, 2017
Expertise in specific General functional area	Rich and varied experience in the field of Ecommerce.	Bachelor of Science degree
Qualification	Chartered Accountant	Bachelor of Science
Shareholding in the Company	17,13,332	1,05,500
Relationship with other Director/KMPs	Ms. Meenu Malu (wife)	Mr. Pradeep Malu (husband)
No. of Board meetings held during the tenure and attended during FY 16-17	11/11	1/2
List of outside Directorships held(Public Limited Companies)	None	Inovent Solutions Limited
Chairman/Member of the Committee of the Board of Directors of the Company	Stake holder Relationship Committee(Member) Securities Allotment Committee (Member) Business Review Committee (Member)	Securities Allotment Committee (Member)
Chairman/Member of the Committee of Directors of other Public Limited Companies in which he/she is a Director		
a) Audit Committee	None	None
b) Stakeholders Relationship Committee	None	None
Remuneration last drawn (including sitting fees, if any)	Rs 27,09,600 including Provident Fund	Rs 4,000 as sitting fees.
Remuneration proposed to be paid	Same as existing terms and conditions.	Sitting fees as decided by Board of Directors.

Date : August11,2017

Place: Mumbai

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

DIRECTORS' REPORT

Dear Members,

Your Company's Directors are pleased to present the 30th Annual Report of the Company along with the Audited Financial Statements of the Company for the financial year ended March 31, 2017.

1. FINANCIAL RESULTS:

(Rs. in Lakhs)

	March 31,2017	March 31,2016
Total Revenues	3,487.91	1,862.09
Total Expenditure	3,832.60	2,135.90
Earning before interest, tax, depreciation and amortization (EBITDA)	(344.69)	(273.81)
Other Income (Net)	-	-
Finance Cost	4.51	-
Depreciation and amortization expense	16.55	15.79
Profit/(Loss) before exceptional item and tax	(365.75)	(289.60)
Exceptional Item	-	-
Profit / (Loss) before tax	(365.75)	(289.60)
Tax Expense	-	-
Net Profit / (Loss) for the year after tax	(365.75)	(289.60)
Balance carried forward to Balance Sheet	(1042.48)	(676.73)

2. THE STATE OF COMPANY'S AFFAIRS:

The company launched Internet Retail Store concept in January, 2014 and named it as 'Street Bazaar'. The Company has set up 13,242 such iStreet Bazaar Stores till March 31, 2017. More details about the concept and spread have been provided in this report in the section Management Discussion and Analysis Report. The Company's total revenues increased from Rs 1,862.09 Lakhs in FY 2015-16 to Rs. 3,487.91 Lakhs during FY 2016-17, registering a growth of 87 %. However, the Net Loss from operations has increased from Rs. 289.60 Lakhs in FY 2015-16 to Rs. 365.75 Lakhs during FY 2016-17.

The Company has been registering impressive growth consistently since the time of incubation of the project until 2016 September Quarter. Performance of 2016 December Quarter was weak due to demonetization. As a major chunk of orders placed on the website, and generally in retail, by the common people is paid through cash, the announcement of demonetization has had temporary adverse effect on the number of orders placed. The Company's business due to this transition has dropped steeply as compared to previous quarter. The company has taken steps and re-defined its strategy to grow faster in the changed environment with focus on incorporating digital wallets along with cash. The Company continues to believe that this effect is a temporary one.

The company has invested huge resources to build its business. The present accounting standards does not recognize such spending as 'value of intangibles assets' like network of retailers, technology, last mile delivery infrastructure, supply chain, branding etc. During the last three years (FY 2014-15, 2015-16 and

2016-17) the total spending on account of building its new age business is Rs. 712.43 Lacs charged to Profit & Loss account as per the Accounting Standards, which has resulted in mounting of losses to the tune of Rs. 1,042.48 lacs as on 31st March, 2017. Recently, in the new age of technology driven businesses, there are few examples of businesses across the world which are 'asset light' businesses and operate by managing third party assets like - the world's largest taxi firm, owns no cars, the world's largest accommodation provider, owns no property. In the new age of businesses, companies that control the interface between the consumer and the provider of the goods or services are in an incredibly valuable position. The financials of the company should be analysed keeping in mind new age business.

3. DIVIDEND:

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

4. INCREASE IN SHARE CAPITAL:

During the year, your Company has increased the Authorised Share Capital from Rs. 10 crore to 20 crore. Further, your Company has issued 3,70,500 Equity Warrants of Rs. 20.18/- per share that can be exchanged into equal number of equity shares. Out of which 2,00,000 Equity Warrants have been converted into equal number of equity shares on receipt of full payment of Rs 20.18/- per share from the warrant holders. Consequently, the issued, subscribed and paid up capital has increased from Rs. 8,44,00,000 shares to Rs. 8,52,00,000 as on March 31, 2017. The money has been utilized for the purpose of which it was raised.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

6. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

During the year, based on the recommendation of the Nomination and Remuneration Committee, Ms. Meenu Malu, Woman director (Non – Executive Non Independent Director) (DIN:00444932) was appointed as an Additional Director on February 8, 2017 in place of Ms. Meethu Malu (DIN: 07074018), Woman Director (Non – Executive Non-Independent category) who tendered her resignation w.e.f February 6, 2017. The appointment of Ms. Meenu is proposed to be regularized in this Annual General Meeting. The Board places on record its appreciation towards the valuable contribution made by Ms. Meethu Malu during her tenure as a Director of the Company.

In accordance with the provisions of Section 152 of the Companies Act, 2013 Mr. Pradeep Malu, Managing Director retires by rotation at the forthcoming Annual General Meeting and, being eligible offers himself for re-appointment. The Board recommends his re-appointment for the consideration of the Members of the Company at the ensuing Annual General Meeting.

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

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than the sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company. The Company has received declarations from all Independent Directors of the Company that they meet the criteria of Independence prescribed under the Act and the Listing Regulations.

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

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

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

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

Familiarisation Programmes for Independent Directors:

The Company has put in place a system to familiarise its Independent Directors with the Company, their roles, rights & responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of such familiarization 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. Pursuant to the provisions of section 203 of the Act, the key managerial personnel of the Company are - Mr. Pradeep Malu Managing Director, Mr. Mayur Vora, Chief Financial Officer and Mr. Dipankar Basu, Company Secretary.

7. DIRECTORS RESPONSIBILITY STATEMENT:

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and the reviews performed by the relevant Board Committees, including the Audit Committee of the Board, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended March 31, 2017. Accordingly, pursuant to Section 134 (5) of the Companies Act, 2013, based on the above, the Board of Directors, to the best of their knowledge and ability confirms that:

- (i) in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively during the year ended March 31, 2017; and
- (vi) there is a proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively during the year ended March 31, 2017.

8. 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>

9. SUBSIDIARY , JOINT VENTURE AND ASSOCIATES:

The Company had acquired 100% Equity Shares of iStreet Bazaar Private Limited (iSBPL) thus making it a subsidiary Company with the intent to expand its business faster and raise resources/funds. However, on rejection of the proposal of transfer of its business by you (members), the Board of Director in the meeting held on May 28, 2016 had decided to dispose off its investment in wholly owned subsidiary - iSBPL. Accordingly, entire investment was disposed off on June 22, 2016 and iSBPL is no longer subsidiary of the company with effect from June 22, 2016. Thus, as on March 31, 2017, the Company does not have any subsidiary, joint venture or associates.

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

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

11. INTERNAL FINANCIAL CONTROLS:

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

The financial control system and framework is required to ensure:

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

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

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

12. RISK MANAGEMENT:

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

13. 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.

14. CONTRACT OR ARRANGEMENTS WITH RELATED PARTIES:

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

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

All Related Party Transactions entered during the year were in Ordinary Course of the Business and at Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable. There are no materially significant related party transaction's that may have potential conflict of interest with the Company at large. The details of related party disclosure form a part of the notes to the financial statements provided in the annual report.

15. 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, 2017.

16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

17. COMMITTEES OF THE BOARD:

The Board of Directors has the following Committees:

- (i) Audit Committee
- (ii) Remuneration and Nomination Committee
- (iii) Stakeholders' Relationship Committee
- (iv) Securities Allotment Committee
- (v) Business Review Committee

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

18. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT-9, as required under Section 92(3) of the Companies Act, 2013, is annexed under "**Annexure – 1**" and form an integral part of this Report.

19. AUDIT COMMITTEE:

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

20. LISTING:

The Shares of the Company will continue to be listed on the Bombay Stock Exchange (the BSE Ltd.) which is situated at Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai – 400 001. The Company has paid the listing fees up to the financial year 2017-18.

21. CORPORATE GOVERNANCE:

The Company is committed to observe good corporate governance practices. The report on Corporate Governance for the financial year ended March 31, 2017, 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 – 2**"

22. CERTIFICATION:

The Managing Director and CFO certification on the financial statement is annexed hereto as "**Annexure- 3**"

23. SECRETARIAL AUDIT:

Section 204 of the Companies Act, 2013 read with rules made thereunder inter-alia requires every listed company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in

Practice, in the Form MR-3. The Board of Directors has appointed M/s Dilip Bharadiya & Associates, Practicing Company Secretaries, as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2016-17. The report did not contain any qualification, reservation or adverse remark. The Secretarial Audit report is annexed herewith as “**Annexure – 4**” and forms an integral part of this Report.

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

- (a) Consumption of Energy : Not Applicable
We consume only Electricity for maintaining office and our systems.
- (b) Technology Absorption, Research & Development (R&D)
- (i) Technology imported and absorbed. : NIL (Previous year Nil)
- (ii) Expenditure on R&D : NIL (Previous year Nil)
- (c) Foreign exchange earnings and outgo
- (i) Foreign exchange earnings : Nil (Previous year Nil)
- (ii) Foreign exchange outgo : Rs. 6,01,192 (Previous year Rs. 4,60,628)

25. GREEN INITIATIVES:

Electronic copies of the Annual Report 2016-17 and Notice of the 30th Annual General Meeting are sent to all members whose email addresses are registered with the Company/Depository Participant(s). For members who have not registered their email address, physical copies are sent in the permitted mode.

26. STATUTORY AUDITORS:

In terms of the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, an audit firm can hold office as statutory auditor for two terms of five consecutive years i.e. for a maximum period of ten years. Further, as per the provisions of the Act, Company is required to comply with these provisions within three years from the commencement of the Act.

M/s. Jhavar Mantri & Associates, Chartered Accountants were appointed as the Statutory Auditors of the Company since 2003 and were re-appointed at every Annual General Meeting (AGM) thereafter. As they have been in office for more than 10 years, in compliance with the provisions of the Act, the Company had to appoint a new auditor in their place by March 31, 2017, thus their term as Statutory Auditors of the Company has expired from the conclusion of 30th Annual General Meeting.

The Board of Directors has at its Meeting held on August 11, 2017 recommended appointment of M/s. K U Kothari & Co., Chartered Accountants, (Firm Registration No. 105310W), as the new statutory auditors of the Company to hold office for one term of 5 years commencing from conclusion of the ensuing 30th Annual General Meeting upto the Annual General Meeting of the Company to be held in calendar year 2022.

The Company has received a certificate from the Statutory Auditors to the effect that their appointment, if made, shall be in compliance with the provisions of Section 139 and 141 of the Companies Act, 2013.

Accordingly, the Board proposes appointment of M/s. K U Kothari & Co., Chartered Accountants, Chartered Accountants as the statutory auditors of the Company in place of M/s. Jhwar Mantri & Associates, Chartered Accountants, to hold office from the conclusion of this AGM until the conclusion of the 35th AGM of your Company. Necessary resolution seeking approval of the members for appointment of new statutory auditors has been incorporated in the Notice convening the Annual General Meeting forming part of this Annual Report.

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

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

28. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:

Disclosures pertaining to remuneration and other details as required under section 197(12) read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as “**Annexure – 5**” to this report.

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

29. EMPLOYEE STOCK OPTIONS:

With a view to provide an opportunity to the employees of the Company to share the growth of the Company and to create long-term wealth, the Company has an Employee Stock Option Scheme, namely, the iSNL Employee Stock Option Scheme, 2016 (“iSNL ESOP 2016”). The Scheme is applicable to the eligible employees that include employees and Directors of the Company. The Nomination and Remuneration Committee of the Board of Directors of the Company administers and monitors the Scheme. The Scheme is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“SEBI ESOP Regulations”), as amended. There has not been any material change in the Scheme during the financial year. The disclosure pursuant to SEBI ESOP Regulations read with Circular No CIB/CFD/Policy/CELL/2, 2015 dated June 16, 2015, are given on the website of the Company at <http://istreetnetwork.com/wp-content/uploads/2017/07/ESOP-disclosure-pursuant-to-Regulation-14-of-SEBI.pdf>.

During the year under review, in terms of iSNL ESOP 2016, the Nomination and Remuneration Committee has granted 7,61,627 Options, out of which 7,38,462 Options lapsed during the Financial year due to cessation of employees. Each Option is convertible into one Equity Share of the Company upon vesting and would vest in 3 annual instalments after one year of the grant and shall be exercisable within a period of 3 years from the date of vesting.

In terms of the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014, the details of the Stock Options under the above mentioned Scheme is given in “**Annexure-6**” to this Report.

The Company has received a certificate from M/s. Jhwar Mantri & Associates, Statutory Auditors of the Company that the Scheme has been implemented in accordance with the SEBI (Share based Employee Benefits) Regulations, 2014 and the resolution passed by the members. The certificate will be placed at the Annual General Meeting for inspection by members.

30. HUMAN RESOURCES AND INDUSTRIAL RELATIONS:

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Objective appraisal systems based on Key Result Areas (KRAs) are in place for senior management staff. The Company is committed to nurturing, enhancing and retaining top talent through superior Learning & Organizational Development. This is a part of Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

31. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the financial year 2016-17:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except Employees Stock Option Scheme as referred to in this Report.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
4. The Company does not have any scheme of provision of money for the purchase of its own shares by employees for the benefit of employees.
5. No fraud has been reported by the Auditors to the Audit Committee or the Board.

32. 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 levels but for whose hard work and support your Company's achievements would not have been possible. Our growth was made possible by their solidarity, cooperation and believing in us and in themselves that they were 'game changers'.

33. 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 11 , 2017

Place : Mumbai

Pradeep Malu
Managing Director
DIN: 0000001959

Neeraj Gupta
Director
DIN:0005327106

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry and the Company Business Model:

The company is in the business of Internet Retailing – fusion of online and offline called ‘Internet Retail’. Internet Retail can be understood as a retail with ‘physical retail store which runs on virtual inventory’. India’s retail is dominated by Mom & Pop retail stores. The company is empowering lakhs of Mom & Pop Retail stores with this Internet Retail format – iStreet Bazaar Stores across India which can be accessed by any one (common people of India) anywhere which enables them to buy products and services available online. The Company is categorized as ‘Internet & Retail Catalogue’ by the Bombay Stock Exchange.

Discussion on Financial Position Relating to Operational Performance:

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 13,242 iStreet Stores across the five States as on 31.03.2017. Till 31st March, 2017, we have created 13,242 such iStreet Bazaar Stores, largely across Western India. These stores take the benefit of eCommerce to smaller towns and villages. It gives the common man the benefits, comfort and joy of shopping through the Internet. Financial comparatives with Remarks are given here below:

Particulars	FY 2016-17 (Rs. in Lakhs.)	FY 2015-16 (Rs. in Lakhs.)	Change (Rs. in Lakhs.)	Remarks
Share Capital	852.00	844.00	8.00	Allotted 2 lakhs Equity Shares of Rs.4 each against equal number of Equity Warrants on receipt of full payment.
Reserves & Surplus				Allotted 2 lakhs equity shares at a premium of Rs. 16.18/- on each shares upon converting Equity Warrants.
(i) Securities Premium Account	228.36	196.00	32.36	The Company had granted 23,165 options to the confirmed employee under ISNL ESOP 2016 scheme on 15th December, 2016 which would vest in 3 subsequent years. The difference between the market price and offer price is accounted, by charging the same to Profit & Loss account.
(ii) Employee Stock Option Outstanding	0.56	-	0.56	
(iii) Profit and Loss	(1042.48)	(672.72)	(365.76)	Loss on account of large spending on various heads viz. marketing, logistic, branding, fulfillment, technology, network partner development.
Money Received Against Share Warrants	8.60	-	8.60	Money received against 1,70,500 Equity Share Warrants issued to Non-Promoter.
Short Term Borrowings	120.71	-	120.71	Short term borrowings received from Director

Trade Payables	40.96	10.17	30.78	Amount payable to vendors for product supplied to us.
Other Current Liabilities	72.70	84.12	(11.42)	Other Current Liabilities has decreased due to reduction in Customer advances
Fixed Assets : Tangible Assets Intangible Assets	4.03 20.58	6.72 34.43	(2.69) (13.85)	Fixed assets are net of depreciation and amortization
Non-Current Investments	0.66	1.66	(1.00)	Investment in wholly owned subsidiary sold.
Long-Term Loans and Advances	9.11	14.05	(4.94)	Refund of deposit received.
Inventories	4.22	28.51	(24.29)	-
Trade Receivables	63.65	0.56	63.09	Receivables from the b2b buyers
Cash and Cash Equivalents	0.75	3.50	(2.75)	-
Short-Term Loans and Advances	155.77	188.71	(32.94)	Non receivable amount written off
Other Current Assets	22.65	179.40	(156.76)	Advances of trade nature recovered

Performance of Business:

The company operates in only one segment – Internet and Retail Catalogue.

During the 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- FY17	Q2- FY17	Q3- FY17	Q4- FY17
No .of Transactions in the Quarter (in Lakhs)	10.53	16.38	4.28	3.33
Sale Value (Rs. Lakhs) in the Quarter	1,028.07	1722.69	358.74	377.77
Cumulative number of Network Partners at the end of Quarter	5,809	6,643	11,793	13,242

We have been registering impressive growth consistently since the time of incubation of the project until 2016 September Quarter. Performance of 2016 December Quarter was weak due to demonetization. As a major chunk of orders placed generally in retail, by the common people is paid through cash, the announcement of demonetization has had adverse effect on the number of orders placed. The Company's business due to this transition has dropped steeply as compared to previous quarter.

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

Particulars	FY 2016-17 (Rs. in Lakhs.)	FY 2015-16 (Rs. in Lakhs.)	Change (Rs. in Lakhs.)	Remarks
Revenue from Operations	3487.91	1,862.09	1625.82	Registered 87% growth
Employee Benefit Expense	81.01	105.20	(24.19)	Drop due to lower number of employees and new hiring at lower cost
Depreciation & Amortization Expenses	16.55	15.79	0.76	Minor increase
Finance Cost	4.51	-	4.51	Minor cost
Other Expenses	392.04	266.18	125.86	Increase in expenses like marketing, fulfillment, technology etc. due to which good growth in Revenue achieved.
Net Profit/(Loss)	(365.75)	(289.60)	76.15	All the expenses related to creating Network of Retailers, Technology development, Fulfillment infrastructure development and Marketing have been charged to Profit & Loss Account as the Accounting Standards do not recognize such intangible assets, hence increase in losses

Network Partner Development & Management:

Mom & Pop stores sign up with the company to create iStreet Bazaar Internet Retail Store in their neighborhood area and these stores are Network Partners of the company. The Network Partners of the company run 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. The company analyzes Network Partner's performance on the basis of no. of transactions they did in last financial year. Approx 31% 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, 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 create 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 10 days or more as against 3 to 5 days to deliver the products by the company to end customers. The Company is taking steps in order to shorten the delivery period to give better experience to the buyers.

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 31.03.2017 was 22.

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 an internal control system for the Company, comprising of the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation and presentation of reliable 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 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 internet, prefers human interaction, 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 1.3 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

Risk & Concerns

Challenges and Risks are classified as Internal and External.

External Challenges identified are:

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

Internal challenges are:

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

The Company shall be taking due steps in order to expand and protect its business through various measures including 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.

Fund Raising:

The company faced this as the biggest risk during the recent times. The company was unable to raise required funds to continue the project. During the year, the Company received only Rs. 40.36 Lakhs on conversion of 2,00,000 Equity Warrants in Equity Shares as against losses of Rs.365.75 lacs during the year. The Company has been making efforts to raise money through various routes like Preferential Issue, Venture funds, Private Equity etc. However, there has been no major success so far. The funds are required for running and scaling business in various heads like technology, marketing, branding, fulfillment infrastructure

etc. While the company was finding it hard to raise money for funding the project, it became further difficult recently due to classification of the Company's shares into **Graded Surveillance Measure (GSM)** list by Bombay Stock Exchange (BSE). It has led to a complete 'roadblock' in terms of raising of further capital and thus new fund raising has become an extremely challenging and a daunting task. More details about GSM are given here below.

Graded Surveillance Measure:

As per the information available on BSE website and elsewhere on Internet, in order to safeguard interest of investors, the BSE under the guidance of the regulatory authorities, has introduced graded surveillance measure (GSM) on securities which are listed on BSE. Grading of security in this list is based on certain 'pre-defined objective criteria'. More details can be accessed on BSE Website at <http://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20170223-44>. As on June 22, 2017, the company has been classified in Stage 3 of the GSM List wherein trading is permitted only once a week and any person who wants to buy the shares of the Company has to deposit 100% of the trade value as additional surveillance deposit with BSE. Due to GSM, 'free tradability' has become 'restricted tradability' of the shares of the company listed on BSE. It may kindly be noted that GSM restricts the tradability of the shares of the Company and does not reflect upon any deficiency in business model or non-compliance in the Company in any ways whatsoever. In the present scenario, the Company is unable to raise further money for running its operations.

Future Outlook

At iStreet, we believe we are well-positioned to capture market opportunities and to benefit from the expected growth from fusion retail. We believe our operational track record in successful delivery of projects, responsiveness, process innovation and productivity will continue to strengthen our business and induce new growth opportunities. Continuity and growth of our business is dependent on various factors including, not limited to the following:

- Raising of adequate and appropriately priced finance to continue in business
- Continuity and performance of key staff
- Favorable business conditions and economic climate continuity

Cautionary Statement

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

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

Transparency and integrity continue to be the cornerstones for good governance, and the Company is strongly committed to these principles for enhancing the stakeholders’ value.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. At iStreet, we are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. The Company on an ongoing basis continues to believe strongly in adopting and adhering to the best corporate governance practices and benchmarking itself against the industry’s best practices. It is the Company’s endeavour to achieve the highest levels of governance as a part of its responsibility towards the shareholders and other stakeholders.

We acknowledge our individual and collective responsibilities to manage our business activities with integrity. To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, and responsible growth and creating long term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

2. BOARD OF DIRECTORS

An active, informed and independent Board is a pre-requisite for strong and effective corporate governance. The Board plays a crucial role in overseeing how the management safeguards the interests of all the stakeholders. The Board ensures that the Company has clear goals aligned to the shareholders’ value and growth. The Board critically evaluates strategic direction of the Company and exercises appropriate control to ensure that the business of the Company is conducted in the best interests of the shareholders and society at large. The Board is duly supported by the Managing Director and Senior Management Personnel in ensuring effective functioning of the Company.

a) Composition and category of Directors:

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

The Board consists of five Directors as on March 31, 2017. The composition of the Board represents an optimal mix of professionalism, knowledge and experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The composition of the Board is in conformity with the listing agreement. The day-to-day management of the Company is carried on by

Mr. 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	NIL	NIL
Sanjeev Chhajed	13/01/2005	Independent	NIL	NIL
Naval Choudhary	20/05/2015	Independent	5	3
Meenu Malu	08/02/2017	Additional Director, Non-Executive	1	NIL

Note:

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

a) Directors' Profile:

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

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.

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.

Meenu Malu, Additional Director, DIN 00444932

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

Pradeep Malu, 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.

b) Appointment, tenure and training of Directors:

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

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

c) Board Support

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

d) Board evaluation

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

The Board Evaluation discussion was focused around how to make the Board more effective as a collective body in the context of the business and the external environment in which the Company functions. From time to time during the year, the Board was appraised of the business issues and the related opportunities and risks. The Board discussed various aspects of the functioning of the Board and its Committees such as structure, composition, meetings, functions and interaction with Management and what needs to be done to further improve the effectiveness of the Board's functioning.

The overall assessment of the Board was that it was functioning as a cohesive body including the Committees of the Board that were functioning well with periodic reporting by the Committees to the Board on the work done and progress made during the period. Subsequent to the evaluation done in the financial year 2016-17, given the changing external environment, some areas have been identified for the Board to engage itself with and these will be acted upon.

e) Board Meetings and attendance at Board Meetings:

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

During the Financial year 2016-17, the Board met eleven times. The meetings were held on April 30, 2016, May 28, 2016, August 9, 2016, August 17, 2016, November 10, 2016, December 2, 2016, December 15, 2016, February 3, 2017, February 8, 2016, February 14, 2017 and February 22, 2017. The Interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the SEBI Listing Regulation.

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

Sr. No.	Name of Directors	No. of Board meetings attended	Whether attended last AGM held on September, 20, 2016
1.	Mr. Pradeep Malu	11 out of 11	Yes
2.	Mr. Neeraj Gupta	11 out of 11	Yes
3.	Mr. Naval Choudhary	9 out of 11	Yes
4.	Mr. Sanjeev Chhajed	6 out of 11	No
6.	Ms. Meenu Malu*	1 out of 2	NA
5.	Ms. Meethu Malu**	0 out of 8	No

*Ms. Meenu Malu was appointed as director in Board meeting held on February 8, 2017.

**Ms. Meethu Malu resigned from the Board w.e.f February 6, 2017.

f) Disclosure of relationship between directors inter-se:

None of the directors are related to each other except Ms. Meenu Malu, Additional Director who is the wife of Mr. Pradeep Malu, Managing Director.

g) Shareholding of Non-Executive Directors:

As on March 31, 2017, Mr. Naval Choudhary holds 500 shares and Ms. Meenu Malu holds 1,05,500 shares in the equity share capital of the Company.

h) Separate Independent Directors' Meeting:

Independent Directors met on March 20, 2017 without the presence of Non-Independent Director and members of the Management. At this meeting, the Independent Directors *inter-alia* evaluated the performance of the Non-Independent Director and the Board of Directors as a whole, 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 Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

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

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

A. AUDIT COMMITTEE

Composition:

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

Meetings and Attendance:

The Audit Committee met four times during the Financial Year 2016-17. The maximum gap between two meetings was not more than 120 days. The Committee met on May 28, 2016, August9, 2016, November 10, 2016 and February14, 2017. The necessary quorum was present for all Meetings. Mr. Neeraj Gupta, as member of Audit Committee attended the last Annual General Meeting of the Company All the Audit Committee meetings in the financial year were chaired by Mr. Neeraj Gupta. The Table below provides the Attendance of the Audit Committee members:

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

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.

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

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

Functions of Audit Committee:

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various 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, 2017. 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. 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 Nomination Remuneration and Committee met four times during the financial year ended March 31, 2017 on April 30, 2016, May 28, 2016, August 9, 2016, December 15, 2016 and February 8, 2017. The necessary quorum was present for the Meeting. The Table below provides the Attendance of the Nomination Remuneration and Committee members:

Sr. No.	Name of the Directors	Position	Category	No. of Meetings attended
1	Sanjeev Chhajed	Member	Independent, Non-Executive	3 out of 5
2	Neeraj Gupta	Member	Independent, Non – Executive	5 out of 5
3	Naval Choudhary	Member	Independent, Non-Executive	4 out of 5

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
- The Committee also plays the role of the Compensation Committee and is responsible for administering the Employee Stock Open Scheme and determining eligibility of employees for stock options.

REMUNERATION POLICY**i. Remuneration to Non-Executive Directors:**

The Non-Executive Directors are paid remuneration by way of Sitting Fees for the Board Meetings attended by them. The total amount of sitting fees paid to Non-Executive Directors during the Financial Year 2016-17 was Rs. 1,04,500. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company. The Company has not granted any stock options to any of its Non-Executive Independent Directors.

ii. Remuneration to Executive Directors:

The appointment and remuneration of Executive Directors including Managing Director is governed by the recommendation of the Remuneration and Nomination Committee, resolutions passed by the Board of Directors and shareholders of the Company. The remuneration package of Managing Director comprises of salary, allowances and contributions to Provident and other Retirement

Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Remuneration and Nomination Committee and recommended to the Board for approval thereof. The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high 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, 2017

(a) Non Executive Directors

Name of the Director	Sitting Fees (Rs.)	No. of Shares held
Neeraj Gupta	48,000	NIL
Sanjeev Chhajed	18,500	NIL
Naval Choudhary	34,000	500
Meethu Malu*	NIL	2,00,000
Meenu Malu**	4,000	1,05,500

*Meethu Malu resigned from the Board w.e.f. February 6, 2017

**Meenu Malu was appointed on the Board w.e.f February 8, 2017

(b) Executive Director

Name	Salary	Commission	Contribution to Provident Fund and other funds	Perquisites	Total
Mr. Pradeep Malu	26,88,000	Nil	21,600	Nil	27,09,600

Performance Evaluation

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

C. STAKEHOLDER RELATIONSHIP COMMITTEE

Composition and Attendance

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

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

Mr. Dipankar Basu, Company Secretary, is the Compliance Officer for resolution of Shareholder's/Investors complaints. The Minutes of the Stakeholders' Relationship Committee Meetings are circulated to the Board and noted by the Board of Directors at the Board Meetings. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action. During the financial year ended March 31, 2017, one complaint was received from the shareholders which was redressed to the satisfaction of the regulatory authorities and none of them were pending as on March 31, 2017.

D. SECURITIES ALLOTMENT COMMITTEE

The Securities Allotment Committee comprises of Mr. Neeraj Gupta - Independent Director, Mr. Pradeep Malu - Managing Director, Ms. Meenu Malu- Non executive Non Independent Director, Mr. Mayur Vora- CFO as members of the Committee. Mr. Dipankar Basu acts as Secretary to the Committee. The Securities Allotment Committee met once during the financial year on March 20, 2017. The purpose of the Securities Allotment Committee is to issue and allot all kind of securities that may be issued by the Company, from time to time subject to the provisions of the Companies Act, 2013 and subject to the Memorandum and Articles of Association of the Company and in accordance with the Companies (Issue of Share Certificate) Rules, 1960. The Committee is also empowered to issue share certificates to the shareholders of the Company and to settle any question, difficulty or doubts of the shareholders that may arise in regard to the issue and allotment of shares.

E. BUSINESS REVIEW COMMITTEE

The Business Review Committee comprises of Mr. Naval Choudhary - Independent Director, Mr. Neeraj Gupta- Independent Director and Mr. Pradeep Malu - Managing Director. The Business Review Committee did not hold any meetings during the financial year. The purpose of the Business Review Committee is to review and discuss with senior management of the Company, key operational performance and other important topics related to the business performance of the Company. The objective of this committee is to provide a forum outside of regular Board meetings of Directors to stay informed about key operational matters and to provide a platform for discussion and the expression of views by committee members to senior management of the Company.

4. COMPANY POLICIES

a) Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the SEBI Listing Regulation, the Company has 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.

b) Code of Conduct for Directors and Senior Management:

The Board has laid down Codes of Conduct for Directors & Senior Management and for employees and professionals serving in the key roles of the Company. The Codes of Conduct have been circulated to the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director in this regard is 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>

c) Code of Conduct for Prohibition of Insider Trading:

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

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

d) Related Party transactions policy:

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

e) Nomination and Remuneration policy:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and Employees of the company, to harmonize the aspirations of human resources consistent with the goals of the company and in terms of the provisions of the Companies Act, 2013, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the

Nomination and Remuneration Committee and approved by the Board of Directors of the Company. The Nomination and Remuneration Policy is available at the website of the Company at the link viz. <http://istreetnetwork.com/wp-content/uploads/2016/07/Nomination-and-Remuneration-Policy.pdf>

5. AFFIRMATIONS AND DISCLOSURE

a) Compliances with Governance Framework:

The Company is in compliance with all mandatory requirements under SEBI Listing Regulation. All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

b) Disclosure on Website:

The following information has been disseminated on the website of the Company at www.istreetnetwork.com :

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

c) Related Party transactions:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulation during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under the note 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. Further, All Related Party Transactions are placed before the Audit Committee/Board, as applicable, for their approval. Omnibus approvals are taken for the transactions which are repetitive in nature. None of the transactions with Related Parties were in conflict with the interest of the Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

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

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

e) Secretarial Audit Report

The Company has undertaken Secretarial Audit for the financial year 2016-17 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.

f) Disclosure of Accounting Treatment:

The financial statements have been prepared in accordance with 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.

g) Risk Management:

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

h) Reconciliation of share capital audit:

Mr. 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.

i) Non-mandatory requirements:

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

6. SUBSIDIARY COMPANY

Based upon the decision of shareholders of non subsidiarisation of business, the Board of Director in their meeting held on May 28, 2016 had decided to dispose off its 100% investment in wholly owned subsidiary - iStreet Bazaar Private Limited (iSBPL). Accordingly, entire investment was disposed off on June 22, 2016 and iSBPL is no longer wholly owned subsidiary of the company with effect from June 22, 2016.

The Company does not have any material unlisted 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-subsiary.pdf>

7. GENERAL BODY MEETINGS

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

General Body Meetings	Financial Year	Date and Time	Venue	Special Resolution
27 th AGM	2013-14	August 27, 2014 11:00 A.M.	513, Palm Spring, Link Road, Malad (W), Mumbai - 400 064	<ol style="list-style-type: none"> 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
28 th AGM	2014-15	September 23, 2015 11.00A.M	On Toes , One Up Banquets ,1 st Floor , Palm Spring, Link Road, Malad West, Mumbai - 400064.	Revision in remuneration of Managing Director – Mr. Pradeep Malu
29 th AGM	2015-16	September 20, 2016 11.00 A.M	On Toes , One Up Banquets ,1 st Floor , Palm Spring, Link Road, Malad West, Mumbai - 400064.	<ol style="list-style-type: none"> 1. Approval to implement Employee Stock Option Scheme, 2016 and Grant of Employee Stock Options to the Employees of the Company there under 2. Grant of Employee Stock Options to the Employees of the Subsidiary Company(ies) or Associate Company(ies) or Holding Company of the Company under iSNL Employee Stock Option Scheme 2016 3. Grant of Options to issue securities equal to or exceeding one per cent of the issued Capital of the Company during any one financial year to identified employees under iSNL Employee Stock Option Scheme 2016 4. To approve the limit of transactions with related parties

8. POSTAL BALLOT

During the financial year 2016-17, the Company had sought the approval of the members through postal ballot on the following resolutions:-

- (i) Increase in authorized share capital of the company;
- (ii) Approval to issue and allot equity warrants to non-promoter group on a preferential basis;

The voting rights of the members had been reckoned on the cut-off date i.e. December 16, 2016 and the notice along with Postal Ballot form was dispatched to all the members by courier or electronically by December 23, 2016. 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 Monday, December 26, 2016 (10:00 a.m.) and ended on Tuesday, January 24, 2017 (5:00 p.m.). Results of the postal ballot were announced at 5:00 pm on Friday, January 27, 2017. Following were the results of the resolution passed through postal ballot :-

Resl No.	Particulars	Type of Resolution	% Votes in favor	% Votes against
1	Increase in authorized share capital of the company	Special	97.31%	3.02%
2	Approval to issue and allot equity warrants to non-promoter group on a preferential basis	Special	96.05%	4.17%

Based on the above, resolutions numbers 1 & 2 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.

No special resolution is proposed to be conducted through Postal Ballot as on the date of this report.

9. 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.

Share Transfer System

Transfer of shares in dematerialized form is done through the depositories without any involvement of the Company. Transfer of shares in physical form is normally processed and completed by

Registrar & Transfer Agent within a period of 15 working days from the date of the lodgement, subject to documents being valid and complete in all respects. Company also obtains half yearly certificate from a Practicing Company Secretary confirming compliance with the share transfer formalities as required under Regulation 40(9) of the Listing Regulations and same is filed with the Stock Exchange.

Nomination

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

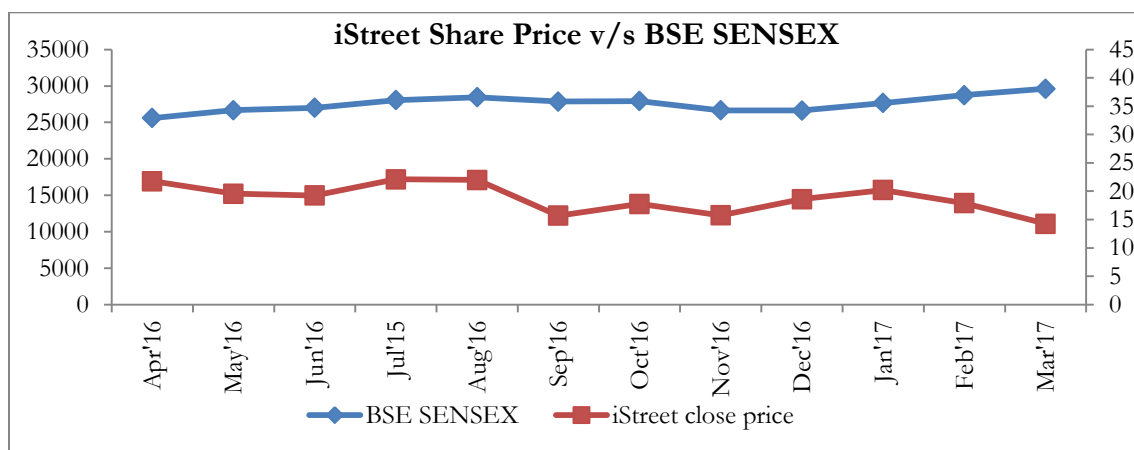
10. GENERAL SHAREHOLDER'S INFORMATION

Day and Date of Annual General meeting	Tuesday, September 26, 2017
Time	11.00 A.M
Venue	On Toes One-up Banquets, 1st floor, Palm Spring, Link Road, Malad (W), Mumbai- 400064
Financial year	April 1,2016 to March 31,2017
Dividend payment date	NA
Listing of Equity Shares on stock Exchanges	BSE Ltd. Floor 25, Phiorze Jeejeebhoy Towers, Dalal Street Mumbai 400 001
Stock Exchange Code	524622
International Securities Identification Number (ISIN)	INE532B01020
Corporate Identification Number (CIN)	L51900MH1986PLC040232
Face Value per share	Rs 4/-
Date of Book Closure/Record Date	September 20, 2017 to September 26 2017 (both days inclusive)
Payment of Annual Listing Fees	Listing fees paid for the financial year 2017-18
Financial calendar for 2017-18 (tentative dates):	
For the quarter ending June 30, 2017	August 11, 2017
For the quarter ending September 30, 2017	Mid of November, 2017
For the quarter ending December 31, 2017	Mid of February, 2018
For the quarter ending March 31, 2018	End of May 2018
Suspension from trading	No

11. MARKET PRICE DATA FOR 2016-17

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 2016	22.05	16.00	1,65,670
May 2016	27.70	19.50	5,86,381
June, 2016	25.80	19.00	32,27,579
July 2016	29.60	19.40	16,53,411
August 2016	25.80	19.75	7,09,419
September 2016	23.95	15.05	28,96,954
October 2016	19.90	16.10	4,60,823
November 2016	19.75	13.00	4,24,606
December 2016	22.90	15.00	48,56,861
January 2017	22.30	18.05	9,77,544
February 2017	21.90	17.25	3,78,801
March 2017	19.70	13.40	8,36,772



12. a) Distribution of shareholding as on March 31, 2017:

No of Equity Shares	No of Shareholders	% of shareholders	No. of shares held	Amount in Rs	% of shareholding
1-500	8,456	80.43	20,18,151	80,72,604	9.47
501-1000	1,040	9.89	8,74,491	34,97,964	4.11
1001-2000	401	3.81	6,40,687	25,62,748	3.01
2001-3000	166	1.58	4,34,723	17,38,892	2.04
3001-4000	68	0.65	2,46,662	9,86,648	1.16
4001-5000	125	1.19	6,02,577	24,10,308	2.83
5001-10000	130	1.24	10,29,774	4,11,90,96	4.83
10001 & Above	128	1.22	1,54,52,935	6,18,11,740	72.55
TOTAL	10,514	100.00	2,13,00,000	8,52,00,000	100.00

b) According to categories of shareholders as on March 31, 2017:

S. N.	Categories	No of Shares	Percentage
1.	Resident Individuals	91,72,867	43.07
2.	Non Resident Indians	5,82,712	2.73
3.	Corporate Bodies – Promoter	73,85,525	34.67
4.	Corporate Bodies	16,60,264	7.79
5.	Directors – Promoter	18,18,832	8.54
6.	Directors	500	0.00
7.	Directors Relative – Promoter	6,36,752	2.99
8.	Clearing Member	10,866	0.05
9.	Corporate Body – Broker	31,682	0.15
	Total	2,13,00,000	100.00

c) Details of Shares held by Directors as on March 31, 2017:

Name of Directors	No. of Equity Shares Held
Pradeep Malu	17,13,332
Neeraj Gupta	NIL
Sanjeev Chhajed	NIL
Meenu Malu*	1,05,500
Meethu Malu**	2,00,000
*Naval Choudhary	500

Note: Meenu Malu was appointed on the Board w.e.f.08.02.2017

** Meethu Malu resigned from the Board w.e.f. 06.02.2017

d) Statement Showing Shareholding Pattern as March 31, 2017:

Category	No. of Shares held	%
(A). Promoters – Indian	98,41,109	46.20
(B). Public		
Bodies Corporate	16,91,946	7.94
Individuals	91,72,867	43.07
Clearing member	10,866	0.05
NRIs	5,80,712	2.73
NRI Corp Bodies	2,000	0.01
Directors	500	0.00
Total Public Shareholding	1,14,58,891	53.80
TOTAL (A)+(B)	2,13,00,000	100.00

e) Dematerialization of shares and liquidity:

92.38% of the total equity share capital of the Company have been dematerialised (NSDL – 68.49% and CDSL 23.89%) as on March 31, 2017. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the Depositories. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company’s Share Registrars and Transfer Agents for assistance in this regard.

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

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

The Company has 1,70,500 outstanding Equity Warrants entitling the holder to exchange the same for equal number of Equity Share by paying balance 75% of the issue price by August 4, 2018. Post - conversion, the Shareholding pattern would be as follows:-

Shareholding pattern post conversion of Warrants				
Category	Pre		Post	
	No of Shares	%	No of Shares	%
Promoters and Promoter Group	98,41,109	46.20	98,41,109	45.84
Public	1,14,58,891	53.80	1,16,29,391	54.16
Total	2,13,00,000	100.00	21,470,500	100.00

Apart from this, the Company does not have any outstanding GDRs / ADRs / any other convertible instruments as on 31st March 2017.

g) Plant Location

The Company has no manufacturing unit as on March 31, 2017

h) Registrar and Transfer Agent:

The Company has appointed Registrar and Transfer Agent to handle the share transfer work and to solve the complaints of shareholders. Members holding shares in physical form are requested to advise any change of address immediately to the Company’s Share Registrars and Transfer Agents. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company’s Share Registrars and Transfer Agents (RTA). Kindly respond to the same directly to RTA as per the address given below.

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

Adroit Corporate Services Pvt. Ltd.

19/20, Jaferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Mumbai 400 059

Tel No: 2859 0942 / 2859 4060 / 2859 6060

Email : adroits@vsnl.net

i) Investor Correspondence:

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

Mr. Dipankar Basu

Company Secretary

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

Pradeep Malu
Managing Director
DIN : 00001959

Neeraj Gupta
Director
DIN: 05327106

Date: August 11, 2017

Place: Mumbai

ANNEXURE -1
Form No. MGT 9
EXTRACT OF ANNUAL RETURN
For the Financial Year ended on March 31, 2017

[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.	-	-	-	-	-

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

(i) Category-wise Share Holding

Please refer next page

Category of Shareholder's	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.	7385525	0	7385525	35.00	7385525	0	7385525	34.67	-0.33
e) Banks /FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
f-1) Directors Relatives	517700	0	517700	2.45	636752	0	636752	2.99	0.54
f-2) Directors	4125843	0	4125843	19.55	1818832	0	1818832	8.54	-11.01
Total Shareholding of promoter (A)	12029068	0	12029068	57.01	9841109	0	9841109	46.20	-10.81
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	2940129	14400	2954529	14.00	1677546	14400	1691946	7.94	-6.06
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	2952668	1266900	4219568	20.00	5171721	1257500	6429221	30.18	10.19
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1657136	0	1657136	7.85	2543646	200000	2743646	12.88	5.03
c) Others (Specify)									
c-1) Foreign Individuals (Including FDI)	0	0	0	0	2000	0	2000	0.01	0.01
c-2) Foreign Individuals (Individuals)	61355	152000	213355	1.01	429412	151300	580712	2.73	1.72
c-3) Clearing Member	25844	0	25844	0.12	10866	0	10866	0.05	-0.07
c-4) Directors	500	0	500	0.00	500	0	500	0.00	0.00
Sub-total (B)(2)	7637632	1433300	9070932	42.99	9835691	1623200	11458891	53.80	10.81
Total Public Shareholding(B)= (B)(1)+(B)(2)	7637632	1433300	9070932	42.99	9835691	1623200	11458891	53.80	10.81
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)	19666700	1433300	21100000	100	19676800	1623200	21300000	100	0

(ii) Shareholding of Promoters (including promoter group)

Sl No.	Shareholder's Name	No. of Shares held at the beginning of the year 01/04/2016			No. of Shares held at the end of the year 31/03/2017			% 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	33.53	0.00	7075525	33.22	0.00	-0.31*
2	Pradeep Malu	3925843	18.61	0.00	1713332	8.04	0.00	-10.56
3	Meenu Malu	100000	0.47	0.00	105500	0.50	0.00	-0.02*
4	Manju Gang	217700	1.03	0.00	217700	1.02	0.00	-0.01*
5	Meethu Malu	200000	0.95	0.00	200000	0.94	0.00	0.01*
6	Lakshya Malu	200000	0.95	0.00	219052	1.03	0.00	0.08
7	Cardioid Plasteel Pvt Ltd	100000	0.47	0.00	100000	0.47	0.00	0.00
8	Radelf Pharmaceuticals Pvt Ltd	100000	0.47	0.00	100000	0.47	0.00	0.00
9	Crest Latex Pvt Ltd	110000	0.52	0.00	110000	0.52	0.00	0.00
	Total	12029068	57.01	0.00	9841109	46.20	0.00	-10.81

Note* reduction of shareholding in percentage 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	01/04/2016	7075525	33.53	7075525	33.53
		Transaction during the year		0	0.00		
		At the End of the year	31/03/2017		-	7075525	33.22
2	Pradeep Malu	At the beginning of the year	01/04/2016	3925843	18.61	3925843	18.61
		Sold during the year	03/06/2016	-244517	1.16	3681326	17.45
		Sold during the year	10/06/2016	-92592	0.44	3588734	17.01
		Sold during the year	17/06/2016	-110000	0.52	3478734	16.49
		Sold during the year	24/06/2016	-116520	0.55	3362214	15.93
		Sold during the year	30/06/2016	-280700	1.33	3081514	14.60
		Gift to Lakshya and Meenu Malu	19/08/2016	-200000	0.95	2881514	13.66
		Sold during the year	02/09/2016	-1209	0.01	2880305	13.65
		Sold during the year	13/09/2016	-1150	0.01	2879155	13.65
		Sold during the year	16/09/2016	-16129	0.08	2863026	13.57
		Sold during the year	23/09/2016	-7565	0.04	2855461	13.53
		Sold during the year	30/09/2016	-462024	2.19	2393437	11.34
		Sold during the year	25/11/2016	-10000	0.05	2383437	11.30
		Sold during the year	02/12/2016	-11053	0.05	2372384	11.24
		Sold during the year	16/12/2016	-659052	3.12	1713332	8.12
		At the End of the year	31/03/2017		-	1713332	8.04

3	Meenu Malu	At the beginning of the year	01/04/2016	100000	0.47	100000	0.47
		Sold during the year	10/06/2016	-54500	0.26	45500	0.22
		Sold during the year	30/06/2016	-40000	0.19	5500	0.03
		Shares received in gift	19/08/2016	100000	0.47	105500	0.50
		At the End of the year	31/03/2017		-	105500	0.50
4	Manju Gang	At the beginning of the year	01/04/2016	217700	1.03	217700	1.03
		Transaction during the year		0	0.00		
		At the End of the year	31/03/2017		-	217700	1.02
5	Meethu Malu	At the beginning of the year	01/04/2016	200000	0.95	200000	0.95
		Transaction during the year		0	0.00		
		At the End of the year	31/03/2017		-	200000	0.94
6	Lakshya Malu	At the beginning of the year	01/04/2016	200000	0.95	200000	0.95
		Sold during the year	30/06/2016	-80948	0.38	119052	0.56
		Shares received in gift	19/08/2016	100000	0.47	219052	1.04
		At the End of the year	31/03/2017		-	219052	1.03
7	Cardioid Plasteel Pvt. Ltd	At the beginning of the year	01/04/2016	100000	0.47	100000	0.47
		Transaction during the year		0	0.00		
		At the End of the year	31/03/2017		-	100000	0.47
8	Radelf Pharmaceuticals Pvt Ltd	At the beginning of the year	01/04/2016	100000	0.47	100000	0.47
		Transaction during the year		0	0.00		
		At the End of the year	31/03/2017		0	100000	0.47
9	Crest Latex Pvt. Ltd.	At the beginning of the year	01/04/2016	110000	0.52	110000	0.52
		Transaction during the year		0	0.00		
		At End of the year	31/03/2017		0	110000	0.52

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) as on March 31,2017:

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	KushalchandSacheti	750000	3.55	750000	3.52
2	MangalKeshav Capital Limited	0	0.00	388500	1.82
3	PareshNavnitalBhagat	0	0.00	305070	1.43
4	Arcadia Share and Stock Brokers Pvt. Ltd	0	0.00	286600	1.35
5	Pravinchandra Batavia	0	0.00	200000	0.94
6	Dimple Jain	153000	0.73	153000	0.72
7	PuranChhaganlal Chhajed	136200	0.65	136200	0.65
8	J.L Shah Securities Pvt. Ltd	2200	0.01	125612	0.59
9	Sushil Financial Services Pvt Ltd.	47243	0.22	111234	0.52
10	Vijay BatuklalBhayani	94884	0.45	100500	0.47

Note :*The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated

(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, INDEPENEDENT, 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. Meenu Malu, Additional Director is shown under Promoter category

(ii) Other Directors and Key Managerial Personnel do not hold any shares in the Company as on March 31,2017

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	26,88,000	26,88,000
	(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 (Contribution to PF)	21,600	21,600
	Total (A)	27,09,600	27,09,600
	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.	<u>Independent Directors</u>				
	Neeraj Gupta	48,000	-	-	48,000
	Sanjeev Chhajed	18,500	-	-	18,500
	Naval Choudhary	34,000	-	-	34,000
	Total (1)	1,00,500	-	-	1,00,500
2.	<u>Other Non-Executive Directors</u>	-	-	-	-
	Ms. Meenu Malu*	4,000	-	-	4,000
	Total (2)	4,000	-	-	4,000
	Total (B)=(1+2)	1,04,500	-	-	1,04,500
	Total Managerial Remuneration				1,04,000
	Overall Ceiling as per the Act			Sitting fees @ Rs. 100,000 Per meeting	

Note: *Ms. Meenu Malu was appointed on the Board w.e.f 08.02.2017.

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

Sr. No	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Dipankar Basu 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	3,99,237	9,34,276	13,33,513
	(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)	3,99,237	9,34,276	13,33,513

*Appointed 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 11, 2017
Place : Mumbai

Pradeep Malu
Managing Director
DIN :00001959

Neeraj Gupta
Director
DIN: 05327106

Annexure- 2
Auditors' Certificate on Corporate Governance

**To The Members of
iStreet Network Limited**

We, Jhavar Mantri & Associates Chartered Accountants, the Statutory Auditors of iStreet Network Limited, have examined the compliance of conditions of corporate governance by iStreet Network Ltd. (‘the Company’), for the year ended 31st March 2017, as per Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange of Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’).

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

We have examined the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, to the extent relevant for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1 Quality Control for firms that perform audit & Reviews of Historical Financial Information, and Other Assurance & Related Services Engagements.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange of Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’), as applicable.

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

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

B.P.Mantri
M.No. 045701

Place : Navi Mumbai
Date : 30-May-2017

ANNEXURE -3
COMPLIANCE CERTIFICATE

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

To,
The Board of Directors,
iStreet Network Limited,

I, Mr. Pradeep Malu, Managing Director and I, 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 quarter and year ended 31.03.2017 and that to the best of our knowledge and belief:

- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

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

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

- (1) significant changes, if any, in the internal control over financial reporting during the year;
- (2) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For iStreet Network Limited

For iStreet Network Limited

Pradeep Malu
Managing Director
DIN: 00001959

Mayur Vora
Chief Financial Officer

Date : May 26, 2017

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 26, 2017

Place : Mumbai

Pradeep Malu
Managing Director

ANNEXURE -4

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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”) for the financial year ended **March 31, 2017** (“the year”/ “audit period”). The 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 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, 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**, for the financial year ended on **March 31, 2017**, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder (“the Rules”);
 - (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) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings - **NOT APPLICABLE**;
 - (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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”);
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (c) 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;
 - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (e) The Securities and Exchange Board of India (Share based Employee Benefits), Regulations , 2014;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NOT APPLICABLE DURING THE AUDIT PERIOD**

- (g) 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;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **NOT APPLICABLE DURING THE AUDIT PERIOD**
 - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **NOT APPLICABLE DURING THE AUDIT PERIOD**
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

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 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 and Committee 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.

All resolutions/ decisions at the Board and Committee Meetings are carried out unanimously/ with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees. Majority decisions are carried through, while the dissenting members' views are captured and recorded as part of the minutes.

We further report that the Company has adequate systems and processes 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. Sold its wholly owned subsidiary iStreet Bazaar Private Limited during the year and complied with the provisions of the applicable Acts.

implemented Employee Stock Option Scheme, 2016 and Grant of Employee Stock Options to the Employees of the Company, Employees of Subsidiary or Associate Company or Holding Company under iSNL Employee Stock option Scheme 2016,

- ii. sought approval for grant of Employee Stock Option Scheme to issue Securities equal to or exceeding one percent of the issued Capital during any one financial year to identified employees under iSNL Employee Stock Option Scheme, 2016.
- iii. increased the Authorised Share capital from Rs. 10 Crore to Rs. 20 Crore during the year and complied with the provisions of the applicable Acts
- iv. has issued 3,70,500 Equity Warrants on preferential basis during the year and has complied with the provisions of the applicable Acts.
- v. has allotted equity shares on conversion of warrants during the year and has complied with the provisions of the applicable Acts.

Place : Mumbai

Date : May 25, 2017

DILIP BHARADIYA

Proprietor

DILIP BHARADIYA & ASSOCIATES

FCS No.: 7956., C P No.: 6740

Note : This report is to be read with letter of even date by the Secretarial Auditors , which is annexed and forms an integral part of this report.

ANNEXURE – I OF SECRETRIAL AUDIT REPORT

List of documents verified:

1. Memorandum & Articles of Association of the Company.
 2. Annual Report for the financial year ended March 31, 2016.
 3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee held during the financial year under review, along with Attendance Registers;
 4. Minutes of General Body Meetings held during the financial year under review;
 5. Statutory Registers;
 - 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
 6. Agenda papers submitted to all the directors / members for the Board Meetings and Committee Meetings.
 7. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
 8. Intimations received from directors under the Prohibition of Insider Trading Code.
 9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under review.
- 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 review.

ANNEXURE – II OF SECRETARIAL AUDIT REPORT

**To,
The Members,
iStreet Network Limited**

Our report of even date is to be read along with this letter,

- 1) Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- 3) We have not verified the correctness and appropriateness of financial records and Books of accounts of the Company.
- 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) The Secretarial Audit report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai

Date : May 25, 2017

DILIP BHARADIYA

Proprietor

DILIP BHARADIYA & ASSOCIATES

FCS No.: 7956., C P No.: 6740

ANNEXURE - 5

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

	Disclosure	
	Name of the Director	Ratio
(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)	Mr. Pradeep Malu, Managing Director	13:01
	1. No other Directors draw any remuneration. 2. The median remuneration of employees of the Company was 2,04,000/-	
(ii) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Managing Director – 12% CFO – 27.70% CS – Appointed in April 2016	
(iii) the percentage increase in the median remuneration of employees in the financial year	During FY 2017, Median Remuneration has decreased by 6.08% as compared to last Financial Year.	
(iv) the number of permanent employees on the rolls of company as on 31 st March, 2017	There were 22 permanent employees on the rolls of the Company as on March 31,2017.	
(v) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Nil – For Managerial Remuneration. Mr. Pradeep Malu, Managing Director was entitled to draw 60 lakh p.a. , however he drew only Rs.24.00 lakh in FY 15-16 vs. 26.88 lakh in FY 16-17 (excluding Company’s contribution for Provident Fund)	
(vi) the key parameters for any variable component of remuneration availed by the directors;	Not Applicable	
(vii) affirmation that the remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy of the Company	

ANNEXURE – 6

Disclosure pursuant to Regulation 14 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

A	General Disclosure	
1	Disclosures in terms of the Guidance note on accounting for employee share-based payments or any other relevant accounting standards: For details please refer to notes to Financial Statement mentioned in Annual Report 2016-17	
B	Summary	
	Description	iSNL ESOP 2016
1	Date of Shareholders Approval	iSNL ESOP 2016 scheme were approved by members of the Company at its 29 th Annual General Meeting held on September 20, 2016.
2	Total number of options approved under the Scheme	25,00,000 options were approved under iSNL ESOP 2016 scheme.
3	Date of Grant	December 15, 2016
4	Options Granted	23,165
5	Vesting requirements	30% - 14.12.2017 30% - 14.12.2018 40% - 14.12.2019
6	Exercise price or pricing formula	The exercise price per option shall not be less than the 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 Nomination and Remuneration Committee.
7	Maximum term of options granted	Options granted would vest within a maximum period of 3 years from the date of grant of such options and shall be exercised within 3 years from the date of vesting of such options.
8	Source of shares	Primary
9	Variation in terms of options	No variation in terms of options during the year 2016-17
10	Method used for Accounting of ESOP	Intrinsic Value Method
11	Where the company opts for expensing of the options using the intrinsic value of the options, 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 shall be disclosed. The impact of this difference on profits and on EPS of the company.	As the company had granted options under iSNL ESOP scheme 2016 in current year itself, Company has adopted Intrinsic Value method for calculating employee compensation cost which is Rs. 3,28,943 which is to be recognised over a period of 3 years on pro-rata basis as mentioned in the scheme. In Current year, company has recognised Rs. 55,966 as employee compensation cost due to which loss for the year has increased by such amount and reported to be Rs. 365.75 lakhs, however there is no change in EPS as employee compensation expenses is very nominal to loss.
12	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with (AS) 20 Earnings Per Share.	As Option has not been exercised by the employees hence diluted EPS has not been calculated on grant of options.
13	Weighted-average exercise price of the Options granted during the year and the weighted fair value	Exercise Price is Rs.4 per option.
C	Option Movement during the year	
1	Number of options outstanding at the beginning of the period	Nil

2	Number of options granted during the year	7,61,627
3	Number of options forfeited / lapsed during the year	7,38,462 (The stock options which are forfeited/lapsed can be re-issued by the Company)
4	Number of options vested during the year	NIL
5	Number of options exercised during the year	NIL
6	Number of shares arising as a result of exercise of options	NIL
7	Money realized by exercise of options (INR)	NIL
8	Loan repaid by the Trust during the year from exercise price received	Not Applicable
9	Number of options outstanding at the end of the year	23,165
10	Number of options exercisable at the end of the year	NIL
D	Options granted to Senior Management Personnel's	
	Name	Designation
	Options granted	Exercise price
	Mayur Vora	Chief Financial Officer
	7,000	4/-
	Dipankar Basu	Company Secretary
	3,000	4/-
E	any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	NIL
F	Options granted to any employee equal to or exceeding 1% of the issued capital of the Company at the time of grant	NIL
G	A description of the method and significant assumptions used during the year to estimate the fair values of options	Intrinsic value method as per the accounting treatment prescribed under Guidance Note on "Accounting for Employee Share-based payments" issued by the Institute of Chartered Accountants of India read with SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India.
1	the weighted-average value of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	Not applicable
2	the method used and the assumptions made to incorporate the effects of expected early exercise;	Not applicable
3	how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility;	Not applicable
4	whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Not applicable
5	Untill all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.	Not applicable

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 2017, the Statement of Profit and Loss and the 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 standalone 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 and the order under Section 143(11) of the Act.

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 2017 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 the 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 2017 taken on record by the Board of Directors, none of the Director is disqualified as on 31st March 2017, 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.
 - iv) The Company has disclosed holding as well as dealing in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 in Note No. 14 and the same are in accordance with the books of accounts maintained by the company.

Place: Mumbai

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

Place : Mumbai
Date: May 30, 2017

B.P. MANTRI
Partner
M. No. 45701

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 2017, 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 2017 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. 25 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 30, 2017

B.P. Mantri
Partner
M. No. 45701

ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls over financial reporting under clause (i) of sub section 3 of 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 2017 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, 2017 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 JHAWAR MANTRI & ASSOCIATES
Chartered Accountants
(Firm Registration No. 113221W)

Place : Mumbai
Date: May 30, 2017

B.P. Mantri
Partner
M. No. 45701

iStreet Network Limited

BALANCE SHEET AS AT 31st March, 2017

	Note No.	As At 31.03.2017 Rs	As At 31.03.2016 Rs
I) EQUITY AND LIABILITIES			
(1) Shareholders Funds			
(a) Share Capital	3	852,00,000	844,00,000
(b) Reserves and Surplus	4	(813,55,991)	(480,72,988)
(c) Money Received Against Share Warrants	5	8,60,173	-
Total Shareholder Funds		47,04,182	363,27,012
(2) Current Liabilities			
(a) Short Term Borrowings	6	120,71,260	
(b) Trade Payables	7	40,95,529	10,17,085
(c) Other Current Liabilities	8	72,69,980	84,12,875
Total Current Liabilities		234,36,769	94,29,960
Total		281,40,951	457,56,972
II) ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	9.1	4,03,065	6,72,225
(ii) Intangible Assets	9.2	20,58,136	34,43,769
(b) Non-Current Investments	10	66,000	1,66,000
(c) Long-Term Loans and Advances	11	9,11,000	14,05,000
Total Non-Current Assets		34,38,201	56,86,994
(2) Current Assets			
(a) Inventories	12	4,21,832	28,51,099
(b) Trade Receivables	13	63,64,631	56,844
(c) Cash and Cash Equivalents	14	75,070	3,50,406
(d) Short-Term Loans and Advances	15	155,76,636	188,71,129
(e) Other Current Assets	16	22,64,581	179,40,500
Total Current Assets		247,02,750	400,69,978
Total		281,40,951	457,56,972

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

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

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 : 30.05.2017

Place : Mumbai
Dated : 30.05.2017

iStreet Network Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2017

<u>Particulars</u>	<u>Note</u> No.	<u>Year Ended</u> 31.03.2017 Rs	<u>Year Ended</u> 31.03.2016 Rs
INCOME			
I. Revenue from operations	17	3487,27,019	1837,95,884
II. Other Income	18	64,302	24,13,314
III. Total		3487,91,321	1862,09,198
IV. EXPENSES			
Purchase of Stock in Trade		3335,25,815	1777,91,598
Changes In Inventories		24,29,267	(13,65,626)
Employee Benefit Expense	19	81,01,193	105,20,200
Depreciation and Amortization Expenses	9.1	16,54,793	15,79,140
Finance cost	20	4,51,110	-
Other Expenses	21	392,04,112	266,44,277
Total		3853,66,290	2151,69,588
V. Profit before exceptional and extraordinary items and tax (III-IV)		(365,74,969)	(289,60,390)
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V-VI)		(365,74,969)	(289,60,390)
VIII. Extraordinary Items (Net of Income)		-	-
IX. Profit / (Loss) Before Tax (VII-VIII)		(365,74,969)	(289,60,390)
X. Tax expenses:		-	-
XI Profit/(Loss) for the period (XI + XIV)		(365,74,969)	(289,60,390)
Profit carried to Balance Sheet		(365,74,969)	(289,60,390)
No. of Equity Shares (*On weighted average basis)			
Basic		211,16,233	207,62,123
Diluted		211,43,793	211,00,000
Earning Per Equity Share			
Basic	25	(1.73)	(1.39)
Diluted		(1.73)	(1.37)

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 : 30.05.2017

Place : Mumbai
 Dated : 30.05.2017

iStreet Network Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2017

<u>Particulars</u>	<u>Year Ended</u> 31.03.2017 Rs	<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	(365,74,969)	(289,60,390)
Adjustments for :		
1. Depreciation and Amortization Expenses	16,54,793	15,79,140
2. Interest/Dividend/Other Income	(60,000)	(18,30,083)
3. Operating Profit/(Loss) before Working Capital Changes	(349,80,176)	(292,11,333)
Adjustments for :		
(i) Trade and Other Receivables	93,68,132	17,98,719
(ii) Inventories	24,29,267	(13,65,626)
(iii) Trade and other payables	19,35,549	4,30,575
4. Reserves - Employee Stock Option	55,966	
Cash used/generated in/ from Operating activities	(211,91,263)	(283,47,665)
Income Tax	-	-
Net cash used in /generated from Operating activities	(211,91,263)	(283,47,665)
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets Inclusive of Capital WIP	-	(3,35,839)
Sale of Assets	-	20,223
Long Term Loans and Advances	4,94,000	14,40,000
Short Term Loans and Advances	32,94,493	(23,27,568)
Dividend/Rent/other Received	60,000	18,30,083
Net cash from Investing activities	38,48,493	6,26,899
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Issue of Share Capital	40,36,000	215,00,000
Proceeds from Issue of Equity Share Warrant	8,60,173	(53,97,080)
Proceeds from Loan	120,71,260	
Investment in Subsidiary Co	1,00,000	(1,00,000)
Investment in Mutual Funds	-	100,85,165
Net Cash From Financing activities	170,67,433	260,88,085
Net Increase in Cash and Cash equivalents	(2,75,336)	(16,32,681)
Cash and cash equivalents as at (Opening Balance)	3,50,406	19,83,088
Cash and cash equivalents as at (Closing Balance)	75,070	3,50,406

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 : 30.05.2017

Place : Mumbai
Dated : 30.05.2017

iStreet Network Limited

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH,2017

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. These stores provide good product price and huge assortments. The network of Internet Retail Stores is one of the major assets for the company to run its business. These network retailers give eCommerce shopping experience to customers based on trust and relationship. This model is unique and innovative.

The company has invested huge resources to build its business. The present accounting standards does not recognize such spending as 'value of intangibles assets' like network of retailers, technology, last mile delivery infrastructure, supply chain, branding etc. During the last three years (FY 2014-15, 2015-16 and 2016-17) the total loss on account of building its new age business is Rs. 712.43 Lacs , which has resulted in mounting of Losses to the tune of Rs. 1042.26 lacs as on 31st March, 2017. This note is an additional information provided by the Management.

Recently, in the new age of technology, there are few examples of businesses across the world which 'asset light' business and operate by managing 3rd party assets like - the world's largest taxi firm, owns no cars, the world's largest accommodation provider, owns no property. In the new age of businesses, companies that control the interface between the consumer and the provider of the goods or services are in an incredibly valuable position. Hence, following financials of the company should be analysed keeping in mind new age business.

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

ii) Gratuity: The Company provides for gratuity, a defined benefit retirement plan (the 'Gratuity Plan') covering eligible employees. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

(i) Borrowing Cost

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

(j) Revenue Recognition

- (i) Sales are stated net of 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) Employee Stock Option Plan

Employee stock options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed under Guidance Note on "Accounting for Employee Share-based payments" issued by the ICAI read with SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

(o) Other Accounting Policies

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

	31.03.2017 Rs	31.03.2016 Rs
3 Share Capital		
(i) <u>Authorised</u>		
50,000,000 Equity Shares of Rs.4/- each*		
(P.Y. 25,000,000 Equity Shares of Rs.4/- each)	<u>2000,00,000</u>	<u>1000,00,000</u>
*The Company has increased the Authorised share capital during current financial year from Rs.10 Crore to Rs.20 Crore i.e. 2.50 crore Equity shares of Rs.4/- each to 5 Crore Equity shares of Rs.4/- each.		
(ii) <u>Issued, Subscribed & Fully Paid</u>		
21,300,000 Equity Shares of Rs.4/- each fully paid up	852,00,000	844,00,000
(P.Y.21,100,000 Equity Shares of Rs.4/- each fully paid		
	<u>852,00,000</u>	<u>844,00,000</u>
(iii) <u>Reconciliation of the number of shares outstanding</u>	No. of shares	No. of shares
At the beginning of the year	211,00,000	200,25,000
Add: Issued during the Year	<u>2,00,000</u> *	<u>10,75,000</u> @
At the end of the year	<u>213,00,000</u>	<u>211,00,000</u>

*The Company has allotted 200,000 Equity Shares of Rs. 4 each during the Financial year on various dates on preferential basis against equal number of Equity warrants on full payment of Rs. 20.18/- per share. These shares are locked in as per followings -

Name of Shareholder	No of Equity Shares	Issued To	Lock-in Till
SANJYOT SHASHANK JOSHI	75,000	Non-Promoter	2018-04-10
SANJYOT SHASHANK JOSHI	25,000	Non-Promoter	CORPORATE ACTION PENDING
SANJYOT SHASHANK JOSHI	1,00,000	Non-Promoter	CORPORATE ACTION PENDING

@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 -	No of Equity	Issued To	Lock-in Till
	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

Name of Shareholder	No. of Shares	%	No. of Shares	%
Pradeep Malu	17,13,332	8.04	39,25,843	18.61
Inovent Solutions Ltd	70,75,525	33.22	70,75,525	33.53
Devkant Synthetics (I) Pvt. Ltd.	-	-	24,19,501	11.47
	<u>87,88,857</u>	<u>41.26</u>	<u>134,20,869</u>	<u>63.61</u>

(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.

	31.03.2017	31.03.2016
4 Reserves and Surplus		
(i) Securities Premium Account		
Opening Balance	196,00,000	24,00,000
Add : Additions During the Year	<u>32,36,000</u>	<u>172,00,000</u>
Closing Balance	<u>228,36,000</u>	<u>196,00,000</u>
(ii) Employee Stock Option Outstanding*	<u>55,966</u>	<u>-</u>
	<u>55,966</u>	<u>-</u>

* The Company has granted 23,165 for options to the confirmed employee under ISNL ESOP 2016 scheme on 15th December, 2016 which would be vesting in 3 subsequent years. The difference between the market price and offer price is accounted, by charging the same to Profit & Loss account. Please refer Note no. 24

(iii) Profit and Loss		
Opening Balance	(676,72,988)	(387,12,598)
Add: Net Profit/(Net Loss) for the current year	<u>(365,74,969)</u>	<u>(289,60,390)</u>
Closing Balance	<u>(1042,47,957)</u>	<u>(676,72,988)</u>
Total	<u>(813,55,991)</u>	<u>(480,72,988)</u>

5 Money Received Against Share Warrants

Money received against share warrants	8,60,173 @	- *
	<u>8,60,173</u>	<u>-</u>

@The Company has issued equity warrants for 3,70,500 equity shares at Rs. 20.18 each on 03.02.2017 on receipt of 25% amount to Non -Promoter on preferential basis. These equity warrants are convertible into equity shares on payment of balance amount within 18 months from the date of issue at the option of equity warrant holder. The company has received Rs. 18,69,172.50/- from equity warrant holder against 3,70,500 equity share warrants, out of which 200000 equity warrants get converted into equity in the same financial year i.e. 2016-17.

*The Company allotted 10,75,000 equity shares on conversion of equal number of Equity share warrants during the previous Financial Year i.e. 2015-16.

6 Short Term Borrowings

Loans and advances from Related Party		
Unsecured Loans	120,71,260	-
	<u>120,71,260</u>	<u>-</u>

There is no default in repayment of principal and interest as on balance sheet date.

7 Trade Payables

Trade Payables	40,95,529	10,17,085
	<u>40,95,529</u>	<u>10,17,085</u>

The company has compiled the information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006. It was found that there are no vendor registered under MSME Act, hence No provision is material impacting on the financials in this regard.

8 Other Current Liabilities

(i) Statutory Dues	4,31,787	5,74,811
(ii) Advance from Customers	2,33,270	40,06,850
(iii) Other Payables	<u>66,04,923</u>	<u>38,31,214</u>
	<u>72,69,980</u>	<u>84,12,875</u>

Note : 9.1 :- Tangible Assets and Depreciation for FY - 2016-17

S. N.	Particulars	Gross Block			Depreciation			Net Block			
		As on 01-04-2016	Additions	Deduction / Adjustment	As on 31-3-2017	For the year	Deduction / Adjustment	Transfer to Reserve*	Upto 31-3-2017	Upto 31-3-2017	Upto 31-3-2016
1	Office Equipments	469,456	-	-	469,456	40,288	-	-	344,462	124,994	165,282
2	Computer Systems	786,973	-	-	786,973	223,948	-	-	550,431	236,542	460,490
3	Furniture & Fixture	51,821	-	-	51,821	4,924	-	-	10,292	41,529	46,453
	Total	1,308,250	-	-	1,308,250	269,160	-	-	905,185	403,065	672,225

Note : 9.2 :- Intangible Assets and Amortisation for FY - 2016-17

S. N.	Particulars	Gross Block			Amortisation			Net Block			
		As on 01-04-2016	Additions	Deduction / Adjustment	As on 31-3-2017	For the year	Deduction / Adjustment	Transfer to Reserve*	Upto 31-3-2017	Upto 31-3-2016	
1	Software	5,542,531	-	-	5,542,531	1,385,633	-	-	3,484,395	2,058,136	3,443,769
	Total	5,542,531	-	-	5,542,531	1,385,633	-	-	3,484,395	2,058,136	3,443,769

Note : 9.1 :- Tangible Assets and Depreciation for FY - 2015-16

S. N.	Particulars	Gross Block			Depreciation			Net Block			
		As on 01-04-2015	Additions	Deduction / Adjustment	As on 31-3-2016	For the year	Deduction / Adjustment	Transfer to Reserve*	Upto 31-3-2016	Upto 31-3-2015	
1	Office Equipments	454,251	15,205	-	469,456	39,843	-	-	304,174	165,282	189,920
2	Computer Systems	647,960	139,013	-	786,973	218,693	-	-	326,483	460,490	540,170
3	Furniture & Fixture	51,821	-	-	51,821	4,924	-	-	5,368	46,453	51,377
	Total	1,154,032	154,218	-	1,308,250	263,460	-	-	636,025	672,225	781,467

Note : 9.2 :- Intangible Assets and Amortisation for FY - 2015-16

S. N.	Particulars	Gross Block			Amortisation			Net Block			
		As on 01-04-2015	Additions	Deduction / Adjustment	As on 31-3-2016	For the year	Deduction / Adjustment	Transfer to Reserve*	Upto 31-3-2016	Upto 31-3-2015	
1	Software	4,917,338	645,416	20,223	5,542,531	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	1,318,298	2,612	-	2,098,762	3,443,769	4,134,262

10 Non Current Investment

(Long Term, Other than trade)

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

NIL Equity Shares of iStreet Bazaar Private Limited - * 1,00,000 @
(P.Y. 10,000 Equity Shares of Rs.10/- each fully paid up)

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

66,000 1,66,000

Aggregate amount of unquoted investments 66,000 1,66,000

*The company has sold 10,000 Equity shares of iStreet Bazaar Pvt Ltd of Rs.10 in current financial year hence it is no longer a Subsidiary of the company.

@The company has acquired 10,000 Equity shares of iStreet Bazaar Pvt Ltd of Rs.10 from Pradeep Malu and Lakshya Malu in last financial year and became 100% subsidiary of the company.

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

(Unsecured Considered Good)

(i) Security Deposits 9,11,000 14,05,000
9,11,000 14,05,000

12 Inventories

(i) Stock in Trade 4,21,832 28,51,099
4,21,832 28,51,099

13 Trade Receivables

Unsecured, Considered Good

(i) Due For a Period Exceeding Six Month 52,79,687 -
(ii) Other Debts 10,84,944 56,844
63,64,631 56,844

14 Cash and Cash Equivalents

(i) Cash in hand* 8,493 169
(ii) Balance with Scheduled banks 66,577 3,50,237
75,070 3,50,406

*As per the amendments of Schedule III of Companies Act, 2013 wide Notification no. 244/2017 dated 30th March, 2017, The company is disclosing the details of Specified Bank Notes (500 and 1000) held and transacted during Demonetisation period i.e. from 08.11.2016 to 30.12.2016 as under -

Particulars	SBNs	Other denominati on notes	Total
Closing cash in hand as on 08.11.2016	-	18,107	18,107
(+) Permitted receipts	-	1,97,782	1,97,782
(-) Permitted payments	-	1,96,636	1,96,636
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	19,253	19,253

15 Short-Term Loans and AdvancesUnsecured, Considered Good

(i) Inter Corporate Deposit	155,00,000	155,00,000
(ii) Others (Interest Receivable on Inter Corporate Deposit)	<u>76,636</u>	<u>33,71,129</u>
	<u>155,76,636</u>	<u>188,71,129</u>

Note for 15 (i) and (ii) - Inter Corporate Short Term Deposit (ICD) of Rs. 1.50 crores was given to a party carrying Interest @ 12% p.a. The company has called back the ICD along with the interest accrued up to date during the current financial year. However ICD recipients company is in financial difficulty and therefore requested the waiver off interest completely and agreed to returned the principal ICD on or before 30th September,2017 as per the repayment schedule received from them. As per the settlement reached with them, total interest amount charged to them has been waived off. Accordingly interest receivable pertaining to the previous years has been written off and interest charged during the first two quarters of the current year has been reversed as on 31st March, 2017. This is not a related party transaction. Repayment schedule of ICD will be as under as received from them -

- 50 Lakhs on or before 30th June,2017
- 50 Lakhs on or before 31st August,2017
- 50 Lakhs on or before 30th September,2017

16 Other Current AssetsUnsecured, Considered Good

(i) Amount Recoverable in Cash or Kind	21,37,445	1,98,631
(ii) Trade Advances to Related Parties [Refer Note No.16.1]	-	159,73,236
(iii) Interest Receivable	-	18,530
(iv) TDS Receivable	84,664	81,179
(v) Service Tax, VAT Credits	-	16,17,148
(vi) Prepaid Expense	42,472	42,476
(vii) Advance to Staff	-	9,300
	<u>22,64,581</u>	<u>179,40,500</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 which was settled during the current financial year.

17 Revenue From Operation

(i) Sales of Products	3487,27,019	1838,04,784
(ii) Activation Fees	-	(8,900)
	<u>3487,27,019</u>	<u>1837,95,884</u>

18 Other Income

(i) Dividend Received	1,500	1,500
(ii) Interest Received on Income Tax Refund	212	2,064
(iii) Miscellaneous Receipts	2,590	1,122
(iv) Sundry Balance W/off Back	-	26,379
(v) Interest Received [refer note of Pt no. 15]	60,000	18,30,083
(vi) Profit on Sale of Investments	-	5,52,166
	<u>64,302</u>	<u>24,13,314</u>

19 Employee Benefits Expense

(i) Salary & Wages	78,03,214	97,92,198
(ii) Contribution to PF & other funds	1,80,083	6,29,514
(iii) Staff Welfare expenses	61,930	98,488
(iv) Employee Stock option Expenses*[refer note no.24]	55,966	-
	<u>81,01,193</u>	<u>105,20,200</u>

20 Finance Cost

Interest on borrowings	<u>4,51,110</u>	-
	<u>4,51,110</u>	-

21 Other Expenses

(i) Payment to Auditors:		
- As Auditors	3,10,500	1,50,000
- For Other Services	47,627	33,000
- Out of Pocket Exp	9,161	-
(ii) Listing & Depository Fee	4,92,110	3,18,188
(iii) Advertisement & Marketing Expenses	52,76,053	46,15,854
(iv) Director Sitting Fees	1,04,500	65,000
(v) Fulfillment Expense	82,87,610	62,08,357
(vi) Insurance	5,724	33,192
(vii) Legal & Professional Fees	7,55,178	5,93,434
(viii) Miscellaneous Expenses	7,90,190	5,24,576
(ix) Printing & Stationery	1,94,614	2,80,110
(x) Rates & Taxes*	31,69,964	1,41,052
(xi) Repairs to Others	2,21,596	1,17,643
(xii) Share Transfer Expenses	85,194	1,01,174
(xiii) Sundry Advance W/o [refer note of Pt no. 15]	33,20,126	1,09,341
(xiv) Travelling Expenses - Others	1,84,429	5,26,207
(xv) Travelling Expenses - Director	-	23,264
(xvi) Technology Expenses	11,56,920	9,75,751
(xvii) Electricity Expenses	3,18,156	4,82,304
(xviii) Commission to Network Partner	1,51,958	2,73,093
(xix) E-Coupons Expenses	123,04,530	79,87,589
(xx) Rent	17,62,536	29,16,000
(xxi) Telephone Expenses	2,55,436	1,69,148
	<u>392,04,112</u>	<u>266,44,277</u>

* Includes Major heads of expenses like Service Tax Input Credit of Rs. 19.28 Lakhs written off as can't be set off against any other liability and the cost of Rs. 9.50 Lakhs is for increasing Authorised Capital of the company from Rs. 10 cr to Rs. 20 cr during the year.

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

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

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 Employee Stock Option Scheme

(i) ISNL ESOP 2016 scheme

The Company has instituted 'ISNL ESOP 2016 Scheme' for eligible employees and Directors of the Company. The vesting pattern of the schemes has been provided below. Total Options has been granted are 23165 which can be exercised over a period of 3 years from the date of grant. Each option carries with it the right to purchase one equity share of the Company at the exercise price determined by the Nomination and remuneration Committee at the time of grant for ISNL ESOP 2016 scheme.

vesting percentage of options	
Service period from date of grant	ISNL ESOP 2016
12 months	30%
24 months	30%
36 months	40%

Employee stock options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed under Guidance Note on "Accounting for Employee Share-based payments" issued by the Institute of Chartered Accountants of India read with SEBI (Share Based Employee Benefits) Regulations, 2014 issued by Securities and Exchange Board of India. Accordingly the excess of market value of the stock options as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to the Statement of Profit and Loss on graded vesting basis over the vesting period of the options.

Total Stock Option Grant	23,165
Date of Grant of Options	15/12/2016
Mkt Value of share on very previous day of Grant of Options i.e of 14/12/2016	18.20
Rate on which Option Grant	4.00
Discount Rate	14.20
ESOP Expenses to be recognised over a period of 3 years as per vesting percentage of options	3,28,943

Options Vesting in 3 years	Ratio of Vesting	Total No of ESOP Vesting	Total No. Of Month	ESOP Exp p.m.	No of Months in 2016-17	Recog. Of ESOP Exp for 2016-17
1st Year	30%	6,949.50	12	8,224	3.50	28,783
2nd Year	30%	6,949.50	24	4,112	3.50	14,391
3rd Year	40%	9,266.00	36	3,655	3.50	12,792
		23,165.00		15,990		55,966

25 Earning Per Share

Particulars	31.03.2017	31.03.2016
Profit/(Loss) for the period	(365,74,969)	(289,60,390)
No. of Equity Shares outstanding		
Basic	211,16,233	207,62,123
Diluted	211,43,793	211,00,000
Earning Per Equity Share		
Basic	(1.73)	(1.39)
Diluted	(1.73)	(1.37)

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
(b) Mr. Mayur Vora	Chief Financial Officer
(c) Mr. Dipankar Basu	Company
(d) Mr. Lakshya Malu	Relative of Director
(e) Ms. Meenu Malu	Relative of Director

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

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

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

	31.03.2017	31.03.2016
Remuneration [With (i)(a to c)]	40,43,113	35,00,904
Interest Expenses [With (i)(a)]	4,51,110	-
Directors Sitting Fees [With (i)(e)]	4,000	-

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

Trade Advance [With (ii)(a to e)]

Opening Balance	1,59,73,236 Dr	17,398,568 Dr
Trade money given during the year*	84,04,393 Dr	53,74,008 Dr
Trade money settled during the year*	257,59,506 Cr	67,99,340 Cr
Closing Balance	13,81,877 Cr	1,59,73,236 Dr

* This includes all transactions entered during the year.

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

24,22,007

-

Shipping Services received and booked under Profit & Loss Account [With (ii)(a and d)]

39,18,957

-

Technology Support services received [With (ii)(e)]

2,87,500

-

Purchase of Investment [With (i)(a and d)]

-

1,00,000

Sale of Investment [With (i)(a and d)]

1,00,000

-

Outstanding Investment [With (ii)(a)]

-

1,00,000

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

Opening Balance

-

-

Amount received during the year

256,11,000

-

Interest amount

4,51,110

-

Amount settled during the year

139,90,850

-

Closing Balance

120,71,260

-

Warrants Money received [with (i)(b)]

90,810

-

Money against Equity Share Capital received

Cardioid Plasteel Pvt. Ltd.

-

4,00,000

Crest Latex Pvt. Ltd.

-

4,40,000

Radelf Pharmacueticals Private Ltd

-

4,00,000

Kushal C. Sacheti (Independent Director till 27.02.2016)

-

24,00,000

Premium Received on Equity Share Issued

Cardioid Plasteel Pvt. Ltd.

-

64,00,000

Crest Latex Pvt. Ltd.

-

70,40,000

Radelf Pharmacueticals Private Ltd

-

64,00,000

Kushal C. Sacheti (Independent Director till 27.02.2016)

-

384,00,000

(v) **Year End Outstanding**

Mr. Pradeep Malu	1,21,95,174 Cr	1,72,148 Cr
Mr. Mayur Vora	82,130 Cr	60,873 Cr
Mr. Dipankar Basu	32,862 Cr	-
Mr. Lakshya Malu	2,15,209 Cr	-
Inovent Solutions Ltd.	2,59,974 Cr	1,30,73,433 Dr
iStreet Bazaar Pvt Ltd	24,359 Cr	28,99,803 Dr
Last Mile Solutions Pvt Ltd	10,97,548 Cr	-

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

	31.03.2017		31.03.2016	
	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 Technology Expenses	USD 8968.45	6,01,192	USD 7050.85	4,60,628
(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	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 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 : 30.05.2017

Place : Mumbai
Dated : 30.05.2017

iStreet Network Limited
CIN: L51900MH1986PLC040232

Registered Office: 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]

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

I/We, being the member(s) of _____ shares of the above named Company hereby appoint:

1. Name _____

Address _____

E-mail Id: _____ Signature _____ or failing him/her

2. Name _____

Address _____

E-mail Id: _____ Signature _____ or failing him/her

3. Name _____

Address _____

E-mail Id: _____ Signature _____ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Tuesday, September 26, 2017 at 11.00 a.m. at On Toes, 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
1.	Adoption of Financial Statements		
2.	Reappointment of Mr. Pradeep Malu as Director		
3.	To appoint M/s. K U Kothari & Co., Chartered Accountants (Firm Registration No. 105310W), as the Statutory Auditors of the Company and to fix their remuneration		
4.	Appointment of Ms. Meenu Malu, as Director		

Signed this..... Day of..... 2017.

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

Affix revenue stamp

Notes:

1. **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.**
2. A proxy need not be a member of the Company.
3. In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the Proxy Form.
4. For the Resolutions, Explanatory Statement and notes please refer to the Notice of the Annual General Meeting.
5. 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.
6. Please complete all details including details of member(s) in above box before submission.
7. 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 30th Annual General Meeting of the Company held on Tuesday, September 26, 2017 at On Toes, 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.

If Undelivered please return to :
iStreet Network Limited
513, Palm Spring, Link Road,
Malad (West) , Mumbai - 400064