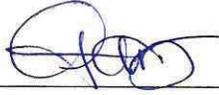
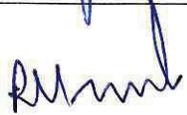


FORM A

Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	D-Link (India) Limited
2.	Annual Standalone financial statements for the year ended	31st March, 2015.
3.	Type of Audit observation	No qualifications / Matter of Emphasis in the Audit report for the year ended March 31, 2015.
4.	Frequency of observation	Not Applicable
5.	Signed by:-  Mr. Gary Yang <i>Managing Director</i>  Mr. C. M. Gaonkar <i>Chief Financial officer</i>  Mr. Rajaram Ajgaonkar <i>Audit Committee Chairman</i>	 <hr/>  <hr/>  <hr/>

Auditor of the company;

Refer our Audit Report dated May 19, 2015 on the Standalone Financial Statements of the Company.

For **DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**  
**(Firm Registration No. 117366W/W-100018)**



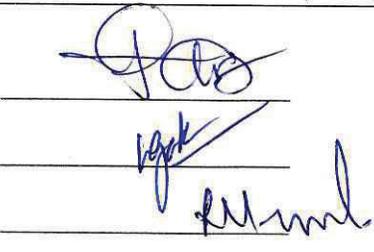
**A. B. Jani**  
Partner  
Membership No.: 46488



Mumbai, May 19, 2015

FORM - A

**Covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company:	<b>D-Link (India) Limited</b>
2.	Annual Consolidated Financial statements for the year ended	<b>31st March, 2015.</b>
3.	Type of Audit observation	1) No qualifications. 2) Matter of Emphasis in the Consolidated Audit report for the year ended March 31, 2015. <b>Emphasis of Matter</b> paragraph in the Auditor's report is as follows; " We draw attention to Note 44 to the consolidated financial statements regarding payment of remuneration to the Managing Director of the subsidiary in excess of the limits laid down under section 197 of the Act, pending approval from the Central Government".
4.	Frequency of observation	The matter referred to in the "Emphasis of Matter" paragraph of the Auditor's report on the Consolidated Financial Statements for the year ended March 31, 2015 is appearing for the first time.
5.	Signed by:- Mr. Gary Yang <i>Managing Director</i>  Mr. C. M. Gaonkar <i>Chief Financial officer</i>  Mr. Rajaram Ajgaonkar <i>Audit Committee Chairman</i>	

Auditor of the company;

Refer our Audit Report dated May 19, 2015 on the Consolidated Financial Statements of the Company.

For **DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**  
**(Firm Registration No. 117366W/W-100018)**



**A. B. Jani**  
Partner  
Membership No.: 46488



Mumbai, May 19, 2015



Innovation



Execution



Heritage

Annual Report **2014-15**

**D-Link (India) Limited**

# Business Solutions



# Consumer Solutions



# Contents



2	Message from Managing Director
4	Message from Executive Director & CEO
6	About D-Link Corporation
8	About D-Link (India) Limited
9	Driving growth through strategic focus
10	Consumer Solutions
12	Business Solutions
14	Nationwide Service Infrastructure
16	Awards & Accolades
17	D-Link Green Commitment
18	Board of Directors
19	Financial Performance
20	Directors' Report
46	Management Discussion and Analysis
51	Report on Corporate Governance
65	Independent Auditor's Report
68	Balance Sheet
69	Statement of Profit and Loss
70	Cash Flow Statement
71	Notes Forming Part of the Financial Statements
85	Independent Auditor's Report (Consolidated)
88	Consolidated Balance Sheet
89	Consolidated Statement of Profit and Loss
90	Consolidated Cash Flow Statement
91	Notes Forming Part of the Consolidated Financial Statements

## Disclaimer / Forward Looking Statement

In this Annual Report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral that we periodically make, contain forward looking statements that set out anticipated results based on the managements plans and assumptions. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks in uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

# Message from Managing Director



**Gary Yang**  
Managing Director

You can most certainly look forward to even more accelerated growth in the years ahead, as the economic recovery gathers steam.

## Dear Stakeholders,

It is undeniable that the economic recovery is very much with us. Perhaps it's slower than we would like, however we will continue to have ups and downs - but nevertheless recovery is a reality.

In India, most of the usual matrices - such as GDP and inflation - are largely in the black. The new Government is committed to deliver on its promises and one can expect increased spending and investments in infrastructure, IT and other major projects. The outlook for the Indian economy is extremely optimistic and the country's GDP is expected to grow by 7.5% in FY16 as against 7.2% in FY15. Further, in a recent update, the World Bank has projected India's GDP growth rate to be 7.9% in FY17.

There will also be investment in far-seeing futuristic projects like Digital India and Smart Cities, along with the likelihood of supportive and stimulating governmental policy-making. We can look forward to substantial investment by various verticals, as they race to climb aboard this bandwagon. Telecom, Government, Banking, Financial Services and Insurance (BFSI), Healthcare, Hospitality, Education, Manufacturing, Retail, Professional Services - they are all likely to fully embrace the new possibilities of the networking paradigm.

More and more customers will become aware of the possibilities awaiting them in the continuing convergence of technologies, applications, service, security, offering mobility, interconnectivity, complexity, multi-locational access as in 'Cloud' storage... all becoming available in integrated solution packages. This is the natural outcome of recent massive investments in networking infrastructure for 3G with a 4G Long Term Evolution (LTE) upgrade path.

This has yielded rich pickings for your Company which has become a leading player in networking business in India and had a very fruitful FY15. It's obviously a market that we are excellently placed to serve, as one of the leading

providers of products and solutions. But there is no room for complacency. It's a situation that calls for speedy response to fast-changing market needs, so that we stay ahead of the competition.

We will continue our sustained focus on operational efficiencies in order to deliver consistent profitable and responsible growth.

We have appointed numerous service partners, and further expanded and strengthened our service and support network across the country, because no business can survive today without a comprehensive and responsive service architecture.

Of course, we remained relentless in pursuing our business objectives as well, to good effect. Our Consolidated Turnover touched Rs.6,408.24 million during the year while our Standalone Turnover increased by 28.25% over the previous year. This is our highest annual Turnover ever since we commenced business in India. Our standalone Net Profit for the year grew by 57.03% over the previous year. We have successfully delivered reliable growth quarter after quarter, in a market that is intensely competitive with innumerable players ranging from multinational companies to regional and local ones.

You can most certainly look forward to even more accelerated growth in the years ahead, as the economic recovery gathers steam. All the potential greatness can be actualized in the growing marketplace of tomorrow. As those possibilities unfold, we rely on your good wishes and constant support, as always. To all our stakeholders, business partners and associates, I say thank you for being by our side.

Sincerely,

**Gary Yang**  
Managing Director

# Message from Executive Director & CEO



**Tushar Sighat**  
Executive Director & CEO

The business environment continues to be challenging. In spite of stiff competition, we sustained our growth momentum in all segments.

Dear Stakeholders,

FY 2014-15 was another path-breaking year for us at D-Link, as we grew by leaps and bounds. Our performance during the period validates D-Link's growth saga. We are pleased to report that our Turnover during the year grew by 28.25% to a record Rs.6,253.23 million, as against Rs.4,875.84 million in the previous year; while our Net Profit increased by 57.03% to Rs.213.29 million from Rs.135.83 million in the previous year. This astounding growth is the result of sound business planning and strategic alliances

that allowed D-Link to expand its solution offerings and reach out to a wider customer network.

Since the change of power at the centre in 2014 there has been a lot of optimism across business segments especially in Information Technology. The much talked about Smart City Project and Digital India programme have been catalysts in driving the market sentiment for the Computer Networking Industry in India. The Networking segment in India is experiencing strong traction, with Government initiatives driving digital usage in the country. Further large

Enterprises and SMB/SME's also continue to invest in network infrastructure as the size of the business operation multiplies. All this has resulted in huge business opportunities for networking vendors.

Today, we stand at a turning point wherein the current market sentiments are highly conducive to growth. In India IT industry has continued with its spell of robust growth, driven by the large numbers of tech start-ups, as well as by the fact that more and more existing enterprises and institutions are adopting new and so-called 'disruptive' technologies such as Cloud and analytics.

Amidst all these emerging opportunities, D-Link is excellently placed to serve as one of the leading providers of networking products and solutions. It demands various strategic and tactical initiatives to improve preparedness for any growth that's coming our way, and D-Link is poised to meet future challenges.

**ACCELERATING GROWTH:** In FY 2014-15, the business environment continued to be more challenging than before. In spite of stiff competition, D-Link India made several key achievements and we sustained our growth momentum in almost all segments.

We took several initiatives during the course of the year which resulted in major business alliances. D-Link entered into a business alliance with MOXA - a pioneer and reliable provider of industrial networking, computing, and automation solutions. The D-Link-MOXA strategic alliance is aimed towards providing comprehensive industrial networking solutions. D-Link announced yet another alliance with GajShield - a leading Network Security Solution provider for corporates. With this, D-Link will now also offer high-end network security solutions to meet the protection requirements of the modern enterprise's mission critical infrastructure, and further strengthen its Security product portfolio.

Our multi-pronged business approach during the year has resulted in enhancing our focus on IP Surveillance, Storage, Security and Structured Cabling and further strengthening our position as an end-to-end networking leader.

We also invested further in our state-of-the-art service infrastructure.

**ROAD AHEAD:** The market for our products has never been more exciting. The emergence of an affluent middle class is triggering an exponential growth in the 3G/4G subscribers and broadband users, further accelerating demand for networking products from individual users. We have defined areas of strategic focus to compete in this intensely competitive market in the Cloud era.

New mobile technologies will present exciting opportunities for D-Link in FY16. In the consumer segment, the widespread adoption of 4G LTE technology is making D-Link's portable routers indispensable travel companions. Home automation is a new front where D-Link will compete.

To keep up with trends like IoT (Internet of Things) for the smart city and home, D-Link will integrate hardware and software services with the mydlink platform to give customers new ways to use traditional appliances and devices.

In the business sector, D-Link's primary focus will be in solutions for small to medium businesses, targeting three strategic areas: unified wireless solutions, smart switches, and integrated one-stop surveillance solutions.

As D-Link pursues these opportunities in the year ahead, I wish to thank our shareholders for their long-term confidence in our vision, and also extend our gratitude to our valued staff throughout the country, who continue to show dedication and commitment to sustainable development. I also wish to acknowledge the support and whole-hearted co-operation that we always receive from our bankers, the government authorities, business associates, channel partners, system integrators, and the community around us. Through our concerted efforts, D-Link will meet its performance targets, achieving continued growth and prosperity.

Thank you.

**Tushar Sighat**  
Executive Director & CEO

# Globalization through localization



Fountain Valley, U.S.A.

London, U.K.

Sao Paulo, Brazil

## About D-Link Corporation

Founded in 1986, D-Link is a global leader in the design, manufacture and marketing of advanced networking, Broadband, Digital, Voice and Data Communications solutions. Following our company motto, "Building Networks for People", D-Link continually meets the global networking and connectivity needs of digital home consumers, small office professionals, small-to-medium-sized businesses, and enterprise environments.

D-Link Corporation headquarter is located in Taipei, Taiwan. With active presence worldwide having more than 90 global offices serve North America, Asia and Europe, including the North American headquarters in Fountain Valley, California. D-Link maintains strategic operations in Canada, the United Kingdom, Germany, France, Spain, Italy, Greece, Turkey, Sweden, Norway, the Netherlands, Denmark, Finland, Russia, Israel, the Middle East, South Africa, Chile, Australia, Japan, Vietnam, Singapore, China, India and other countries on five continents.

## LOCAL MARKET UNDERSTANDING, INTERNATIONAL PRESENCE

Market characteristics vary from region to region and D-Link highly respects local markets by steadily building our business with local talent from each region. D-Link has a broad global presence in 66 countries across the globe.

D-Link is the award-winning designer, developer, and provider of Wi-Fi and Ethernet networking, broadband, multimedia and data communications, and digital electronics solutions. D-Link has systematically expanded its market share by penetrating geographic targets through a strategy of establishing in-country business units supported by a strong corporate foundation.



# About D-Link (India) Limited



**D-Link (India) Limited is part of the D-Link Corporation and one of the leading networking companies in India.**

D-Link (India) Limited is part of D-Link Corporation and one of the leading networking companies in India. D-Link Corporation is widely recognized as a remarkable global enterprise with active presence worldwide. D-Link (India) Limited is engaged in the marketing and distribution of networking products in India and SAARC region.

D-Link Holding Mauritius Inc., a 100% subsidiary of D-Link Corporation, holds 51.02% shareholding in D-Link (India) Limited. D-Link (India) Limited is listed on NSE and BSE.

D-Link has defined itself as an end-to-end solution provider,

offering products that extend across all areas of network infrastructure including switching, security, wireless, IP surveillance, storage and structured cabling. With a rich and robust selection of features and products among all of these categories, D-Link has been able to supply businesses with powerful building blocks that add value at each level of their network infrastructure.

Integrity, Reliability and Innovation are the core values that form the foundation for D-Link's success. The Company's reputation as a formidable multinational enterprise has been invaluable in developing customer trust.

As a leading innovator in the global networking industry, D-Link has adopted green technologies that conserve energy, protect the environment, and reduce waste - as well as help businesses reduce their costs. D-Link Green™ technology meets or exceeds current guidelines for environment-friendly manufacturing and disposal.

D-Link's mission is "Building Networks for People", and our commitment to providing customers with an unmatched networking experience through outstanding value, ease of connectivity, and a human touch continues to be proven successful to each and every customer at a time.

*D-Link Corporation headquarters in Taipei City*



# Driving growth through strategic focus



**By offering unique solutions to meet customer needs, D-Link continues to scale new heights in revenues and profits.**

The pace of change in Information Technology has accelerated in the mobile era. As a global leader in networking, D-Link has been at the forefront of the revolution, and it has been leading the way in developing new technologies and making them accessible to consumers and businesses all over the world. Today our innovation, execution, and heritage serve us well as we enter the era of 'Internet of Things' and help our customers connect to more, in more ways than ever before.

In an effort to engage with powerful trends, D-Link has defined a number of areas of strategic focus to lay the foundation of continued leadership.

In consumer space D-Link continues to develop leading-edge consumer products that are reflective of the needs and demands of real people. Smart Home technology is the latest in that development, and D-Link is at the very forefront of smart technology, leading the way, designing and producing hardware and software to help you automate, control, monitor and enjoy your home more. With the latest product line of Connected Home Solution, D-Link is all set to usher into a new technology era based on Internet of Things (IoT).

As Small and Medium Business (SMB) and Enterprise markets are engaged in network infrastructure upgrade, D-Link will focus on wireless solutions that offer compelling advantages like flexibility and scalability. As businesses turn from managed switches to smart switches to reduce cost and complexity, D-Link with its excellent portfolio of these products, is placed to do extremely well.

For the Surveillance market, D-Link's integrated surveillance offerings comprising of IP surveillance cameras, switches, storage and software, offering a complete ready to deploy solution with significant competitive advantages.

Going forward D-Link will aggressively pursue all these opportunities and seek to expand its customer base by growing its product offerings and providing innovative solutions at competitive prices.

D-Link's momentum reflects the important role the network is playing in both homes and businesses today. D-Link has accelerated its speed of innovation and, as it helps its customers capitalise on the potential of new technologies, it is poised to sustain its growth momentum.

# Consumer Solutions



D-Link became the first mover in next generation wireless connectivity with Cloud Services and continues to respond with innovative products like the recent Connected Home solution based on Internet of Things (IoT) that helps customers automate things around their homes or increase productivity.

D-Link looks to expand its consumer base by growing its product line, providing a full range of solutions that deliver unbeatable value and performance. Diversified offerings and innovative technologies, including a portfolio of

products unmatched in the industry, will reinforce D-Link's position as a leader in the Consumer and Digital Home segment.

The exponential growth in smartphones and tablets has fueled demand for increasingly innovative mobile apps. Keeping up with the market trends, D-Link refined its feature filled mydlink service that lets users view and control their devices through smartphones, tablets and other mobile devices. The service also provides remote storage and monitoring features, giving customers new ways to use their mobile devices.

The three "strategic weapons" which use mydlink and Cloud Services as a foundation remained central to this effort.

The first of these weapons was D-Link's line of mydlink enabled Cloud Cameras. During the year, D-Link launched the DCS-825L Wi-Fi Baby Camera, an innovative and feature-filled baby monitor that lets parents keep an eye



on their children at all times from home or away. The Wi-Fi Baby Camera also introduced features such as temperature detection, two-way audio communication, and calming lullabies and new parents have responded to the DCS-825L in an overwhelming manner.

Our IP Cameras have risen to prominence in the fast growing IP surveillance market. The unique mydlink platform features Zero Configuration setup that has helped differentiate the line of IP cameras, making them an industry favourite.

The second strategic weapon was D-Link's 11AC product line up with exclusive Cloud Services. These new 11AC offerings from D-Link make it easier than ever to enjoy streaming media, share files, and control the network from any PC or mobile device remotely. To satisfy the diverse needs of different groups of customers, D-Link provides the industry's broadest range of Wireless AC solutions.

Besides the amazing performance of Wireless AC, D-Link's new Cloud Routers also come with Cloud Services that make them simpler to use. They can be set up in seconds using the free QRS Mobile app for iPhone®, iPad®, and Android™, with no PC required. They can also be managed remotely with the free mydlinkLite mobile app. Users can instantly view connected devices and their browsing history, block unwanted connections, and receive email alerts. There's no easier way to keep the network safe from intruders and secure for family.

The third crucial weapon, which happens to be the latest and crucial in consumer space is the Connect Home solution.

D-Link (India) Limited regarded as the No. 1 Wireless brand is all set to create a stir in Home Automation sector. Designed to bring the convenience and flexibility of mydlink to everyday household electronic devices, the Connected Home solutions from D-Link are essentially compact and easy-to-use Wi-Fi devices based on IoT technology that allows users to monitor and control their home's electronic devices from anywhere. Using the free mydlink™ app for iOS® and Android™ smartphones or tablets, users can set power on/off schedules, turn devices on and off remotely, monitor energy usage at home or on-the-go and do much more.

Moving forward, D-Link will expand in these key areas by focusing on R&D, with Cloud Services serving as the cornerstone of D-Link's continued progress in the Consumer market.

### Wi-Fi Smart Plug

#### Control Your Devices From Anywhere

Meet the mydlink Wi-Fi Smart Plug (DSP-W215). It allows you to turn your devices on or off, wherever you are.



DSP-W215



# Business Solutions



D-Link is committed to providing SMEs, SMBs and SOHO customers with powerful and cost-effective networking solutions that facilitate success in today's rapidly evolving environment.

D-Link's primary focus has been on solutions for small to medium businesses, a sector that needs stable connections, flexibility, and outstanding price-performance. To meet these requirements, D-Link has targeted three strategic areas: unified wireless solutions, smart switches, and integrated one-stop surveillance solutions.

D-Link has met the demands of this market with unified wireless solutions for SMEs and SMBs. The introduction of 802.11AC has shown a strong adoption rate, stimulating demand from the unified wireless market.

D-Link focused on improving the user experience by unveiling a new and improved Graphical User Interface (GUI), incorporation of hotspot features, and Facebook Wi-Fi. Additionally, features such as Web Content Filtering, RF Management, and automatic UAP configuration round out the selling points for D-Link's integrated appliances for centralized wireless network management.

D-Link's unified wireless solutions have features that provide flexibility, scalability, and offer powerful tools for deployment and management.

Meanwhile, SMBs have started upgrading to smart switches from managed switches, enabling them to streamline IT operations and cut costs. These next generation smart switches greatly reduce complexity while offering superior management tools and support.

The Enterprise Ethernet switch market continues to be strong on account of reliability and speed of wired devices. D-Link's smart switches performed extremely well and will continue to be a priority in the business market segment.

Smart switches have quickly become the mainstream



among small and medium businesses, which require the power and flexibility of managed switches without the complexity, and D-Link's lineup of smart switches offers the best of both worlds. Fast Ethernet ports continue to perform strongly and Power over Ethernet (PoE) is a commonly required feature as the network camera market continues to grow.

Companies are discovering the security, efficiency, and scalability of D-Link smart and metro access switches. Thanks to D-Link Green™ technology, which reduces power consumption 24 hours a day, Auto Surveillance VLAN, which simplifies setup and integration with D-Link's IP cameras, D-Link's smart switches are among the smartest in the industry.

A third area of focus is D-Link's integrated, one-stop surveillance solution (5S), consisting of IP Surveillance cameras, Switches, Software, Storage and Structured Cabling.

The transition from analog cameras to IP cameras is accelerating and IP surveillance is increasingly becoming a priority of company IT departments. Megapixel resolution makes D-Link IP cameras the ultimate in definition and accuracy. D-Link IP cameras integrate 802.11AC connectivity with mydlink Cloud technology for user convenience and functionality.

The streamlined integration, ease of installation and configuration, centralized management, simplified

troubleshooting, and guaranteed interoperability of D-Link's one-stop solution are leading the industry in the IP camera market.

Structured Cabling is another segment that D-Link is strongly focused on. D-Link's wide product range combined with premium quality and excellent brand recall has resulted in good confidence amongst partners and customers. D-Link has an entire range of high end copper and fiber products which can be positioned in the high end applications like data centers and server farms, etc.

Drawing inspiration from its latest product line which is mostly driven by applications or apps, D-Link has decided to empower its channel partners/resellers and end-consumers with the power of new age mobile technology. D-Link has recently introduced an exclusive app with details on selected models, latest products, news and other updates.

D-Link continues to incorporate green technologies that conserve energy, protect the environment, and reduce waste - while helping businesses reduce costs. D-Link Green™ technology meets or exceeds current guidelines for environmentally-friendly manufacturing and disposal.

As an end-to-end solution provider, D-Link offers value added products that extend across all areas of network infrastructure including switching, security, wireless, IP surveillance, and storage.



**D-Link**  
Building Networks for People  
[www.dlink.co.in/its](http://www.dlink.co.in/its)

# STRUCTURED CABLING SOLUTION

## FROM A GLOBAL LEADER

D-Link, the industry pioneers in networking with over 27 years of global expertise, offers the complete range of D-Link Structured Cabling products. Our products are backed up by international 27 years product performance warranty in the certified projects implemented by DCCE (D-Link Certified Cabling Experts) & ERTL approved.

# Nationwide Service Infrastructure



D-Link is expanding and enhancing its infrastructure to make high quality service and support easily accessible to users throughout the country.

D-Link has always laid high emphasis on customer satisfaction and has been committed towards it. Over the years, D-Link has made investments in setting up a robust infrastructure that is to address customer demands for services. As a step in this direction, D-Link recently launched its own service centers throughout the country.

**RMA EXPANSION:** Prior to setting up its own service centers across India, D-Link has tied-up with a third party service provider with presence in all major A and B class cities. However with increase in penetration of internet usage and growing demand for D-Link networking products, it was important to ramp up D-Link's service support network. With customer satisfaction always being the key, D-Link decided to launch its own service centers to reach out to its customers present across the length and breadth of the country.

As a result, in the current year D-Link launched its in-house RMA centers spread in several cities. This year, D-Link is reaching out to 108 location with 177 Service points. Service Points include 11 D-Link Service Centers, 42 Service Partners and 124 Partner Collection points. Going forward,

the company plans to make available last mile service to 150+ Cities and 200+ Service Points. The management is optimistic that this move will not only result in the increased customer satisfaction but also cut down on cost.

**D-LINK DIRECT SERVICE:** D-Link made a major breakthrough in customer service support by introducing the revolutionary 'D-Link Direct Service' (DDS) during mid-2013. D-Link Direct Service is a one-stop service solution that offers 'Service at doorstep'. With DDS, the customer hassle of going to the nearby service center with the faulty product unit and then going back to collect the repaired unit was eliminated. Following the overwhelming response to DDS, the company has now decided to extend this service to customers present in C & D Class cities as well. As a result, the new and enhanced service support system will make the turnaround time faster and increase the footprint for DDS throughout India.

This is in line with D-Link's objective of providing cost effective and faster service to all customers in India.

The Regional Service Model is designed to manage service support across India effectively and efficiently to meet



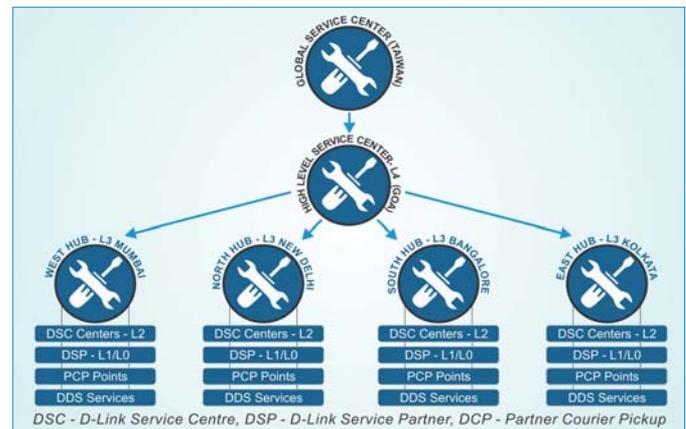
View of D-Link Service Center

customer and partner expectations like Service reach, Repair Quality, Faster Service turnaround time etc. PAN India Service operations are controlled by four regional and one central hub. Each region has one service hub with repair capability up to L3 to handle the regional repair load.

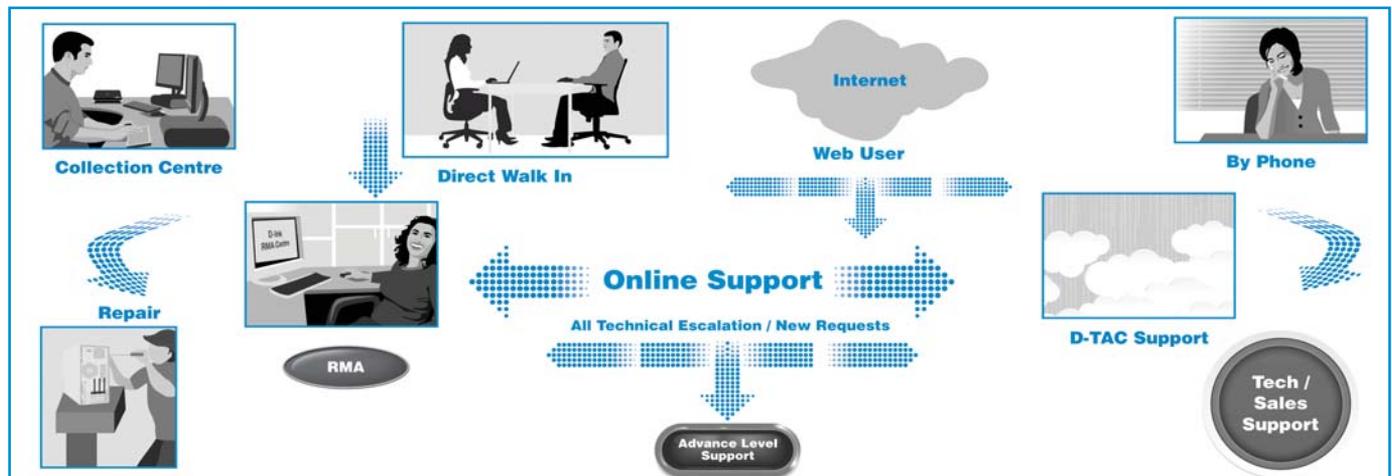
The much appreciated D-Link Direct Service with its new Regional model will be backed by D-Link Service Centers (DSC) along with D-Link Service Partners (DSP) and D-Link Authorized Collection Centers (DAC). With a presence in over 150 cities, DDS now offer faster and reliable service to customers across India. All Regional DDS Centers are equipped with state of the art BGA (Ball Grid Array) facilities to support quick resolution. D-Link Direct Service (DDS) benefit can be availed on all D-Link ADSL Broadband, Wireless and selected 3G lifestyle products.

As the market grows and newer and more sophisticated products are introduced, D-Link is further enhancing and extending its service infrastructure to support the growing number of D-Link devices. Recently, D-Link has introduced an exclusive service support related website <http://service.dlink.co.in/>. This is a one-stop service solution, wherein the customer can put a service request, view status, avail DDS benefit, get information on different service facilities available, locate nearest service centers and much more.

D-Link India has set up its own Call Center in Goa which will be expanded to provide 24x7 service. Although competitive pricing is a key attribute for value conscious consumers, increasing product differentiators and providing high standard of service and support will ensure that D-Link will continue to strengthen its position as a preferred networking solutions provider.



### INTEGRATED SUPPORT PROCESS



# Awards & Accolades



Tushar Sighat (centre) receiving the Europe Business Assembly Award at a ceremony in Switzerland.

D-Link’s outstanding performance has been honoured by the industry with innumerable recognitions and distinctions.

D-Link India has an impressive track record of growth and success. The company has received numerous national and international recognitions for its achievements, which is an eloquent testimony to D-Link’s commitment to quality, customer service and brand leadership. These awards mean much more to D-Link than just recognition - they spur the company on to greater heights in future.

As in the previous years, the company received a large number of awards and distinctions from numerous organisations including business and industry bodies.

D-Link was honoured with the prestigious Var India ‘Brand of Excellence 2015’ award, which was particularly noteworthy achievement.

D-Link was adjudged the winner in three important categories and received the NCN Awards as the **Best Networking Solution Company**, **Best Structured Cabling Brand** and for the **Best Wi-Fi Product** (for D-Link AC3200 Ultra). These are highly coveted awards in the industry as they are based on the findings of an indepth channel survey.

**The jewel in D-Link’s crown: The Europe Business Assembly Award 2015.**

D-Link’s crowning achievement was the global recognition that it received from the Europe Business Assembly (The Socrates Committee - Oxford) when it was selected as the ‘Best Enterprise’ in the category of IT & Computer Networks.

Further, Tushar Sighat, Executive Director & CEO, D-Link India was the recipient of ‘The Manager of the Year’ award for his leadership which has been instrumental in putting the company on a path of exponential growth for the last few years.

Tushar Sighat received both the awards at a glittering awards ceremony held at Fairmont Le Montreux Palace, Switzerland.



Var India (Brand of Excellence 2015)

NCN Awards 2015 (Best Networking Solution Company, Best Structured Cabling Company, Best Wi-Fi Product)

# D-Link Green Commitment



**At D-Link, taking care of the environment is of utmost importance and we constantly innovate to ensure that our products are efficient, economical and environment-friendly.**

At D-Link, taking care of the environment is of the utmost importance as we aim to continue our mission of “Building Networks for People”. Our role as a global leader in the networking industry requires that we take responsibility to ensure that our products are environment friendly as well as user-friendly, and that we constantly innovate to produce efficient and economical applications.

Our products are compliant with the EU’s RoHS and WEEE standards, and we were rated a 5-star organization, and best-in-class for our green practices by TÜV Rheinland. D-Link is registered as an ENERGY STAR partner, the first networking company to do so, guaranteeing that our power adapters comply with Level 5 energy-efficiency guidelines. These certifications supplement our continual commitment to recycling and the avoidance of hazardous materials.

We were already one of the first companies to release energy saving network switches and routers. Introduction of D-Link Green technology that began to really push environmental considerations in networking forward. We had Green switches, routers, storage devices, PowerLine adapters, and more. We used less plastic in our packaging,

and began to use soy ink in our printing. Our efforts paid off; in 2010, D-Link obtained ISO 14067 compliancy certification on our Ethernet switches (the first company to do so), and ISO 14064-1 certification followed in 2011.

Ever since 2008, we have advocated total “Life Cycle Awareness” in the development of our products. This philosophy allows us to be sure that at every stage of a product’s cycle we have taken the appropriate environmental considerations, from the initial concept, through to the build materials themselves, all the way to the end of the product’s life. D-Link’s industry-leading Shareport technology, also furthers our social responsibility mission. This drastically reduces the power overhead of a home entertainment system, saving both money and the environment.

Moving forward, we aim to sustain this upward trend by continuing to innovate and push boundaries in order to address our responsibility to the environment.

# Board of Directors



**A.P. Chen**  
Chairman

A.P. Chen possesses a Bachelors degree in Electronics Engg. and a Masters Degree in Business Administration from the National Chiao-Tung University in Taiwan. He has over 35 years of industry experience and has held a number of senior positions in Citi Bank, Bank of Boston's Taiwan Branch.



**Gary Yang**  
Managing Director

Gary Yang is in-charge of India, Middle East and African countries for D-Link. Gary Yang has contributed 25 years to the IT field of which he has worked for 21 years with D-Link. He possesses Bachelors degree in Management from Cheng Kung University, Taiwan.



**Tushar Sighat**  
Executive Director & CEO

Tushar Sighat brings with him vast experience and domain expertise spanning over 24 years. In his current role, he is responsible for driving the company's growth, and play a strategic role in strengthening D-Link's position as a leader in networking solutions in India and SAARC region. Tushar Sighat has a B.E in Electronics & Telecommunication.



**Vinai Kolli**  
Whole-time Director

Vinai Kolli brings onboard over 23 years of experience in networking protocols. He is responsible for maintaining TeamF1's technical lead in world-class embedded networking & security technologies. He holds an MSEE from the University of Southern California and a BSEE from R.E.C. Surat.



**Rajaram Ajgaonkar**  
Director

Rajaram Ajgaonkar is a practicing Chartered Accountant with 36 years of post qualification experience. He is also qualified as LLB (Gen) from Government Law College in Mumbai.



**Satish Godbole**  
Director

Satish Godbole is a practicing Chartered Accountant with 34 years of experience. He has specialized in Company Law, Mergers & Amalgamation and FEMA.



**Anil Bakshi**  
Director

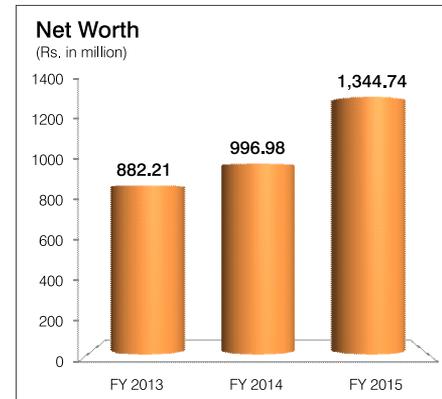
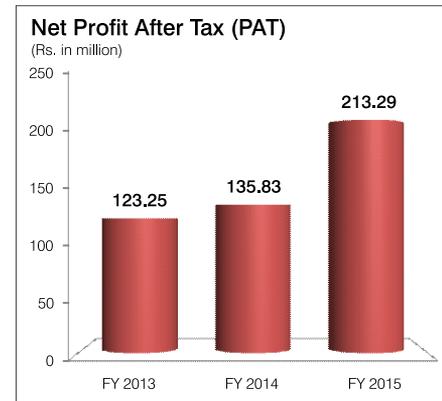
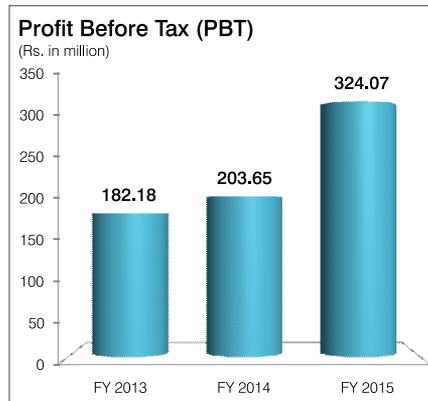
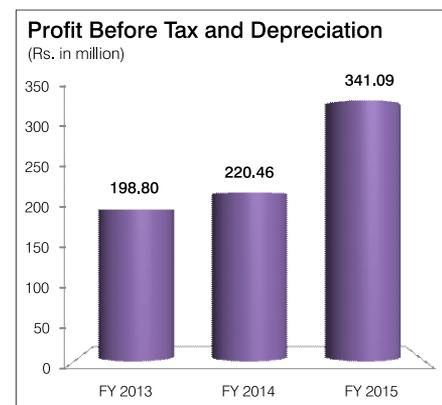
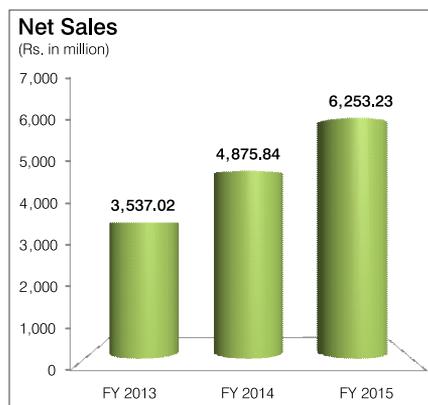
Anil Bakshi is a Chartered Accountant and Company Secretary. He is an industrialist and has over 30 years of experience in overall business management.



**Ms. S F Wang**  
Director

Ms. Sue-Fung Wang holds a Ph.D in Finance from University of Houston, USA. At present she is also positioned as Associate Professor at Graduate Institute of Finance - National Chiao Tung University, Taiwan.

# Financial Performance



# Directors' Report

To,  
The Members,

The Board of Directors of your Company take pleasure in presenting the Seventh Annual Report together with Balance Sheet and Statement of Profit and Loss for the financial year ended March 31, 2015.

## 1. Financial Results (Standalone and Consolidated)

(Rupees in Million)

Particulars	Standalone		Consolidated <sup>#</sup>
	2014-15	2013-14	2014-15
<b>Revenue from Operations</b>	<b>6,253.23</b>	<b>4,875.84</b>	<b>6,408.24</b>
Profit Before Depreciation and Tax	341.09	220.46	348.96
Less: Depreciation for the year	17.02	16.81	17.89
<b>Profit Before Tax (PBT)</b>	<b>324.07</b>	<b>203.65</b>	<b>331.07</b>
Less: Provision for Tax			
a) Current Tax	133.26	65.06	139.88
b) Deferred Tax	(22.48)	2.76	(27.39)
<b>Profit After Tax</b>	<b>213.29</b>	<b>135.83</b>	<b>218.58</b>
Balance brought forward from previous year	679.55	578.38	679.55
Adjustments relating to fixed assets	0.62	-	0.62
Amount available for Appropriation	892.22	714.21	897.51
Transfer to General Reserve	25.00	13.60	25.00
Proposed Dividend	24.85	18.00	24.85
Tax on Dividend	5.06	3.06	5.06
<b>Balance carried forward to Balance Sheet</b>	<b>837.31</b>	<b>679.55</b>	<b>842.60</b>
Earnings per Share (Rs.)	6.16	4.53	6.31

*#TeamF1 Networks Private Limited was acquired by the Company during the current financial year.*

## 2. State of Company's Affairs

Your company achieved an all-time high performance, both in terms of turnover and profit, during the financial year 2014-15. The standalone gross revenue increased by 28.25%, Rs.6,253.23 million as compared to Rs.4,875.84 million in the previous year. The standalone profit before tax stood at Rs.324.07 million as compared to Rs.203.65 million in the previous year.

The consolidated financial statements of your Company for the financial year 2014-15, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and Listing Agreement as prescribed by the Securities and Exchange Board of India (SEBI). The audited consolidated financial statements are provided in the Annual Report.

The financial statements of subsidiary, TeamF1 Networks Private Limited will be made available upon request by any member of the Company interested in receiving this information. The same will also be available at the Registered Office of the Company for inspection during office hours.

### 3. Reserves

The Board of Directors has decided to transfer an amount of Rs.25 million to the General Reserve, out of the profits made during the current financial year.

### 4. Dividend

Your Directors have recommended for your consideration the payment of dividend of Re.0.70/- per share for the year ended March 31, 2015 (i.e. @ 35% on the paid-up equity capital) to be paid, if approved at the Seventh Annual General Meeting.

### 5. Share Capital

During the year under review, the total paid-up share capital of the Company stands increased from 30,004,850 equity shares to 35,504,850 equity shares aggregating to Rs.71,009,700/-, on account of allotment of 5,500,000 equity shares of Rs.2/- each on the preferential basis to the erstwhile promoters and shareholders of TeamF1 Networks Private Limited (TeamF1) for consideration other than cash by way of swap of shares of TeamF1.

### 6. Extract of the Annual Return

As mandated by Section 92 of the Companies Act, 2013 read with the rules made thereunder, extract of annual return for the financial year ended March 31, 2015 in Form No. MGT-9 is enclosed as **Annexure – I** to this report.

### 7. Directors and Key Managerial Personnel

#### a) Changes in Directors and Key Managerial Personnel (KMP)

During the year under review;

- (i) Mr. C. M. Gaonkar who was Executive Director and Chief Financial Officer (CFO) relinquished the Office of Executive Director effective from August 23, 2014 and continues to be CFO of the Company.
- (ii) Mr. Tushar Sighat was appointed as Additional Director on the Board, effective from September 30, 2014 and was subsequently appointed as the Executive Director and Chief Executive Officer of the Company effective from October 1, 2014.
- (iii) Mr. Vinai Kolli was appointed as Additional Director on the Board, effective from September 30, 2014 and was subsequently appointed as Whole-time Director of the Company effective from December 18, 2014.
- (iv) Ms. Sue-Fung Wang was appointed as Additional Director (woman director) on the Board, effective from September 30, 2014.
- (v) At the Board Meeting held on May 19, 2014, Mr. Gary Yang - Managing Director, Mr. Tushar Sighat - Executive Director & CEO, Mr. C. M. Gaonkar - Chief Financial Officer and Mr. Shrinivas Adikesar - Company Secretary were designated as "Key Managerial Personnel" of the Company pursuant to Sections 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### b) Details of Directors retiring at the ensuing Annual General Meeting (AGM)

- (i) In pursuance of section 152 of the Companies Act, 2013, at-least two-third of the Directors (excluding Independent Directors) shall be subject to retirement by rotation. One-third of such Directors must retire from office at each AGM and a retiring director is eligible for re-election.

Accordingly, Mr. Gary Yang retires by rotation and being eligible, offers to be re-appointed at the ensuing AGM. The Board of Directors of your Company recommends his re-election.

The appointment of and payment of remuneration to Mr. Yang as Managing Director of the Company effective from March 1, 2014 for a period of five years was approved by the members of the Company vide passing a Special Resolution on May 7, 2014. The Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, in its meeting held on May 19, 2015 varied the terms of remuneration payable to Mr. Gary Yang with effect from April 1, 2015 for the remaining period of his tenure as Managing Director. The enhancement of remuneration is subject to the approval of the members at General Meeting.

- (ii) The Board of Directors appointed Mr. Tushar Sighat as an Additional Director with effect from September 30, 2014, pursuant to Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company. Mr. Tushar Sighat will hold office up to the date of the ensuing AGM of the Company.

The Board, upon the recommendation of the Nomination and Remuneration Committee, appointed Mr. Sighat as Whole-time Director and designated as Executive Director & CEO for a period of five years with effect from October 1, 2014. His appointment as well as the payment of remuneration is subject to the approval of members at the ensuing AGM.

- (iii) The Board of Directors had appointed Mr. Vinai Kolli as an Additional Director with effect from September 30, 2014, pursuant to Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company. Mr. Kolli will hold office up to the date of the ensuing AGM of the Company.

The Board, upon the recommendation of the Nomination and Remuneration Committee, appointed Mr. Kolli as Whole-time Director for a period of five years with effect from December 18, 2014, without any remuneration. His appointment requires the approval of members at the ensuing AGM.

Presently, Mr. Kolli is the Managing Director in TeamF1 Networks Private Limited (TeamF1), the wholly owned subsidiary of the Company, and receives remuneration from TeamF1. As such no remuneration is being proposed by the Company.

- (iv) Pursuant to the second proviso to sub-section (1) of section 149 of the Companies Act, 2013 read with the rules made thereunder and clause 49 (II) (A) (1) of the Listing agreement and based on the recommendation of the Nomination and Remuneration Committee, Ms. Sue-Fung Wang was appointed as an additional director on the Board with effect from September 30, 2014 and holds office upto the date of this AGM of the Company. Her appointment requires the approval of members at the ensuing AGM.

The Board has appointed Ms. Wang in the category of Independent Director (women director) and as such if appointed as Director at the ensuing AGM would hold office for a term upto September 29, 2019.

### c) Declaration by Independent Directors

Pursuant to sub-section (7) of Section 149 of the Companies Act, 2013 read with the rules made thereunder, all the Independent Directors have given the declaration that they meet the criteria of independence as laid down in sub-section (6) of section 149 of the Act and the Board at its meeting held on May 19, 2015 has duly taken note of the same.

## 8. Number of meetings of Board of Directors

During the year under review, seven meetings of the Board of Directors were held. The details of the meetings of the Board are furnished in the Corporate Governance Report which is attached to this Report.

Pursuant to provisions of part VII of the Schedule IV of the Companies Act, 2013 read with Clause 49 (II) (B)(6) of the Listing Agreement, a Separate Meeting of Independent Directors was held on March 20, 2015 for transacting the business enumerated under the said provisions.

## 9. Annual Evaluation of Board

In pursuance of section 134 (3) (p) of the Companies Act, 2013 read with rules made thereunder, the Board of Directors carried out the performance evaluation of the Board as a whole, and of its Committees and individual directors, based on questionnaire and feedback received from all the Directors on the Board. Directors, who were designated, held separate discussions with each of the Directors of the Company and obtained their feedback on overall Board effectiveness as well as performance of each of the other Directors.

## 10. Audit Committee

In pursuance of Section 177 of the Companies Act, 2013 read with the rules made thereunder and clause 49 of the Listing Agreement, the Company has duly constituted the Audit Committee consisting of 4 Non-Executive Directors with majority being Independent Directors including the Chairman of the Committee. The terms of reference of Audit Committee are as mentioned in Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The detailed terms of reference, constitution and other relevant details of Audit Committee have been given in Corporate Governance Report forming part of this Annual Report.

Further, in terms of section 177 (8) of the Act, it is stated that there were no such instances where the Directors have not accepted the recommendations of the Audit Committee during the year 2014-15.

## 11. Nomination and Remuneration Committee, Policy and Disclosures on Managerial Remuneration

In accordance with Section 178 and other applicable provisions if any, of the Companies Act, 2013 read with the rules issued there under and Clause 49 of the Listing Agreement, the Board of Directors at its meeting held on May 19, 2014 renamed the existing "Remuneration Committee" as "Nomination and Remuneration Committee" consisting of 4 Non-Executive Directors with majority being Independent Directors including the Chairman of the Committee.

Further, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has formulated the Nomination and Remuneration Policy of the Company at their meeting held on August 23, 2014.

The Company's remuneration policy is driven by the success and performance of the individual employees, senior management, executive directors of the Company and other relevant factors including the following criteria;

- a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company;
- b) Relationship of remuneration to performance is clear and meets appropriate performance industry benchmarks; and
- c) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

It is affirmed that the remuneration paid to Directors, Key Managerial Personnels and all other employees is as per the Remuneration Policy of the Company.

The information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of your Company is set out in "Annexure - II" to this Report.

## 12. Stakeholders Relationship Committee

Pursuant to Section 178 (5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board at its Meeting held on May 19, 2014 renamed the existing "Investors Grievance Committee" as "Stakeholders Relationship Committee". The detailed terms of reference, constitution and other relevant details of Stakeholders Relationship Committee have been given in Corporate Governance Report forming part of this Annual Report.

## 13. Vigil Mechanism/Whistle Blower Policy

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with the rules made thereunder, the Company has formulated and implemented Vigil Mechanism/ Whistle Blower Policy for disclosing of any unethical behaviour, actual or suspected fraud or violation of Company's code of conduct and other improper practices or wrongful conduct by employees or directors of the Company. The salient features of the policy have been detailed in the Corporate Governance Report forming part of this Annual Report. The Vigil Mechanism/ Whistle Blower Policy has been posted and is available on the website of the Company at <http://www.dlink.co.in/pdf/Whistle%20Blower%20Policy.pdf>

During the year under review, the Company has not received any complaints relating to unethical behaviour, actual or suspected fraud or violation of Company's code of conduct from any employee or directors.

## 14. Risk Management Policy

Pursuant to Clause 49 (VI) of the Listing Agreement, the Company has formulated and implemented the Risk Management Policy and was approved by the Board of Directors at its meeting held on November 1, 2014. The Risk Management Committee has been authorized by the Board to monitor and review the Risk Management Policy. The objective of the Risk Management Committee is to identify the risks impacting the business and formulate strategies/ policies aimed at risk mitigation as part of risk management. Further, a core Committee has also been formed to identify and assess key risks and formulate strategies for mitigation of risks identified in consultation with process owners.

## 15. Details of Subsidiary Company

During the year, the Company completed the acquisition process of TeamF1 Networks Private Limited (TeamF1) and with effect from May 29, 2014 TeamF1 became the wholly owned subsidiary of the Company. Further, the Company has made allotment of 5,500,000 equity shares of Rs.2/- each to the promoters, directors and other shareholders of TeamF1 for consideration other than cash by way of swap of shares.

TeamF1 is in the business of embedded software engineering and has R&D capabilities with expertise in Networking and Security and is expected to bring in positive value to D-Link in terms of enhancing its technological as well as its research and development capabilities with access to in house customization and development of new localized products.

TeamF1's standalone financial statements show positive signs of growth in terms of its revenues. It registered gross revenue of Rs. 173.01 million as compared to Rs. 120.78 million in the previous fiscal year, thereby resulting in an increase of 43.24%. The profit before tax stood at Rs. 4.54 million as compared to Rs. 10.21 million in the previous fiscal year.

The Company does not have any material unlisted Indian subsidiary. The Company has formulated a Policy on Material Subsidiary as required under Clause 49(V)(D) and the policy is posted on the website of the Company under the web link <http://www.dlink.co.in/pdf/Material%20Subsidiary%20Policy.pdf>.

Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, the statement containing salient features of the financial statements of the Company's Subsidiary (in Form AOC-1) is enclosed as **Annexure - III** to this report.

## 16. Statutory Auditors

The members of the Company vide passing a resolution at the Sixth Annual General Meeting of the Company had appointed M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Registration no. 117366W/W-100018) as Auditors of the Company for a period of four years effective from financial year 2014-15, subject to ratification of their appointment at every Annual General Meeting. The Board recommends for the ratification of appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants as the Auditors of the Company for the financial year 2015-16.

## 17. Secretarial Audit Report

Pursuant to the provisions of section 204 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors had appointed Mr. Shivaram Bhat, Practicing Company Secretary as Secretarial Auditor of the Company for the financial year 2014-15 for conducting the Secretarial Audit as required under the provisions of Companies Act, 2013.

The Secretarial Audit Report given by Mr. Shivaram Bhat in Form No. MR-3, is annexed as **Annexure – IV** to this report.

## 18. Deposits

Your Company has not accepted any Fixed Deposits during the year under review and, as such, no amount of principal or interest was outstanding as on date of Balance Sheet.

## 19. Particulars of loans, guarantees or investments

Particulars of loans and guarantee given, investments made and securities provided, covered under the provisions of Section 186 of the Companies Act, 2013 are provided in the notes to standalone financial statements (Please refer to Note 3(e), 13, 18 and 41 to the Standalone Financial Statements).

## 20. Particulars of contracts or arrangements with related parties

The Company is a subsidiary of D-Link Holding Mauritius Inc. and is a part of D-Link Corporation. The Company is primarily engaged in marketing and distribution of D-Link branded Networking products in India and neighbouring countries. The majority products are imported from D-Link Corporation and its Subsidiaries. All the transactions entered by the Company with Related Parties were in the Ordinary Course of Business and at Arm's Length Price basis. The Audit Committee and the Board of Directors reviewed the transactions (which are repetitive in nature) and the Audit Committee granted approval for such transactions.

The disclosures as required under AS-18 have been made in Note 32 of the Notes forming part of the standalone financial statements. The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 has been disclosed in Form No. AOC-2 which is annexed as **Annexure –V**.

The Policy on related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.dlink.co.in/pdf/RELATED%20PARTY%20POLICY.pdf>.

## 21. Details on Internal Financial Controls related to Financial Statements

Your Company has put in place adequate internal financial controls with reference to the financial statements for the fiscal 2014-15. The Audit Committee of the Board has also approved revision in policy on internal controls relating to financial statements and adequacy for compliance. In the opinion of the Board, the existing internal control framework is adequate and commensurate to the size and nature of the business of the Company.

## 22. Material Changes and Commitments, if any, affecting the Financial Position of the Company

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year, to which this financial statement relate, and the date of this Report.

## 23. Prevention and Redressal of Sexual Harassment at Workplace

The Company has formulated and implemented a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with the rules made thereunder. The Company has also constituted Internal Committee as per requirements of the above Act.

During the financial year 2014-15, the committee has neither received any complaints nor there were any pending cases as at March 31, 2015.

## 24. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

### A) Conservation of energy

Your Company is primarily engaged in Marketing and Trading activities and has not consumed energy of any significant level and no additional investment is required to be made for reduction of energy consumption. However, the Company will continue with its efforts to conserve the energy.

### B) Technology absorption

No comment is being made on technology absorption considering the nature of activities undertaken by your Company during the year under review.

### C) Foreign exchange earnings and outgo

Total foreign exchange earnings and outgo is stated in Note 35 forming part of the Standalone Financial Statements.

## 25. Corporate Social Responsibility (CSR)

Pursuant to Section 135 of the Companies Act, 2013 read with rules made thereunder, your company has constituted a Corporate Social Responsibility Committee (CSR Committee) and has also formulated CSR Policy in accordance with the Act.

The CSR Committee is in the process of determining specific activities and identifying specific partners that would be aligned with the Company's CSR Policy. Hence, the Company could not spend the qualifying amount on CSR activities during the financial year 2014-15. The process would be completed in the current financial year and the CSR amount as stipulated by the Companies Act will be spent on qualifying activities accordingly.

The CSR Policy of the Company has been posted on the website of the Company at <http://www.dlink.co.in/pdf/CSR%20Policy.pdf>.

The details of Corporate Social Responsibility (CSR) are set out in **Annexure-VI**.

## 26. Details of Significant and Material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future

There was no significant and material order passed by any regulator or court or tribunal impacting the going concern status of the Company and its future operations.

## 27. Management Discussion and Analysis Report

The Management Discussion and Analysis including the result of operations of the Company for the year, as required under Clause 49 of the Listing Agreement with the Stock Exchanges, is appended to this Annual Report.

## 28. Corporate Governance

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Corporate Governance as well as the Auditors' Certificate regarding compliance of conditions of Corporate Governance forms a part of the Annual Report.

## 29. Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had 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 as at 31st March, 2015 and of the profit/loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 30. Acknowledgements

The Directors wish to convey their appreciation to Business Associates, Business Distributors/Partners and Bankers for their support and contribution during the year. The Directors thank the Company's employees for their hard work and customers, vendors, investors, for their continued support.

For and on behalf of the Board of Directors

Mumbai, Dated: May 19, 2015

**Gary Yang**  
Managing Director

**Tushar Sighat**  
Executive Director & CEO

## Form No. MGT-9

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

### Extract of Annual Return

As on the financial year ended on 31/03/2015

#### I REGISTRATION & OTHER DETAILS

i	CIN	L72900GA2008PLC005775
ii	Registration Date	26/05/2008
iii	Name of the Company	D-LINK (INDIA) LIMITED
iv	Category of the Company	Public Company
v	<b>Address of the Registered office &amp; contact details</b>	Plot no. U02B, Verna Industrial Estate, Verna, Salcette, Goa - 403722.
	Telephone (with STD Code)	0832-2885800
	Fax Number	0832-2885823
	Email Address	shares@dlink.co.in
	Website, if any	www.dlink.co.in
vi	Whether listed company	Yes
vii	<b>Name and Address of Registrar &amp; Transfer Agents (RTA)</b>	
	Name of RTA	KARVY COMPUTERSHARE PRIVATE LIMITED
	Address	Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad, Telangana - 500008.
	Telephone	040-67161500
	Fax Number	040-23420814
	Email Address	einward.ris@karvy.com

#### II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

	All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-		
Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Wholesale of computers, computer peripheral equipment and software (Trading of Networking Products)	4651	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary /Associate	% of Shares Held	Applicable Section
1	D-Link Holding Mauritius Inc.	NA	Holding Company	51.02	2 (46)
2	TeamF1 Networks Private Limited	U72200TG2012PTC078978	Subsidiary Company	99.99	2 (87)

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

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
<b>(2) Foreign</b>									
a) NRI - Individual/	-	-	-	-	-	-	-	-	-
b) Other - Individual/	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	18114663	-	18114663	60.37%	18114663	-	18114663	51.02%	-9.35%
d) Banks / FI	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>18114663</b>	<b>-</b>	<b>18114663</b>	<b>60.37%</b>	<b>18114663</b>	<b>-</b>	<b>18114663</b>	<b>51.02%</b>	<b>-9.35%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	3381631	-	3381631	9.52%	9.52%
b) Banks / FI	30	-	30	0.01%	12425	-	12425	0.03%	0.02%
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	9672	-	9672	0.03%	0.03%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	30	-	30	0.01%	3403728	-	3403728	9.59%	9.58%
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1707322	-	1707322	5.69%	1270711	-	1270711	3.58%	-2.11%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8469456	27116	8496572	28.32%	5904116	26216	5930332	16.70%	-11.61%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1425781	-	1425781	4.75%	3728492	-	3728492	10.50%	5.75%
c) Others (specify)									
Non Resident Indians	156863	-	156863	0.52%	3027916	-	3027916	8.53%	8.01%
Clearing Members	101419	-	101419	0.34%	29008	-	29008	0.08%	-0.26%
Trusts	2200	-	2200	0.01%	-	-	-	-	-0.01%
Sub-total (B)(2):-	<b>11863041</b>	<b>27116</b>	<b>11890157</b>	<b>39.63%</b>	<b>13960243</b>	<b>26216</b>	<b>13986459</b>	<b>39.39%</b>	<b>-0.23%</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>11863071</b>	<b>27116</b>	<b>11890187</b>	<b>39.64%</b>	<b>17363971</b>	<b>26216</b>	<b>17390187</b>	<b>48.98%</b>	<b>9.34%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B+C)</b>	<b>29977734</b>	<b>27116</b>	<b>30004850</b>	<b>100%</b>	<b>35478634</b>	<b>26216</b>	<b>35504850</b>	<b>100%</b>	<b>-</b>

## ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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	D-Link Holding Mauritius Inc.	18114663	60.37%	-	18114663	51.02%*	-	-9.35%
	<b>TOTAL</b>	18114663	60.37%	-	18114663	51.02%*	-	-9.35%

\*During the year, the Company has allotted 5,500,000 equity shares to persons other than promoters. Consequently the percentage of shareholding diluted to 51.02 %.

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

D-Link Holding Mauritius Inc.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year		18114663	60.37%	18114663	60.37%
<b>Decrease</b>					
<b>Date</b>	<b>Reason for Decrease</b>				
30/05/2014	During the year, the Company has allotted 5,500,000 equity shares to persons other than promoters. Consequently the percentage of shareholding diluted to 51.02 %.				
At the End of the year		18114663	51.02%	18114663	51.02%

## iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of the Shareholder	Date	Changes in the shareholdings (-) denotes sale	Shareholding at the beginning/ending of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	KAMALAKSHA RAMA NAIK*	01-04-14		590532	1.97	590532	1.97
		13-06-14	-590532			-	-
		31-03-15		-			
2	ARCADIA SHARE & STOCK BROKERS PVT LTD	01-04-14		509335	1.70	509335	1.70
		04-04-14	-2890			506445	1.43
		02-05-14	-11			506434	1.43
		09-05-14	-2148			504286	1.42
		16-05-14	1500			505786	1.42
		16-05-14	-13776			492010	1.39
		23-05-14	-700			491310	1.38
		30-05-14	200			491510	1.38
		30-05-14	-850			490660	1.38
		06-06-14	200			490860	1.38
		06-06-14	-200000			290860	0.82
		13-06-14	225			291085	0.82
		13-06-14	-5118			285967	0.81
20-06-14	1565			287532	0.81		

Sr. No.	Name of the Shareholder	Date	Changes in the shareholdings (-) denotes sale	Shareholding at the beginning/ending of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		20-06-14	-4904			282628	0.80
		30-06-14	175			282803	0.80
		30-06-14	-45715			237088	0.67
		04-07-14	-940			236148	0.67
		11-07-14	-3899			232249	0.65
		18-07-14	-25			232224	0.65
		25-07-14	-2989			229235	0.65
		01-08-14	100			229335	0.65
		08-08-14	-100			229235	0.65
		15-08-14	100			229335	0.65
		22-08-14	10			229345	0.65
		22-08-14	-100			229245	0.65
		29-08-14	50			229295	0.65
		05-09-14	1000			230295	0.65
		05-09-14	-10			230285	0.65
		19-09-14	200			230485	0.65
		30-09-14	-800			229685	0.65
		03-10-14	500			230185	0.65
		10-10-14	125			230310	0.65
		10-10-14	-500			229810	0.65
		17-10-14	-500			229310	0.65
		24-10-14	200			229510	0.65
		24-10-14	-50			229460	0.65
		31-10-14	-125			229335	0.65
		07-11-14	-200			229135	0.65
		14-11-14	100			229235	0.65
		28-11-14	-100			229135	0.65
		19-12-14	3355			232490	0.65
		31-12-14	-2800			229690	0.65
		09-01-15	798			230488	0.65
		09-01-15	-200			230288	0.65
		16-01-15	1200			231488	0.65
		16-01-15	-100			231388	0.65
		23-01-15	-1000			230388	0.65
		30-01-15	-250			230138	0.65
		06-02-15	-948			229190	0.65
		13-02-15	100			229290	0.65
		20-02-15	410			229700	0.65
		20-02-15	-585			229115	0.65
		27-02-15	410			229525	0.65
		13-03-15	-335			229190	0.65
		20-03-15	-100			229090	0.65
		27-03-15	3600			232690	0.66
		31-03-15	20			232710	0.66

Sr. No.	Name of the Shareholder	Date	Changes in the shareholdings (-) denotes sale	Shareholding at the beginning/ending of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		31-03-15	-89928			142782	0.40
		31-03-15		142782	0.40		
3	SAHISTA JIKARBHAI SAIYED*	01-04-14		378061	1.26	378061	1.26
		25-07-14	-34951			343110	0.97
		15-08-14	-11907			331203	0.93
		22-08-14	-31292			299911	0.84
		29-08-14	-30000			269911	0.76
		05-09-14	-7385			262526	0.74
		12-09-14	-20000			242526	0.68
		19-09-14	-5000			237526	0.67
		30-09-14	-27949			209577	0.59
		24-10-14	-8932			200645	0.57
		21-11-14	-2277			198368	0.56
		12-12-14	-1000			197368	0.56
		19-12-14	-9542			187826	0.53
		31-12-14	-25000			162826	0.46
		16-01-15	-10000			152826	0.43
		23-01-15	-463			152363	0.43
		30-01-15	-10000			142363	0.40
		06-02-15	-20470			121893	0.34
		27-02-15	-1546			120347	0.34
		06-03-15	-11343			109004	0.31
		31-03-15		109004	0.31		
4	KOTAK MAHINDRA INVESTMENTS LTD	01-04-14		159755	0.53	159755	0.53
		13-06-14	-72816			86939	0.24
		20-06-14	-36484			50455	0.14
		01-08-14	568			51023	0.14
		08-08-14	-568			50455	0.14
		19-09-14	125119			175574	0.49
		30-09-14	-12663			162911	0.46
		10-10-14	-40437			122474	0.34
		31-10-14	132939			255413	0.72
		09-01-15	-38000			217413	0.61
		16-01-15	9000			226413	0.64
		20-03-15	100			226513	0.64
		31-03-15		226513	0.64		
5	ANIL VISHANJI DEDHIA*	01-04-14		150000	0.50	150000	0.50
		13-06-14	-50000			100000	0.28
		19-09-14	-50000			50000	0.14
		12-12-14	-10000			40000	0.11
		31-12-14	-40000			-	-
		31-03-15		-	-		
6	ANGEL FINCAP PRIVATE LIMITED*	01-04-14		81000	0.27	81000	0.27
		04-04-14	-50			80950	0.27

Sr. No.	Name of the Shareholder	Date	Changes in the shareholdings (-) denotes sale	Shareholding at the beginning/ending of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		11-04-14	-5300			75650	0.25
		18-04-14	-650			75000	0.25
		25-04-14	-300			74700	0.25
		02-05-14	450			75150	0.25
		16-05-14	50			75200	0.25
		23-05-14	-200			75000	0.25
		30-05-14	300			75300	0.21
		06-06-14	-23			75277	0.21
		13-06-14	-1380			73897	0.21
		20-06-14	7780			81677	0.23
		30-06-14	456			82133	0.23
		04-07-14	-1820			80313	0.23
		11-07-14	-8300			72013	0.20
		18-07-14	-100			71913	0.20
		25-07-14	1			71914	0.20
		01-08-14	-950			70964	0.20
		08-08-14	-29390			41574	0.12
		15-08-14	50			41624	0.12
		22-08-14	547			42171	0.12
		29-08-14	-5266			36905	0.10
		05-09-14	325			37230	0.10
		12-09-14	127			37357	0.11
		19-09-14	-6825			30532	0.09
		30-09-14	1966			32498	0.09
		03-10-14	-3700			28798	0.08
		10-10-14	-214			28584	0.08
		17-10-14	-287			28297	0.08
		24-10-14	20			28317	0.08
		31-10-14	3400			31717	0.09
		07-11-14	-10			31707	0.09
		14-11-14	3215			34922	0.10
		21-11-14	1319			36241	0.10
		28-11-14	2181			38422	0.11
		05-12-14	596			39018	0.11
		12-12-14	-1157			37861	0.11
		19-12-14	4910			42771	0.12
		31-12-14	337			43108	0.12
		02-01-15	-1472			41636	0.12
		09-01-15	307			41943	0.12
		16-01-15	-1911			40032	0.11
		23-01-15	-4910			35122	0.10
		30-01-15	-78			35044	0.10
		06-02-15	-11244			23800	0.07
		13-02-15	4243			28043	0.08

Sr. No.	Name of the Shareholder	Date	Changes in the shareholdings (-) denotes sale	Shareholding at the beginning/ending of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		20-02-15	-8418			19625	0.06
		27-02-15	970			20595	0.06
		06-03-15	-1498			19097	0.05
		13-03-15	-747			18350	0.05
		20-03-15	-5750			12600	0.04
		27-03-15	-3929			8671	0.02
		31-03-15	2414			11085	0.03
		31-03-15		11085	0.03		
7	MANEESHA MAINI*	01-04-14		71200	0.24	71200	0.24
		06-06-14	-1200			70000	0.20
		13-06-14	-4500			65500	0.18
		11-07-14	-2500			63000	0.18
		15-08-14	-2000			61000	0.17
		15-08-14	-3000			58000	0.16
		29-08-14	-2000			56000	0.16
		19-09-14	-200			55800	0.16
		31-10-14	-200			55600	0.16
		07-11-14	-100			55500	0.16
		31-12-14	-100			55400	0.16
		02-01-15	-500			54900	0.15
		31-03-15		54900	0.15		
8	MAHESH RAMDAS BHATKAL*	01-04-14		60173	0.20	60173	0.20
		23-05-14	-6000			54173	0.18
		30-05-14	6006			60179	0.17
		06-06-14	-43000			17179	0.05
		13-06-14	-17179			-	-
		31-03-15		-	-		
9	SMITA ABHAY KUMAR PHAL*	01-04-14		59426	0.20	59426	0.20
		20-06-14	-59426			-	-
		31-03-15		-	0.00		
10	AN PANG TSAO*	01-04-14		50000	0.17	50000	0.17
		31-03-15		50000	0.14		
11	MUKESH TIRTHDAS LULLA	01-04-14		-	-	-	-
		30-05-14	2618773			2618773	7.38
		31-03-15	-	2618773	7.38		
12	SBI FUNDS MANAGEMENT	01-04-14		-	-	-	-
		11-07-14	948170			948170	2.67
		18-07-14	324104			1272274	3.58
		25-07-14	486355			1758629	4.95
		01-08-14	15879			1774508	5.00
		08-08-14	56337			1830845	5.16
		12-09-14	-100000			1730845	4.87
		19-09-14	-28000			1702845	4.80
		30-09-14	-20227			1682618	4.74

Sr. No.	Name of the Shareholder	Date	Changes in the shareholdings (-) denotes sale	Shareholding at the beginning/ending of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		10-10-14	-50000			1632618	4.60
		17-10-14	5489			1638107	4.61
		24-10-14	44455			1682562	4.74
		14-11-14	338341			2020903	5.69
		14-11-14	-70000			1950903	5.49
		28-11-14	16708			1967611	5.54
		05-12-14	83003			2050614	5.78
		19-12-14	6077			2056691	5.79
		19-12-14	-35164			2021527	5.69
		31-12-14	13696			2035223	5.73
		31-12-14	-4009			2031214	5.72
		02-01-15	258795			2290009	6.45
		09-01-15	53538			2343547	6.60
		09-01-15	-40000			2303547	6.49
		23-01-15	19502			2323049	6.54
		30-01-15	51850			2374899	6.69
		30-01-15	-19000			2355899	6.64
		06-02-15	8611			2364510	6.66
		13-02-15	5949			2370459	6.68
		27-03-15	36653			2407112	6.78
		31-03-15		2407112	6.78		
13	KOTAK MAHINDRA MUTUAL FUND	01-04-14		-	-	-	-
		19-09-14	31795			31795	0.09
		30-09-14	156443			188238	0.53
		10-10-14	11000			199238	0.56
		17-10-14	1259			200497	0.56
		24-10-14	719			201216	0.57
		07-11-14	40000			241216	0.68
		14-11-14	36281			277497	0.78
		21-11-14	18902			296399	0.83
		28-11-14	50000			346399	0.98
		05-12-14	19466			365865	1.03
		12-12-14	58778			424643	1.20
		09-01-15	46000			470643	1.33
		23-01-15	12648			483291	1.36
		30-01-15	10249			493540	1.39
		06-02-15	21512			515052	1.45
		13-02-15	34236			549288	1.55
		20-02-15	12627			561915	1.58
		27-02-15	20000			581915	1.64
		06-03-15	14351			596266	1.68
		13-03-15	143945			740211	2.08
		20-03-15	90983			831194	2.34
		27-03-15	35992			867186	2.44

Sr. No.	Name of the Shareholder	Date	Changes in the shareholdings (-) denotes sale	Shareholding at the beginning/ending of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
		31-03-15	25370			892556	2.51
		31-03-15		892556	2.51		
14	TEJAS B. TRIVEDI	01-04-14		-	-	-	-
		04-07-14	84990			84990	0.24
		11-07-14	229835			314825	0.89
		18-07-14	7059			321884	0.91
		25-07-14	35838			357722	1.01
		15-08-14	97505			455227	1.28
		22-08-14	26218			481445	1.36
		29-08-14	21178			502623	1.42
		31-03-15		502623	1.42		
15	SHIVANI T. TRIVEDI	01-04-14		-	-	-	-
		30-06-14	293939			293939	0.83
		04-07-14	5000			298939	0.84
		18-07-14	690			299629	0.84
		19-12-14	1324			300953	0.85
		31-03-15		300953	0.85		
16	KONDAPANENI PRASANNA KUMAR	01-04-14		-	-	-	-
		30-05-14	261930			261930	0.74
		31-03-15	-	261930	0.74		
17	ARCADIA BROKERS PVT LTD	01-04-14		-	-	-	-
		30-06-14	71220			71220	0.20
		18-07-14	-71220			-	-
		15-08-14	71220			71220	0.20
		22-08-14	41992			113212	0.32
		29-08-14	8			113220	0.32
		31-03-15		113220	0.32		
18	KAUSHIK SHAH SHARES AND SEC PVT LTD	01-04-14		-	-	-	-
		31-03-15	90000			90000	0.25
		31-03-15		90000	0.25		

\* The same is reflected above since the shareholder was one of the Top 10 shareholder as on April 1, 2014.

#### v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of the Directors / Key Managerial Personnel	Date	Changes in the shareholdings (-) denotes sale	Shareholding at the beginning/ending of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Gary Yang	01-04-14		-	-	-	-
		31-03-15		-	-	-	-
2	Mr. Tushar Sighat	01-04-14		16427	0.05	16427	0.05
		31-03-15		16427	0.05	16427	0.05
3	Mr. A. P. Chen	01-04-14		50000	0.17	50000	0.17
		31-03-15		50000	0.14	50000	0.14

Sr. No.	Name of the Directors / Key Managerial Personnel	Date	Changes in the shareholdings (- denotes sale)	Shareholding at the beginning/ending of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
4	Mr. Vinai Kolli (Allotment of shares)	01-04-14		-	-	-	-
		30-05-14	2514525			2514525	7.08
		31-03-15		2514525	7.08	2514525	7.08
5	Mr. Satish Godbole@	01-04-14		25	0.00	50	0.00
		31-03-15		25	0.00	50	0.00
6	Mr. C. M. Gaonkar#	01-04-14		66394	0.22	75881	0.25
		31-03-15		66394	0.19	75881	0.21
7	Mr. Shrinivas Adikesar	01-04-14		545	0.00	545	0.00
		31-03-15		545	0.00	545	0.00

@ 25 shares are held in joint shareholding with his wife.  
# 9,487 shares are held in joint shareholding with his wife.

## V. INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment** (in Rs.)

Indebtedness at the beginning of the financial year	Secured Loans excluding deposits*	Unsecured Loans	Deposits	Total Indebtness
Principal Amount	35,077,067	-	-	35,077,067
<b>Change in Indebtedness during the financial year</b>				
Reduction	12,334,178	-	-	12,334,178
<b>Indebtedness at the end of the financial year</b>				
Principal Amount	22,742,889	-	-	22,742,889
<b>Total</b>	<b>22,742,889</b>	<b>-</b>	<b>-</b>	<b>22,742,889</b>

\* Working Capital Cash Credit Facilities from Banks on Cash Credit accounts, secured by hypothecation of stocks and book debts.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager** (in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Gary Yang	Tushar Sighat*	C. M. Gaonkar @	
1	Gross salary	3,877,960	19,190,065	1,675,310	24,743,335
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,877,960	19,190,065	1,675,310	24,743,335
	(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	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	3,877,960	19,190,065	1,675,310	24,743,335
	Ceiling as per the Act	10% of Net profit of the Company.			

@ Ceased to be whole time director effective August 23, 2014.

\* Appointed as Whole time Director effective October 1, 2014.

**B. Remuneration to other directors**

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount	
		Rajaram Ajgaonkar	Satish Godbole	Anil Bakshi	Sue Wang	A P Chen		Vinai Kolli
<b>1</b>	<b>Independent Directors</b>							
	Fee for attending board committee meetings	195,000	195,000	195,000	15,000	-	-	600,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	195,000	195,000	195,000	15,000	-	-	600,000
<b>2</b>	<b>Other Non-Executive Directors</b>							
	Fee for attending board committee meetings	-	-	-	-	100,000	15,000	115,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	100,000	15,000	115,000
	Total (B) = (1 + 2)	195,000	195,000	195,000	15,000	100,000	15,000	715,000
	Total Managerial Remuneration							24,743,335
	Overall Ceiling as per the Act	10% of Net Profits of the Company						

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Tushar Sighat* CEO	Shrinivas Adikesar Company Secretary	C.M. Gaonkar® CFO	
1	Gross salary*	13,227,040	1,561,088	5,112,652	19,800,780
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,227,040	1,561,088	5,112,652	19,800,780
	(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				
5	Others, please specify	-	-	-	-
	Total	13,227,040	1,561,088	5,112,652	19,800,780

@ Ceased to be whole time director effective August 23, 2014 but continues to be KMP (CFO).

\* Appointed as KMP (CEO) effective April 1, 2014 and became Whole time Director effective October 1, 2014.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

There were no Penalties/Punishment/Compounding of Offences during the year ended 31st March 2015.

## Managerial Remuneration

### Part A

#### DETAILS PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- a) the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15 as follows;

Sr. No.	Name of the Director	Ratio of remuneration of director to the Median remuneration
1	Mr. A. P. Chen	N.A.
2	Mr. Gary Yang	5.15:1
3	Mr. Rajaram Ajgaonkar	N.A.
4	Mr. Satish Godbole	N.A.
5	Mr. Anil Bakshi	N.A.
6	Mr. C. M. Gaonkar <sup>@</sup>	2.23:1
7	Mr. Tushar Sighat <sup>#</sup>	25.5:1
8	Mr. Vinai Kolli	N.A.
9	Ms. Sue-Fung Wang	N.A.

<sup>@</sup> Relinquished as Whole time director effective August 23, 2014 and continuing as KMP (CFO).

<sup>#</sup> Appointed as KMP (CEO) effective April 1, 2014 and became Whole time Director effective October 1, 2014.

- b) the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2014 - 15 as follows;

Sr. No.	Name of the Director	Increase*
		%
1	Mr. A. P. Chen	-
2	Mr. Gary Yang	-
3	Mr. Rajaram Ajgaonkar	-
4	Mr. Satish Godbole	-
5	Mr. Anil Bakshi	-
6	Mr. C. M. Gaonkar <sup>@</sup>	49.85
7	Mr. Tushar Sighat <sup>#</sup>	81.85
8	Mr. Vinai Kolli	-
9	Ms. Sue-Fung Wang	-
10	Mr. Shrinivas Adikesar	45.52

<sup>@</sup> Relinquished as Whole time director effective August 23, 2014 and continuing as KMP (CFO).

<sup>#</sup> Appointed as KMP (CEO) effective April 1, 2014 and became Whole time Director effective October 1, 2014.

\* The % increase in remuneration is higher on account of; -

- Ex-gratia paid for the financial year 2014-15 and previous financial year 2013-14 to all the employees across the company during the financial year;
- Includes Payment of Performance bonus pertaining to the financial year 2013-14 and 2014-15 ; and
- Leave Encashment paid during the year.

c)	The percentage increase in the median remuneration of employees (excluding resigned and employed part of the year) in the financial year 2014-15	23.89%
d)	the number of permanent employees on the rolls of company as on March 31, 2015	302 Employees
e)	the explanation on the relationship between average increase in remuneration and performance of the Company	The increase in average remuneration of all employees in the financial year 2014-15 as compared to the financial year 2013-14 was 18.48% (% excludes employees resigned and employed part of the year). The turnover of the Company increased by 28.25% & Profit Before tax increased by 59.13%.

f)	comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The Profit Before Tax increased by 59.13% in 2014-15, compared to 2013-14. The remuneration of KMPs is 0.71% of the total revenue.
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g) Details of Share price and market capitalization;

- i. The details of variation in the market capitalization and price earnings ratio as at the closing date of the current and previous financial years are as follows;

	2014-15	2013-14	Increase
	Rs.	Rs.	%
Price Earnings Ratio	27.07	6.41	322.12
Market Capitalisation*	5,920,433,738	871,640,893	579.23

\* NSE closing share price considered

- ii. The Equity shares of the Company are listed on the Stock exchanges in the year 2009 under the scheme of arrangement for demerger and has not made any public offer. Accordingly, comparison of Public Offer Price and the current market price of the Company's shares will not be relevant.

h) Comparison of average percentage increase in salary of employees other than the key managerial personnel and the percentage increase in the key managerial remuneration

	Increase %
Average salary of all employees (other than Key Managerial Personnel)	17.79
Key Managerial Personnel	
MD & Executive Director & CEO	36.71
CFO & CS	17.12

i) Key parameters for the variable component of remuneration paid to the Directors;

The key parameters for the variable component of remuneration to the Directors are decided by the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy.

j) the ratio of the remuneration of the highest paid director to that of the employees during the year who are not directors but receive remuneration in excess of the highest paid director;

Not Applicable

k) affirmation that the remuneration is as per the remuneration policy of the company;

Pursuant to Rule 5(1)(xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

**Part B**

**STATEMENT SHOWING PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Persons employed for the full year ended March 31, 2015 who were in receipt of the remuneration which in the aggregate was not less than Rs.60,00,000/- p.a.

Sr. No.	Employee Name	Designation	Gross Remuneration* (In Rupees)	Qualification	Total Exp. in Yrs.	Date of Commencement of Employment	Age in Yrs.	Last Employer & Designation Held
1	Mr. Tushar Sighat	Executive Director & CEO	32,417,105	B. E. in Electronics & Telecommunications	24 Years	1-Jul-2011	45 years	Elite Core Technologies Pvt. Ltd Sr. V.P Operations
2	Mr. C.M. Gaonkar	Chief Financial Officer	6,787,962	Chartered Accountant	30 Years	15-Jun-2009	57 years	Independent Consultant

*\*Includes Payment of Ex-gratia and Performance bonus pertaining to the financial year 2013-14 and 2014-15.*

Persons employed for part of the year ended March 31, 2015 who were in receipt of the remuneration which in the aggregate was not less than Rs.5,00,000/- p.m.

Sr. No.	Employee Name	Designation	Gross Remuneration (In Rupees)	Qualification	Total Exp. in Yrs.	Tenure of Employment		Age in Yrs.	Last Employer & Designation Held
						Date of Commencement of Employment	Date of Cessation		
				Not Applicable					

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### Part "A": Subsidiaries

(Amount in Rupees)

Sl. No.	Particulars	Details
1	Name of the subsidiary Company	TEAMF1 NETWORKS PRIVATE LIMITED
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	May 29, 2014 to March 31, 2015.
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees
4	Share capital	105,000
5	Reserves & surplus	16,689,502
6	Total assets	38,940,299
7	Total Liabilities	22,145,797
8	Investments	-
9	Turnover	173,014,594
10	Profit before taxation	4,539,137
11	Provision for taxation	1,717,478
12	Profit after taxation	2,821,659
13	Proposed Dividend	-
14	% of shareholding	99.99%

Notes:

- There are no other subsidiaries of the Company.

### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of associates/Joint Ventures	Details
1	Latest audited Balance Sheet Date	Not applicable
2	Shares of Associate/Joint Ventures held by the company on the year end - No. of Shares - Amount of Investment in Associates/Joint Venture - Extend of Holding %	Not applicable
3	Description of how there is significant influence	Not applicable
4	Reason why the associate/joint venture is not consolidated	Not applicable
5	Networth attributable to Shareholding as per latest audited Balance Sheet	Not applicable
6	Profit/Loss for the year	Not applicable
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

Notes:

- There are no other associates or joint ventures of the Company.

For and on behalf of the Board of Directors

**Gary Yang**  
Managing Director

**Tushar Sighat**  
Executive Director & CEO

**C. M. Gaonkar**  
Chief Financial Officer

**Shrinivas Adikesar**  
Company Secretary

Mumbai, dated: May 19, 2015

## Form MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015

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

To,  
The Members,

**D-Link (India) Limited**

Plot No U02B, Verna Industrial Estate,  
Verna Salcette , Goa - 403722.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by D-Link (India) Limited (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 (hereinafter referred to as the " Audit Period") generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment. (provisions of External Commercial Borrowing & Overseas Direct Investment not applicable to the Company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the audit period);
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable to the Company during the audit period).
- vi. The following laws and Regulations applicable specifically to the Company viz.,
  - a) The Environment (Protection) Act, 1986; and
  - b) E-waste (Management and Handling) Rules, 2011.

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

- i. Secretarial Standards issued by The Institute of Company Secretaries of India **(During the Audit Period, not notified under the Act and hence not applicable)**.
- ii. The Listing Agreements entered into by the Company with Stock Exchanges.

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

**I further report that -**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

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

**I further report that** during the audit period the company has the following specific events:

1. Company allotted 5,500,000 equity shares of Rs.2/- each at a premium of Rs. 28/- per equity share on preferential basis for consideration other than cash (share swap - for shares in TeamF1 Networks Private Limited).
2. TeamF1 Networks Private Limited became wholly owned subsidiary of the Company with effect from May 29, 2014.

**Shivaram Bhat**

Place : Panaji, Goa  
Date : May 18, 2015

Practising Company Secretary  
ACS No. 10454 & CP No. 7853

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

**'ANNEXURE A'**

**(My report of even date is to be read along with this Annexure.)**

1. Maintenance of Secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I 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. My examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Shivaram Bhat**

Place : Panaji, Goa  
Date : May 18, 2015

Practising Company Secretary  
ACS No. 10454 & CP No. 7853

## Form No. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
			Not applicable					

2. Details of material contracts or arrangement or transactions at arm's length basis:

Sr. No.	Name(s) of the of related party	Nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any	Amount paid as advances, if any
1	D-Link International Pte. Ltd.	Fellow Subsidiary	Purchase/ Sale of traded goods or materials	The transactions are ongoing and existing prior to Commencement of the Companies Act 2013.	Based on Transfer Pricing Guidelines	The transactions are entered in the ordinary course of business and are at arm's length price basis. These are reported and approved by the Board and Audit Committee on November 1, 2014.	NA

For and on behalf of the Board of Directors

Mumbai, dated: May 19, 2015

**Gary Yang**  
Managing Director

**Tushar Sighat**  
Executive Director & CEO

# Annual Report on CSR

## [Pursuant to Rules 8 & 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014.]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

The Company has framed the CSR policy in accordance with the provisions of Companies Act, 2013 read with schedule VII to the Companies Act, 2013 at the board meeting held on May 19, 2014.

2. The Composition of the CSR Committee

Name of the Member	Designation	Name of the Member	Designation
Mr. Anil Bakshi	Chairman	Mr. Tushar Sighat ^	Member
Mr. Gary Yang	Member	Mr. Rajaram Ajgaonkar	Member
Mr. C. M. Gaonkar*	Member	Mr. Satish Godbole	Member

\* Mr. C. M. Gaonkar has ceased to be member of the Committee.

^ Mr. Tushar Sighat has been inducted as member on the Committee.

3. Average net profit of the company for last three financial years

(Rs. in Million)

Particulars	31st March, 2014	31st March, 2013	31st March, 2012
Net Profit (or Loss) for the year [Before tax] for the purpose of section 135	202.83	176.47	100.85
Average			160.05

4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)

CSR for FY 31 March 2015 (2% of above)	Rs.3.20 Million
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5. Details of CSR spent during the financial year

- a) Total amount to be spent for the financial year - Rs.3.20 Million
- b) Amount unspent, if any; - Rs.3.20 Million
- c) Manner in which the amount spent during the financial year is detailed below

Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs Local area or other Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Director through implementing agency
1	Nil						

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The reason for not spending the quantifying CSR amount on CSR activities is given in the Directors report.

7. A responsibility statement of the CSR Committee

The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

**Gary Yang**  
Managing Director

**Tushar Sighat**  
Executive Director & CEO

**Anil Bakshi**  
Chairman CSR Committee

Mumbai dated: May 19, 2015

# Management Discussion and Analysis Report

## Industry Overview

### Global Scenario

The year 2014 has been increasingly challenging for the global economy as a result of greater volatility and uncertainty, and they present a higher risk for the global economy in 2015. The rapid decline in oil prices, quick adjustments in exchange rates (with the US dollar appreciating and weakening of most other currencies, notably against the euro), and the new quantitative easing program of the ECB are just a few examples of the economic factors at play. In addition, there is increased geopolitical uncertainty related to the Russia-Ukraine and Middle East conflicts, as well as increased concern about the economic and political future of the Euro Area and European Union.

The overall global real Gross Domestic Product (GDP) growth for 2015 is projected to be 3.3% and reflects a combination of upsides and downsides.

Global IT spending is on pace to total \$3.8 trillion in 2015, a 2.4% increase from 2014, according to a forecast by global research and analyst firm Gartner Inc. (Business Line, Jan 15). The forecast is less dramatic than it might at first seem and the rising US dollar is chiefly responsible for the change.

Global sourcing of services grew faster in 2014 and India held on to its leadership position with a 55% market share. Gartner Worldwide IT Spending Forecast, a leading indicator of major technology trends across the hardware, software, IT services and telecom markets, predicts a similar performance by Indian IT companies in 2015.

The US dollar spending growth rate on devices (including personal computers, ultramobiles, mobile phones, tablets and printers) for 2015 is projected at 5.1%; for IT services at 2.5%; and telecom services at 0.7%.

India continues to be the topmost offshoring destination for IT companies followed by China and Malaysia in second and third position, respectively. Emerging technologies present an entire new gamut of opportunities for IT firms in India. Social, Mobility, Analytics and Cloud (SMAC) collectively provide a US\$ 1 trillion opportunity. Cloud represents the largest opportunity under SMAC, increasing at a CAGR of approximately 30 per cent to around US\$ 700 billion by 2020. Social media is the second most lucrative segment for IT firms, offering a US\$ 250 billion market opportunity by 2020.

India is strongly positioned to garner more market share in the global IT-BPM services sourcing market being the most attractive sourcing destination, driven by optimum costs, highest volume of diverse employable talent, strong network, multi-shore presence and mature ecosystem. India is well on target to reach its goal of USD 300 billion revenues by 2020. However, challenges around

economic volatility, protectionism, competition and customer centricity would need to be addressed.

### The Indian IT Industry

The World Bank projects India's GDP to grow by 7.5% in the current fiscal on account of increased economic activity and greater stability.

The dramatic fall in global crude oil prices has had a significant impact on the economy and retail inflation has moderated to around 6% from double digits last year. With political stability and increased investments in new projects, India's GDP is expected to grow significantly higher than the 5.2% achieved in 2014. In fact, market expectations for the economic growth are higher at 6.5% - 7% over the next 3-5 years. This growth will augur well for the Indian IT and networking industry.

The Indian IT sector continues to play an important role in the new knowledge based socio-economic revolution that is sweeping the world today. The world has witnessed India's emergence as an important source of e-solutions and services for meeting the global demand of computer software services and solutions. Today, Indian IT is offering solutions to manufacturing and service industries, e-governance models and healthcare institutions besides contributing to social development activities, etc.

India's internet economy is expected to touch Rs 10 trillion (US\$ 161.26 billion) by 2018, accounting for 5 per cent of the country's GDP, according to a report by the Boston Consulting Group (BCG) and Internet and Mobile Association of India (IAMAI). In December 2014, India's internet user base reached 300 million, the third largest in the world, while the number of social media users and smartphones grew to 100 million.

The e-commerce market in India has grown steadily from \$4.4 billion in 2010 to \$13.6 billion in 2014 and expected to reach \$16 billion by end 2015 fueled by growing Internet penetration and increased online shoppers. Online travel accounts for nearly 61% while e-tailing contributes around 29% of the business. Increasing mobile and internet penetration, coupled with advanced shipping and payment options are the major drivers of this unprecedented growth.

Public cloud services revenue in India is expected to reach US\$ 838 million in 2015, growing by 33 per cent (yoy), as per a report by Gartner Inc. In yet another Gartner report, the public cloud market alone in the country was estimated to treble to US\$ 1.9 billion by 2018 from US\$ 638 million in 2014. The increased internet penetration and rise of ecommerce are the main reasons for continued growth of the data centre colocation and hosting market.

## Outlook of Indian Networking Industry

India's IT networking industry has witnessed significant changes in the last few years. With the growing number of internet subscribers, growth in the mid-market segment, enhanced IT infrastructure and expanding market have accelerated the growth of networking market in the country.

Enterprise IT spending has grown from USD 28.5 bn in CY10 to USD 39.7 bn at a CAGR of 12%, which has resulted in strong demand for networking products like routers, switches and access points to storage and surveillance products across all verticals. It is estimated that Enterprise IT spending will further grow at a CAGR of 12% and reach USD 50 bn by the end of CY15 and further fuel the growth of the Indian enterprise networking market.

Increasing demand for multiple capable devices for supporting VPN, load balance, 3G/4G services have fuelled growth of the Indian enterprise networking segment. Network oriented devices such as laptops, smartphones and tablets have emerged as the key drivers for the growth of the India's commercial router market.

The industry players are continuously expanding and innovating their product portfolio to adapt to the technological changes and cater to the growing consumer needs. The Indian market has witnessed an increasing demand for dual band Wi-Fi, sleek design, 3G/4G connectivity and smart routers.

## Opportunities and Threats

Digitization efforts from government and businesses are driving the IT networking and storage markets in India. According to IDC Report, the Networking market (including LAN and WLAN hardware) in India witnessed highest revenue since CY 2008, with over 20% y-o-y growth.

The Ethernet Switch market and the WLAN market in India witnessed high growths with Education, Professional Services and Communication & Media verticals leading the way in contributing to the growth of the Indian WLAN market.

Small and Medium Business (SMBs) continue to spend on the same lines as their large counterparts on their expansion plans combined with mobility and productivity requirements for their teams and will continue with the same trend in the coming quarters as well.

The present hardware networking market is becoming more and more solution centric, where in the convergence of better technology, applications, pre and post sales services, brand relocation and security is getting well defined as its components, said the IDC Report.

D-Link (India) Limited (D-Link) follows a strategy of meeting the needs, both real and potential of key industry verticals, by forging solutions based on new and innovative technologies. For customers, such end-to-end solutions are means to their ends, i.e. enablers of their own missions and objectives, aligned to the

prevailing technologies of the day. One such technology is broadband access, whose penetration is rapidly growing, and building its own burgeoning subscriber base. That translates into a customer base for CPE (Customer Premise Equipment), in which the Company already has a strong presence serving the SOHO/SMB segment, and is therefore excellently placed to seize the growing opportunities.

D-Link is a significant player in the Enterprise segment, primarily as an application service provider closely aligned with System Integrators. Simultaneously, the Company also targets other key verticals, including Government, Education, BFSI and Manufacturing, among others.

The surveillance segment is rapidly gaining importance and migrating from administrative to an IT function in many organisations. The new generation surveillance systems have to be effectively integrated into the Company's network infrastructure. D-Link enjoys significant competitive advantage with products and capabilities to provide solutions spanning the entire networking infrastructure.

Increasing penetration of Internet in India and rapid expansion of broadband spectrum availability is enabling businesses to look at Tier II/Tier III cities for addressing newer markets and IT companies to look at delivery centres in these places. As a result, IT and network Infrastructures services and associated value added services would therefore be a growth area.

e- Commerce is on a path of rapid growth with unprecedented levels of funding and this will bring in opportunities for IT and networking services.

The Company operates in the high end networking technology domain which is subject to continuous innovations based on the customer requirement. To mitigate the risk of technological changes, the Company has acquired during the year an embedded software development Company TeamF1 Networks Private Limited to keep pace with technological innovations relevant to the Company's business.

## Operational Review

The roll out of 3G service was another key instigator that fuelled the demand for better connectivity options. Moreover with economy poised to grow at a steady pace, most enterprises are working towards setting-up a strong and reliable network infrastructure. Organizations these days are investing heavily in infrastructure support that can deliver end-to-end, effective and reliable solutions that will eventually transform their business operations. Moving forward, there will be a strong demand for Wireless, Storage, Broadband, Switching, Security, Cabling etc. that forms a part of complete end-to-end networking solution. D-Link's product/solution portfolio consists of end-to-end Networking products, which includes 3G, Broadband, IP Surveillance, Network Security, Network Storage, Switching,

Routing, Wireless LAN etc. D-Link is one of the very few companies to offer end-to-end networking solutions in the country. Despite increasing competition in the field, D-Link's cutting edge networking solutions continued to enjoy market preference, and the Company maintained its competitive edge that it derives from being part of a truly global networking Company that delivers innovative products to consumers, businesses and service providers.

## Products Categories

### Switches

As per a report by IDC, a premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets, D-Link is a clear front-runner in port shipment of Switches. D-Link offers the complete range of switching solutions including Chassis, L3/L2 Managed, Web-Smart and Un-Managed switches. The major drivers were bandwidth intensive applications like streaming video, VoIP and high-end multimedia and increased demand for gigabit switches from large enterprises and service providers. Verticals like government, retail, manufacturing, services, financial, education, healthcare and telecom contributed to the revenues.

### Wireless

D-Link continues to play a pioneering and driving role in the cost-effective convergence of wired and wireless networking. The Company enjoys leadership position in unit terms in WLAN category with a 40% market share. Its product portfolio includes Business Class Access Points, Unified Switching Solutions, and Long Distance Wireless etc. In the consumer space, the boom in smartphone segment enabled us to position our complementing product line like mydlink, Mobile Companion & 3G effectively.

### IP Surveillance

D-Link surveillance solutions were in demand with wide acceptance from various industry verticals. The focus is on all three segments separately - be it Consumer, SMB/SME or Enterprise. D-Link offers a range of IP-based Surveillance Cameras with Wired and Wireless options; these can be integrated with NVR (Network Video Recorder) solutions for archiving. The cameras span the spectrum of possibilities, including Stand-Alone Network Cameras, Pan Tilt Zoom Cameras, Dome Cameras (Day & Night), Box Cameras and Outdoor Cameras.

### Structured Cabling

Over the years, D-Link has witnessed remarkable growth in the Structured Cabling segment, with strong demand from large enterprises, SMEs/SMBs. The emphasis has always been on delivering complete end-to-end solution, and with this agenda we decided to introduce networking enclosures into our product portfolio. Going forward, the Company will continue to deliver technological excellence and complete customer satisfaction.

## Network Enclosures

D-Link introduced an extensive range of Networking enclosures that aims to address the growing demand of enterprises. Designed as per international standards, D-Link enclosures are built to ensure efficient and safe holding of networking equipments.

With its compact design, D-Link networking enclosures aim to meet the challenges of enterprises in reducing clutter, and utilizing the storage space effectively. D-Link network enclosures are packed with customer-centric features that will enhance the safety of enclosed networking equipment extending the life-span of network infrastructure.

## mydlink Cloud Services

mydlink is the cloud-based service that adds unmatched value to D-Link's award-winning Cloud Cameras, Cloud Routers, and Cloud Storage devices by making it possible to access them and stream media remotely over the Internet using a smartphone or tablet. mydlink Cloud Services offer real-time monitoring, remote management, mobile access, synchronization and sharing can all be accomplished with ease. As a pioneering leader in the Cloud space, D-Link has begun to capitalize on the vast potential of Cloud solutions. Globally, over one million users have registered for this service.

## RMA Expansion

D-Link in its endeavour to provide excellent service to its customers has in the current year launched its in-house RMA centers spread in several cities. We now have coverage 108 Location having 177 Service points. Service Point include 11 D-Link Service centre, 42 Service Partner and 124 Partner Collection points. We have plans to increase last mile service to 150+ Cities and 200+ Service Points. This move will not only result in increased customer satisfaction but also cut down costs.

## D-Link Direct Service (DDS)

D-Link Direct Service is a premium service provided at customer door step for selected products. This innovative and agile service approach of D-Link Direct Service will change customer's after sales experience. DDS is the new Rapid Response Premium Support Service that replace a faulty D-Link Product with a working one at your doorstep.

D-Link Direct Services, enables the customer to enjoy D-Link products and solutions by resolving technical problems quickly and effectively. D-Link's highly-trained technicians ensure that award-winning support is only a phone call away.

This year, DDS support has been decentralized and supported from nearest hub to support customer much faster. Further DDS Coverage has been extended to smaller cities.

## Management Discussion and Analysis Report

### Call Center

D-Link - Care is a unique service program designed for D-Link Customers who are running their esteemed businesses with utmost faith in D-Link products and service infrastructure. D-Link-Care assists customer to help build confidence in their networks and for the products deployed.

Customer investment in network infrastructures are cared for and protected under the D-Link Care service program and smoothen the day to day activities. This keeps away all networking worries of the customers and helps them focus on their business.

### Alliance and partnerships

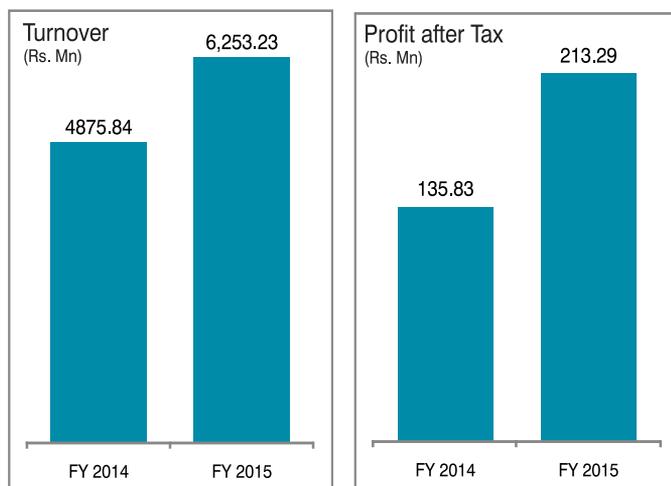
D-Link believes in developing true partnerships. Our Company engineers provide meaningful technology solutions to help the customers.

In a major development, the Company formed a strategic partnership with Gajshield Infotech Pvt. Ltd. to exclusively focus on Enterprise networking and will offer the finest networking technology and solutions to large business enterprises in India. This business alliance will enable D-Link to offer high-end enterprise solutions and establish a strong presence in the enterprise domain.

The D-Link MOXA strategic alliance is primarily aimed towards providing comprehensive industrial networking solutions, with Switching, IP Surveillance & Wireless products as part of an integrated offering. MOXA is an established and reliable global leader in networking automation present in over 70 countries, with a full spectrum of quality products for industrial networking, computing, and automation. The alliance will result in a seamless networking collaboration in the industrial networking domain.

### Financial Review

In FY15, D-Link's revenues grew by 28.25% to Rs.6,253.23 million as against Rs.4,875.84 million in the previous year.



The FY2015 Turnover marks the highest in the history of the Company since its inception in India.

Profit Before Depreciation and Tax stood at Rs.341.09 million (Rs.220.46 million in FY14), Profit Before Tax stood at Rs.324.07 million (Rs.203.65 million in FY14) while Net Profit increased by 57.03% to Rs.213.29 million (Rs.135.83 million in FY14).

During the year under review, the switches and broadband product categories have done extremely well and since these constitute a large part of the Company's market, overall performance has been at a higher level.

### Human Resource

D-Link operates in an industry in which value and differentiation are defined by the Company's most precious asset - Human Resource (HR).

Your Company believes that it is the quality and dynamism of its people that enables it to make a significant contribution in enhancing stakeholder value. In order to sustain its position, your Company works relentlessly towards being customer-focused, competitively-superior, performance-driven and future-ready.

HR is integrated within the business framework to provide foundation for building the skill sets required. The Company has several innovative online learning initiatives and certification courses to provide an array of blended learning opportunities for each employee.

The Company's HR initiatives supports transformation and growth of business through innovation, people, practices, policies, systems and processes that empower and engage people. D-Link's dedicated and talented workforce of more than 300 people across India has assisted in driving our achievements and success.

### Outlook

Our focused approach helped us to deliver an industry leading performance with a profit growth of 57% in FY2014-15. The Company will continue to focus on delivering superior financial performance, innovation and industry leadership in its chosen verticals and strive to deliver industry-leading and broad-based growth in future as well.

Going forward, we see the business environment filled with exciting opportunities and challenges, and increasing competitive intensity. However, the management believes the passion and expertise of D-Link team, along with your support, will help us continue our strong growth trajectory even during these uncertain times.

IT/ITES sector is expected to drive growth including the Small and Medium Business (SMB) segment which is looking promising and future business potential looks positive to be driven by the local demand and Govt. projects. However, the Company need to be cautious due to greater competition at the mid & lower end of the market.

## Risks and Concerns

### Technological Obsolescence

D-Link operates in a dynamic, fast changing and constantly evolving technology business and it has to continuously review and upgrade its products and solutions lest it faces technology obsolescence. It helps that its parent D-Link Taiwan is a market leader in networking products and solutions.

D-Link operates in business that is characterized by rapid technological changes and obsolescence constitutes common risk. The Company addresses this by a strong focus on R&D so that it stays ahead of the curve in technology and continuously sets a new benchmark with cutting edge innovation.

### Competition

D-Link faces competition not only from domestic firms but also from multinational IT vendors. New competitors are emerging from adjacent markets and distant geographies. To remain competitive, it has developed competencies in various technologies, platforms and operating environments and offers a wide range of cutting edge technology products to customers based on their needs. D-Link's differentiation strategy incorporating its unique business approach has led to its emerging as a leader in the rapidly dynamic IT industry. However, D-Link has developed competencies in various technologies, platforms and operating environment offering the wide range of product options to customers based on their needs.

### Exchange Rate Risks

D-Link has substantial exposure to foreign exchange related risks on account of imports of finished traded products from its parent group companies. The management predicts that the global financial position continues to remain volatile. This trend is expected to continue during the year too. Despite this, particularly given the volatility in the foreign exchange market, the Company had made the gains due to proper precautions to protect its payables and forecast revenues against foreign currency fluctuations.

### Rising Costs

Rising prices of resources make it a challenge for the Company to reduce material costs. Due to its market leadership position in many of its products, it is able to use its economies of scale and purchasing power to limit the pressures of increasing input costs.

### Internal Control Systems and their Adequacy

Management maintains internal control systems designed to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and properly recorded, and accounting records are adequate for preparation of financial statements and other financial information. The internal audit function also carries out

Operations Review to improve the processes and strengthen control of the existing processes. The Audit Committee periodically reviews the functions of internal audit.

D-Link's internal control systems and procedures adhere to industry standards in terms of effective resource utilisation, operational efficiency and financial reporting. It will ensure compliance with various relevant laws and regulations.

The Company has appointed independent firm of Chartered Accountants to look into the Internal Audit functions of the organisation. They conduct extensive Internal Audit, which are then presented to the management at regular intervals.

The adequacy of the Company's internal controls are tested from time to time and control deficiencies, if any, identified during the assessments are addressed appropriately.

### Disclaimer

Certain statements made in this report relating to the Company's objectives, projections, outlook, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such estimates or projections etc., whether expressed or implied. Several factors including but not limited to economic conditions affecting demand and supply, government regulations and taxation, input prices, exchange rate fluctuation, etc., over which the Company does not have any direct control, could make a significant difference to the Company operations. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on any forward looking statements. The report should be read in conjunction with the Company's financial statements included herein and the notes thereto. Information provided in this report pertain to D-Link (India) Limited unless otherwise stated.

For and on behalf of the Board

Mumbai  
Dated: May 19, 2015

**Gary Yang**  
Managing Director

# Report on Corporate Governance

The detailed report on Corporate Governance as per the format prescribed by Securities and Exchange Board of India (SEBI) and incorporated in Clause 49 of the Listing Agreement is set out below:

## 1. Statement on Company's Philosophy on Code of Governance

The Company's philosophy on Corporate Governance is about promoting corporate fairness, transparency and accountability in the functioning of the Company and in its relationship with employees, shareholders, creditors, consumers, dealers, and ensuring regulatory compliances.

The Board of Directors believe that adherence to sound corporate governance policies and practices is important in ensuring that the Company is governed and managed with the highest standards of responsibility, ethics and integrity and in the best interests of its stakeholders.

## 2. Board of Directors

### 2.1 Composition and Category of Directors

The composition of the Board of Directors is in conformity with the Corporate Governance norms as on March 31, 2015. The Company at present has eight Directors on its Board, comprising of three Executive Directors and five Non-Executive Directors out of which four are Independent Directors including one Women Director. The name and category of each Director is given below:

Name of the Director	Category
Mr. A. P. Chen	Non-Executive Director and Chairman
Mr. Yao Chuan Yang (Mr. Gary Yang)	Executive Director (Managing Director)
Mr. Rajaram Ajgaonkar	Non-Executive and Independent
Mr. Satish Godbole	Non-Executive and Independent
Mr. Anil Bakshi	Non-Executive and Independent
Mr. Tushar Sighat# (w.e.f. 30.09.2014)	Executive Director and Chief Executive Officer
Mr. Vinai Kolli§ (w.e.f. 30.09.2014)	Executive Director
Ms. Sue-Fung Wang* (w.e.f. 30.09.2014)	Non-Executive and Independent
Mr. C. M. Gaonkar@ (upto 23.08.2014)	Executive Director and Chief Financial Officer

# Mr. Tushar Sighat was appointed as Additional Director on the Board effective from September 30, 2014 and subsequently appointed as the Executive Director and Chief Executive Officer of the Company effective from October 1, 2014.

\$ Mr. Vinai Kolli was appointed as Additional Director on the Board with effect from September 30, 2014 and subsequently appointed as Whole-time Director of the Company with effect from December 18, 2014.

\* Ms. Sue-Fung Wang was appointed as Additional Director (woman director) on the Board with effect from September 30, 2014.

@ Mr. C. M. Gaonkar has ceased to be Executive Director effective August 23, 2014 but continues as the Chief Financial Officer of the Company.

### 2.2 Attendance of each Director at the Board Meetings and the last Annual General Meeting (AGM)

Name of the Director	No. of Board Meetings Held	No. of Board Meetings attended	Attendance at last AGM
Mr. A. P. Chen	7	4	Present
Mr. Gary Yang	7	6	Present
Mr. Rajaram Ajgaonkar	7	7	Present
Mr. Satish Godbole	7	7	Present
Mr. Anil Bakshi	7	7	Present
Mr. Tushar Sighat# (w.e.f. 30.09.2014)	7	3	NA
Mr. Vinai Kolli§ (w.e.f. 30.09.2014)	7	3	NA
Ms. Sue-Fung Wang* (w.e.f. 30.09.2014)	7	1	NA
Mr. C. M. Gaonkar@ (upto 23.08.2014)	7	4	Present

# Mr. Sighat has attended three board meetings held after his appointment as director.

\$ Mr. Kolli has attended three board meetings held after his appointment as director.

\* Ms. Wang has attended one board meeting held after her appointment as director.

@ Mr. Gaonkar has attended 4 board Meetings during the term of his directorship.

### 2.3 Number of other Directorship and Chairmanship/ Membership of Committees of each Director in other Companies and shareholding as at March 31, 2015

Name of the Director	No. of Directorships held in other Indian Public Companies <sup>1</sup>	No. of Chairmanship/ Membership in other Board Committees <sup>2</sup>	
		Chairman	Member
Mr. A. P. Chen	Nil	Nil	Nil
Mr. Gary Yang	Nil	Nil	Nil
Mr. Rajaram Ajgaonkar	Nil	Nil	Nil
Mr. Satish Godbole	Nil	Nil	Nil
Mr. Anil Bakshi	Nil	Nil	Nil
Mr. Tushar Sighat (w.e.f. 30.09.2014)	Nil	Nil	Nil
Mr. Vinai Kolli (w.e.f. 30.09.2014)	Nil	Nil	Nil
Ms. Sue-Fung Wang (w.e.f. 30.09.2014)	Nil	Nil	Nil
Mr. C. M. Gaonkar (upto 23.08.2014)	Nil	Nil	Nil

<sup>1</sup> Excludes directorships held in Private Limited Companies, Foreign Companies and Section 8 Companies.

<sup>2</sup> For the purpose of reckoning the limit, the Chairmanship /Membership of the Audit Committee and the Stakeholders' Relationship Committee has been considered.

### 2.4 Number of Board Meetings held and the dates of the Board Meetings

The gap between two Board Meetings held during the financial year did not exceed one hundred and twenty days. Seven Board Meetings were held during the Financial Year 2014-15 on the following dates:

May 19, 2014	November 1, 2014
May 30, 2014	December 18, 2014
August 8, 2014	February 6, 2015
August 23, 2014	-

### 2.5 Independent Directors

- a) Performance evaluation of Independent Directors:  
Pursuant to Clause 49 of the Listing Agreement, and section 178(2) of the Companies Act, 2013, the Board of Directors carried out the performance evaluation of the Individual Directors, based on questionnaire prepared in conformity with the Board Evaluation Policy formulated by Nomination and Remuneration Committee and adopted by the Board. The Board of Directors held separate discussions excluding the Independent Director being evaluated.

Based on the feedback received from all the Directors, the Board was of the opinion that the individual performance of the Independent Directors was effective for the financial year 2014-15 and the Company would like to continue the existing term of appointment of each Independent Director.

- b) Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on March 20, 2015 to review the performance of Non-independent Directors (including the Chairman) and the Board as whole and for transacting the business enumerated under the said provisions.

- c) Familiarisation programme for Independent Directors:

The Company has prepared the Familiarization Programme for Independent Directors for understanding the Company's business and contribute to the achievement of Company's goals and objectives. All Independent Directors are familiarized with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates etc. from time to time. The Company makes consistent efforts to acquaint the Board with the overall business performance by way of presenting specific performance measurement in each of segment of the Company's products from time to time. The entire Board including Independent Directors has access to all the product heads and other commercial/ technical staff and documents, wherever required for making an informed decision. The detailed agenda of the meeting of the Board or committees thereof are sent well in advance to all the Directors in order to have in depth knowledge about the matter to be discussed and participate in the meeting with detailed knowledge, thereby fulfilling its duty and responsibility effectively.

The Company has posted the Familiarization Programme for Independent Directors on the website of the Company at <http://www.dlink.co.in/pdf/Independent%20Directors%20Familiarisation%20Program.pdf>

## 3. Audit Committee

### 3.1 Composition

The composition of the Audit Committee is as under:

Name of the Director/Member	Category
Mr. Rajaram Ajgaonkar	Chairman (Independent Director)
Mr. A.P. Chen	Member (Non-Independent Director)
Mr. Satish Godbole	Member (Independent Director)
Mr. Anil Bakshi	Member (Independent Director)

The Committee's composition meets with requirements of Section 177(2) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

## Report on Corporate Governance

Mr. Shrinivas Adikesar - Company Secretary of the Company acts as the Secretary to the Audit Committee. All the Directors in the Committee are financially literate and have expertise in finance.

### 3.2 Meetings and Attendance during the year

During the financial year under review, the Company held four Audit Committee meetings on May 19, 2014, August 8, 2014, November 1, 2014 and February 6, 2015 and the gap between two meetings did not exceed four months. The attendance of each member at these Committee Meetings is given below;

Name of the Director	Meetings held	Meetings attended
Mr. Rajaram Ajgaonkar	4	4
Mr. A.P. Chen	4	2
Mr. Satish Godbole	4	4
Mr. Anil Bakshi	4	4

The necessary quorum was present at each of above Audit Committee meetings. The Chairman of the Audit Committee Mr. Rajaram Ajgaonkar was present at the Annual General Meeting of the Company held on August 23, 2014.

### 3.3 Terms of Reference

The terms of reference stipulated by the Board to the Audit Committee as per the Section 177 of the Companies Act, 2013 are as follows:

- 1) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 2) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 3) examination of the financial statement and the auditors' report thereon;
- 4) approval or any subsequent modification of transactions of the company with related parties;
- 5) scrutiny of inter-corporate loans and investments;
- 6) valuation of undertakings or assets of the company, wherever it is necessary;
- 7) evaluation of internal financial controls and risk management systems;
- 8) monitoring the end use of funds raised through public offers and related matters.

### 3.4 Powers of Audit Committee:

- a) To investigate any activity within its terms of reference.
- b) To seek information from any employee.
- c) To obtain outside legal or other professional advice.
- d) To secure attendance of outsiders with relevant expertise, if its considered necessary.

### 3.5 Role of Audit Committee:

- 1) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- 3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- 4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
  - b) Changes, if any, in accounting policies and practices and reasons for the same
  - c) Major accounting entries involving estimates based on the exercise of judgment by management
  - d) Significant adjustments made in the financial statements arising out of audit findings
  - e) Compliance with listing and other legal requirements relating to financial statements
  - f) Disclosure of any related party transactions
  - g) Qualifications in the draft audit report
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department,

staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- 14) Discussion with internal auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the Whistle Blower mechanism;
- 19) Approval of appointment of CFO (i.e., the whole-time Financial Director or any other person heading the financial function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

#### 4. Nomination and Remuneration Committee

##### 4.1 Composition of Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors meets the criteria laid down under Section 178 of the Companies Act, 2013, read with Clause 49 of the Listing Agreement. The Board at its meeting held on May 19, 2014 renamed the existing Remuneration Committee as "Nomination and Remuneration Committee".

The Composition of the Nomination and Remuneration Committee is as under:

Name of the Director/ Member	Category
Mr. Satish Godbole	Chairman (Independent Director)
Mr. A.P. Chen	Member (Non Independent Director)
Mr. Rajaram Ajaonkar	Member (Independent Director)
Mr. Anil Bakshi	Member (Independent Director)

##### 4.2 The terms of reference of the Nomination and Remuneration Committee are as follows

Following are terms of reference of the Nomination and Remuneration Committee as contained under Clause 49 of the Listing Agreement:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

##### 4.3 Meetings held and Attendance during the year

During the year under review, the Company held three Nomination and Remuneration Committee meetings on May 19, 2014, August 23, 2014 and December 18, 2014. The attendance of each member at these Committee Meetings is given below;

Name of the Director	Meetings held	Meetings attended
Mr. Satish Godbole	3	3
Mr. A.P. Chen	3	2
Mr. Rajaram Ajaonkar	3	3
Mr. Anil Bakshi	3	3

##### 4.4 Remuneration Policy

In accordance with Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors at their meeting held on August 23, 2014 formulated the Nomination and Remuneration Policy of the Company on the recommendation of the Nomination and Remuneration Committee. The salient aspects covered in the Nomination and Remuneration Policy, covering the policy on appointment and remuneration of Directors and other matters has been disclosed in the Directors report.

##### 4.5 The remuneration paid to the Directors for the year ended March 31, 2015 is given below

###### a) Executive Directors

Executive Directors	Remuneration
Mr. Gary Yang	Rs. 3,877,960/-
Mr. Tushar Sighat (w.e.f. 01.10.2014)	Rs. 19,190,065/-
Mr. Vinai Kolli (w.e.f. 18.12.2014)	Nil
Mr. C. M. Gaonkar (Upto 23.08.2014)	Rs. 1,675,310/-

Note:- Remuneration to executive directors includes basic salary, performance bonus, allowances etc.

## Report on Corporate Governance

## Salient features of terms of appointment of Executive Directors

Particulars				
Name of the Directors	Mr. C. M. Gaonkar <sup>@</sup>	Mr. Gary Yang	Mr. Tushar Sighat <sup>#</sup>	Mr. Vinai Kolli <sup>§</sup>
<b>Salary</b>	In the scale of Rs.50,000/- per month subject to the ceiling of Rs.300,000/- per month as the Board may decide from time to time.	Rs.50,000/- per month with such annual increment in salary as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time subject to a ceiling of Rs.1,00,000/- per month.	Rs.300,000/- per month with such annual increment in salary as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time subject to a ceiling of Rs.600,000/- per month.	Nil
<b>Special/Other Allowances</b>	In the scale of Rs.1,00,000/- to Rs.4,00,000/- per month as the Board may decide from time to time.	Rs.75,000/- per month with such annual increment as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time, subject to a ceiling of Rs.1,50,000/- per month.	Rs.600,000/- per month with such annual increment as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time, subject to a ceiling of Rs.1,200,000/- per month.	Nil
<b>Performance linked variable pay and/or any other compensation</b>	Not exceeding Rs.10,00,000/- per annum as may be decided by the Board from time to time and the same may be made on a pro-rata basis every month or on an annual basis at the discretion of the Board.	Performance linked variable pay and/or any other compensation as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time and the same may be made on a pro-rata basis every month or on an annual basis subject to maximum of Rs.20,00,000/- per annum.	Performance linked variable pay and/or any other compensation as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time and the same may be made on a pro-rata basis every month or on an annual basis subject to maximum of Rs.20,00,000/- per annum.	Nil
<b>House Rent Allowances</b>	House Rent Allowance equivalent to 40% of the Basic Salary.	House Rent Allowance equivalent to 40% of the Basic Salary.	House Rent Allowance equivalent to 40% of the Basic Salary.	Nil
<b>Perquisites</b>	<ul style="list-style-type: none"> <li>a) Company car for official use.</li> <li>b) Reimbursement of medical expenses incurred for self and family subject to the ceiling of Rs. 15,000/- p.a.</li> <li>c) Use of telephone/ internet/mobile.</li> <li>d) Entitled to Provident Fund, Gratuity and Encashment of earned leave as per the rules of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>a) Use of telephone and Company's car for official use shall not be considered as perquisites.</li> <li>b) Reimbursement of all Medical expenses upto maximum of Rs.50,000/- pa.</li> <li>c) Provident Fund and Gratuity as per the applicable laws and rules.</li> <li>d) Earned Leave as per the rules of the Company.</li> </ul>	<ul style="list-style-type: none"> <li>a) Use of Company's telephone and car for official duties shall not be considered as perquisites.</li> <li>b) Reimbursement of all Medical expenses upto maximum of Rs.25 lakhs p.a.</li> <li>c) Provident Fund and Gratuity as per the applicable laws and rules.</li> <li>d) Earned Leave encashment as per the rules of the Company.</li> </ul>	Nil

## Salient features of terms of appointment of Executive Directors- (contd.)

Particulars				
<b>Perquisites</b>	<p>e) Medical, Life Insurance and group personal accident insurance coverage as per the Company policy.</p> <p>f) All the payments in the nature of perquisites and allowance agreed by the Board/Committee from time to time.</p> <p>g) For the purpose of calculating the above ceiling, perquisites, shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.</p>	<p>e) For the purpose of calculating the above, perquisites shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.</p> <p>f) the remuneration as set out above be paid to the Managing Director as minimum remuneration in the event of absence or inadequacy of profits in any financial year during the continuance of the tenure of the Managing Director, with the approval of the Central Government, if applicable.</p> <p>g) The terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit.</p>	<p>e) For the purpose of calculating the above perquisites, valuation shall be done as per Income Tax Act and Rules made thereunder, wherever applicable and in the absence of any such rule, perquisites shall be valued at actual cost.</p> <p>f) in the event of absence or inadequacy of profits in any financial year, the remuneration as set out above shall be paid to the Executive Director &amp; CEO as minimum remuneration during the continuance of the tenure of the Executive Director &amp; CEO, subject to approval from the Central Government as required under Section 197 of the Companies Act, 2013.</p> <p>g) the terms and conditions of the said appointment may be altered and varied from time to time by the Board of Directors of the Company as it may, at its discretion deem fit.</p>	Nil
<b>Terms of appointment</b>	Appointed for a period of five years with effect from March 1, 2010.	Appointed as Managing Director for a period of five years effective from March 1, 2014.	Appointed as Executive Director & CEO for a period of five years with effect from October 1, 2014.	Appointed as Whole-time Director for a period of five years with effect from December 18, 2014 without any remuneration.
<b>Notice Period</b>	Three months notice in advance by either party.	Three months notice in advance by either party.	Three months notice in advance by either party.	NA
<b>Severance fees</b>	Three months salary and perquisites in lieu of notice.	Three months salary in lieu of notice.	Three months salary in lieu of notice.	NA

# Mr. Tushar Sighat was appointed as Additional Director on the Board effective September 30, 2014 and subsequently appointed as the Executive Director and Chief Executive Officer of the Company effective from October 1, 2014.

\$ Mr. Vinai Kolli was appointed as Additional Director on the Board effective September 30, 2014 and subsequently appointed as Whole-time Director of the Company effective December 18, 2014 without any remuneration.

@ Mr. C. M. Gaonkar ceased to be Executive Director effective August 23, 2014 but continues as the Chief Financial Officer of the Company.

## Report on Corporate Governance

**b) Non-Executive Directors (as decided by the Board of Directors)**

The Non-Executive Directors are entitled to sitting fees for attending the Board/Committee Meetings. Apart from sitting fees, no payment by way of bonus, commission, pension, incentives etc., is paid to any of the Non-Executive Directors. The Company has no stock option plans and hence, such instruments do not form part of remuneration payable to non-executive directors.

The Non-Executive Directors are paid sitting fees at the rate of Rs. 15,000/- for attending each meeting of the Board, Rs. 10,000/- for attending each meeting of the Audit Committee, Nomination and Remuneration Committee and Rs. 5,000/- for attending each meeting of the Corporate Social Responsibility Committee and other board committees. During the year, no Stakeholders' Relationship Committee meeting was held and hence no sitting fee is being paid for the same.

Details of sitting fees paid/payable to the Non-Executive Directors for the year under review are as under;

Directors	Sitting Fees
Mr. A. P. Chen	Rs.100,000/-
Mr. Rajaram Ajgaonkar	Rs.195,000/-
Mr. Satish Godbole	Rs.195,000/-
Mr. Anil Bakshi	Rs.195,000/-
Mr. Vinai Kolli <sup>§</sup>	Rs.15,000/-
Ms. Sue-Fung Wang	Rs.15,000/-

*§ During the year under review, Mr. Vinai Kolli has attended the Board Meeting held on November 1, 2014 in the capacity of Non-Executive Director.*

**c) Details of other pecuniary relationship/transactions of Non-Executive Directors vis-à-vis the Company**

The Company has paid dividend to the following non-executive directors;

Name of the Non-Executive Director	Number of Shares held	Amount of Dividend Paid during the year 2014-2015 (Amt in Rs.)
Mr. A. P. Chen	50,000	30,000/-
Mr. Satish Godbole	50	30/-

**5. Stakeholders' Relationship Committee****5.1 Composition**

The Stakeholders' Relationship Committee has been constituted to deal with the redressal of investor complaints relating to transfer of shares, non-receipt of Annual Report and Non Receipt of Dividend etc. The Stakeholders Relationship Committee of the Board of Directors meets the criteria laid

down under Section 178 of the Companies Act, 2013, read with Clause 49 of the Listing Agreement. The Board at its meeting held on May 19, 2014 renamed the erstwhile Investors Grievance Committee as "Stakeholders Relationship Committee".

The Composition of the Stakeholders Relationship Committee is as under:

Name of the Director/Member	Category
Mr. Satish Godbole	Chairman (Independent Director)
Mr. Gary Yang	Member ( Executive Director)
Mr. Rajaram Ajgaonkar	Member (Independent Director)
Mr. Anil Bakshi	Member (Independent Director)

Name and Designation of Compliance Officer - Mr. Shrinivas Adikesar, Company Secretary.

**5.2 Terms of Reference of the Stakeholders' Relationship Committee are as follows**

- Oversee and review all matters connected with the transfer of the Company's securities.
- Monitor redressal of investors' / shareholders' / security holders' grievances.
- Oversee the performance of the Company's Registrar and Transfer Agents.
- Recommend methods to upgrade the standard of services to investors.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

**5.3 Meetings and Attendance during the year**

During the year under review, no meeting of Stakeholders' Relationship Committee was held.

During the year, the Company had received 56 complaints from the shareholders and the same were attended and resolved to the satisfaction of the shareholders. As on March 31, 2015, no investor grievance has remained unattended/pending for more than thirty days.

The Chairman of the Committee Mr. Satish Godbole was present at the previous Annual General Meeting held on August 23, 2014.

**6. Corporate Social Responsibility Committee ('CSR Committee')****6.1. Composition of CSR Committee**

Pursuant to Section 135(2) of the Companies Act 2013 the Board at its Meeting held on May 19, 2014 has constituted a Corporate Social Responsibility Committee ('CSR Committee') consisting of the following directors namely;

Name of the Director/Member	Category
Mr. Anil Bakshi	Chairman (Independent Director)
Mr. Gary Yang	Member ( Executive Director)
Mr. Rajaram Ajgaonkar	Member (Independent Director)
Mr. Satish Godbole	Member (Independent Director)
Mr. Tushar Sighat <sup>#</sup>	Member ( Executive Director)
Mr. C. M. Gaonkar <sup>@</sup>	Member (Executive Director)

<sup>@</sup>Mr. C M Gaonkar ceased to be the member of the committee effective August 23, 2014.

<sup>#</sup>Mr. Tushar Sighat was appointed as Member of the Committee effective October 1, 2014.

CSR Committee is primarily responsible for formulating and monitoring the implementation of the framework of corporate social responsibility policy and to look into overall Corporate Social Responsibility governance.

## 6.2. Meetings held and Attendance during the year

During the year under review, the Company held one CSR Committee meeting on August 23, 2014. The attendance of each member at the Committee Meeting is given below;

Name of the Director	Meetings held	Meetings attended
Mr. Anil Bakshi	1	1
Mr. Gary Yang	1	1
Mr. Rajaram Ajgaonkar	1	1
Mr. Satish Godbole	1	1
Mr. C M Gaonkar <sup>@</sup>	1	1
Mr. Tushar Sighat <sup>#</sup>	NA	NA

<sup>@</sup>Mr. C M Gaonkar ceased to be the member of the committee effective August 23, 2014.

<sup>#</sup> Mr. Tushar Sighat was appointed as Member of the Committee effective October 1, 2014.

## 7. Risk Management Committee

### 7.1 Composition of the Risk management Committee

Pursuant to Clause 49 (VI) of the Listing Agreement, the Board of Directors at its meeting held on November 1, 2014 has constituted Risk Management Committee and the Composition is as under;

Name of the Director	Category
Mr. Tushar Sighat	Chairman (Executive Director)
Mr. Gary Yang	Member (Executive Director)
Mr. Rajaram Ajgaonkar	Member (Independent Director)
Mr. Satish Godbole	Member (Independent Director)
Mr. Anil Bakshi	Member (Independent Director)

The Risk Management Committee has all the powers and responsibilities as specified by the Clause 49 of the Listing Agreement. Further, the Board of Directors at its meeting held on November 1, 2014 has approved the Risk Management Policy. During the year under review, no Risk Management Committee meeting was held.

## 8. General Body Meetings

8.1 The details of the previous three Annual General Meetings (AGM) and special resolution passed are given below;

### a) Location and time, where last three AGMs were held

Location	Date	Time
Kesarval Gardens, Verna, Salcette, Goa - 403722	August 23, 2014	11.00 a.m.
Kesarval Gardens, Verna, Salcette, Goa - 403722	August 3, 2013	11.00 a.m.
Kesarval Gardens, Verna, Salcette, Goa - 403722	August 11, 2012	11.00 a.m.

b) **Special Resolutions passed in the Annual General Meetings/Extra Ordinary General Meetings held during last three financial years and details of resolutions passed through postal ballot during the last year are as follows**

### 1) Details of Special resolutions

Financial Year	Date of AGM/EGM	Particulars of Special Resolution
2013-14	August 23, 2014	Nil
2013-14	January 20, 2014	1) Increase in Authorised Share Capital of the Company from Rs. 700 lakhs divided into 35,000,000 Equity shares of Rs. 2/- each to Rs. 1400 lakhs divided into 70,000,000 Equity shares of Rs. 2/- each; 2) Issue of 5,500,000 Equity shares of the Company to the shareholders and promoters of TeamF1 Networks Private Limited (TeamF1) on preferential allotment basis for consideration other than cash (share swap of 10,499 shares held in TeamF1) towards acquisition of TeamF1 by the Company; 3) Raising of funds by way of issue of Equity shares for cash not exceeding Rs. 6,000 lakhs on Rights basis.
2012-13	August 3, 2013	1) Re-Appointment of Mr. Gary Yang as Managing Director.
2011-12	August 11, 2012	Nil

## Report on Corporate Governance

**2) Details of special resolution passed through Postal Ballot**

The Company had obtained the approval of the shareholders through voting by postal ballot notice dated March 5, 2014 in terms of provisions of Section 192A of the Companies Act, 1956 read with the provisions of Companies (Passing of Resolutions by Postal Ballot) Rules, 2011 (as amended Section 110 of the Companies Act, 2013 and the rules made thereunder) for appointment of and payment of remuneration to Mr. Gary Yang as Managing Director of the Company.

Date of Postal ballot Notice	Details of the Resolutions passed	Result of the postal ballot
March 5, 2014	Special Resolution for Appointment of and payment of remuneration to Mr. Gary Yang as Managing Director of the Company effective March 1, 2014.	The resolution was passed by requisite majority on May 7, 2014.

The details of postal ballot result and voting pattern;

Particulars	No. of postal ballot forms	No. of Shares
Total postal forms received	239	18,934,811
Less: Invalid postal ballot forms	6	2,050
Net valid postal ballot forms	233	18,932,761
Postal ballot forms with assent for the Resolution	226	18,928,911
Postal ballot forms with dissent for the Resolution	7	3,850

Mr. Shivaram Bhat, Practicing Company Secretary, the Scrutinizer conducted the Postal Ballot processes in a fair and transparent manner.

None of the resolutions proposed for the ensuing Annual General Meeting is required to be passed by Postal Ballot.

**9. Disclosures**

9.1 Disclosure on materially significant related party transactions, i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

- The transactions entered into with related parties during the financial year were in the ordinary course of business and on arm's length price basis. The related party transactions entered during the financial year as per requirements of Accounting Standard 18, are disclosed in notes to the standalone financial statements. The materially significant related party transactions entered into during the year as disclosed in the financial statements did not have potential conflict with the interests of company at large.

9.2 Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.

- None

9.3 Whistle Blower policy.

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with the rules made thereunder and Clause 49(II)(F) of the Listing Agreement, the Company has implemented Vigil Mechanism/ Whistle Blower Policy for disclosing of any unethical and improper practices or wrongful conduct by employees or directors of the Company. The Policy was approved by the Board of Directors at their meeting held on May 19, 2014, which is effective from April 1, 2014 and forms an integral part of its functioning. The policy also provides the access of Audit Committee constituted by the Board. The Policy prohibits the Company to take any adverse action against its employees or directors for disclosing in good faith any unethical & improper practices or alleged wrongful conduct to the Audit Committee. Any employee or director against whom any adverse action has been taken due to his disclosure of information under this policy may approach the Audit Committee.

Any employee or director who observes or notices any unethical & improper practice or alleged wrongful conduct in the Company shall report the same via e-mail at the following email addresses; legal@in.dlink.com and shares@dlink.co.in.

The Company affirms that it has not denied any personnel from an access to the Audit Committee and it has provided protection to whistle blower from adverse personal action during the year.

9.4 The Company has complied with all mandatory requirements as stated in Clause 49 of the Listing Agreement.

9.5 Allotment of Shares on preferential basis;

During the year ended March 31, 2015, the Company issued and allotted 55,00,000 equity shares of Rs 2/- each on Preferential basis at a premium of Rs. 28/- per share to the erstwhile promoters and shareholders of TeamF1 Networks Private Limited (TeamF1) for consideration other than cash by way of swap of 10,499 shares held by them in TeamF1.

**10. Means of communication**

Particulars	
- Quarterly Results	- Published in Newspapers
- Newspapers wherein results normally published in	- In English : The Financial Express, The Navhind Times - In Marathi: Pudhari
- Whether it also displays Official News releases	None
- Any website, where displayed	www.dlink.co.in
- The presentations made to Institutional Investors or to the Analysts	None
- Whether MD & A is a part of Annual report or not	Yes

**11. General Shareholder Information****11.1 Annual General Meeting**

Date : Saturday, August 29, 2015

Time : 11.00 a.m.

Venue : Kesarval Gardens, Cortalim, Verna, Salcette, Goa - 403722.

11.2 Financial Year 2015-16

For the year ending March 31, 2016, the results will be announced as per the tentative schedules below:

Particulars	Date	Particulars	Date
First Quarter Results	On or before August 14, 2015	Third Quarter Results	On or before February 14, 2016
Second Quarter Results	On or before November 14, 2015	Audited Annual Results	On or before May 30, 2016

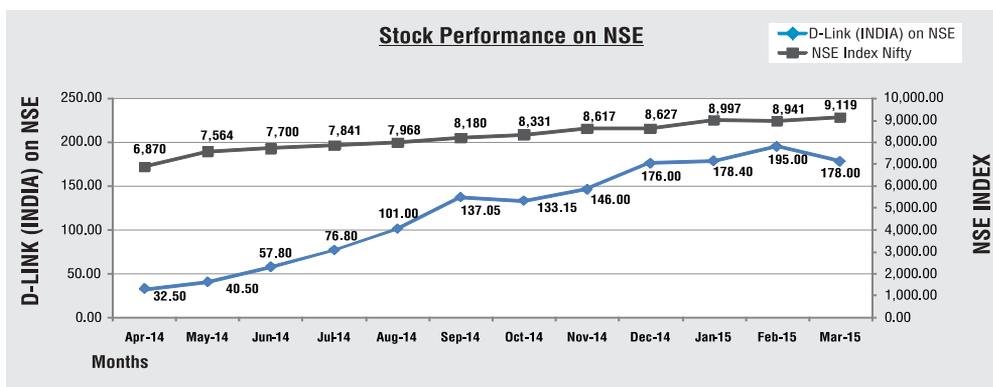
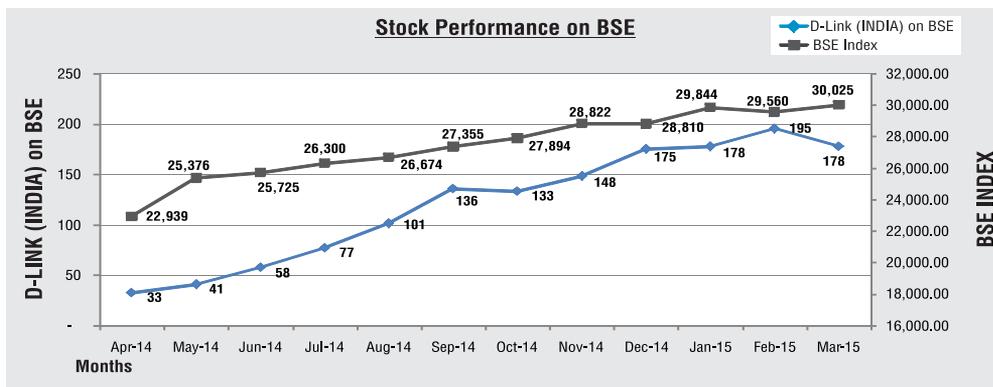
11.3 Dates of Book Closure

The Register of Members and the Share Transfer Register will remain closed for a period of 7 days from Friday, July 31, 2015 to Thursday, August 6, 2015 (both days inclusive).

11.4 Market Price Data

Stock High/Low price and Performance in comparison to broad-based indices viz., BSE Sensex and NSE Nifty is as under;

Month	D-LINK (INDIA) on BSE		BSE Index		D-LINK (INDIA) on NSE		NSE Index Nifty	
	High (Rs.)	Low (Rs.)	High	Low	High (Rs.)	Low (Rs.)	High	Low
Apr-14	32.55	28.25	22,939.31	22,197.51	32.50	28.15	6869.85	6650.40
May-14	40.75	28.25	25,375.63	22,277.04	40.50	28.10	7563.50	6638.55
Jun-14	57.90	36.50	25,725.12	24,270.20	57.80	37.60	7700.05	7239.50
Jul-14	76.90	53.35	26,300.17	24,892.00	76.80	52.50	7840.95	7422.15
Aug-14	101.00	68.15	26,674.38	25,232.82	101.00	68.00	7968.25	7540.10
Sep-14	136.00	96.10	27,354.99	26,220.49	137.05	95.60	8180.20	7841.80
Oct-14	133.40	119.10	27,894.32	25,910.77	133.15	118.25	8330.75	7723.85
Nov-14	148.15	125.10	28,822.37	27,739.56	146.00	126.00	8617.00	8290.25
Dec-14	175.00	121.00	28,809.64	26,469.42	176.00	121.10	8626.95	7961.35
Jan-15	177.50	158.00	29,844.16	26,776.12	178.40	158.00	8996.60	8065.45
Feb-15	195.00	157.00	29,560.32	28,044.49	195.00	151.60	8941.10	8470.50
Mar-15	177.70	159.10	30,024.74	27,248.45	178.00	158.60	9119.20	8269.15



## Report on Corporate Governance

**11.5 Dividend Payment Date**

The Dividend will be paid to all shareholders on or after August 31, 2015.

**11.6 Listing on Stock Exchanges**

The shares of the Company have been listed on The BSE Limited, Mumbai and The National Stock Exchange of India Limited. The annual listing fees were paid to the Stock Exchanges.

**11.7 Stock Code**

The Stock Exchange	Stock Code
BSE Limited	533146
National Stock Exchange of India Limited	DLINKINDIA

**ISIN Code for the Company's equity share:**

Depositories	ISIN
CDSL and NSDL	INE250K01012
Corporate Identity Number (CIN)	L72900GA2008PLC005775

**11.8 Registrar and Share Transfer Agent**

Karvy Computershare Private Limited  
 Unit : D-Link (India) Limited  
 Karvy Selenium Tower B, Plot 31-32,  
 Gachibowli Financial District, Nanakramguda,  
 Serilingampally, Hyderabad - 500 032  
 Toll Free No.: 1800-3454-001  
 Board No: 040 67162222  
 Fax No. 040-23001153

**11.9 Share Transfer System**

Trading in equity shares of the Company is permitted only in dematerialized form.

Shares sent for transfer in physical form if any are returned within a period of 15 days of receipt of the documents, provided all documents are valid and complete in all respects.

**12. Distribution of Shareholding**

Distribution of Shareholding as on March 31, 2015;

Sr. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 500	14,774	88.24	1,883,286	5.30
2	501 - 1000	1,001	5.98	834,089	2.35
3	1001 - 2000	459	2.74	709,417	2.00
4	2001 - 3000	148	0.88	385,456	1.09
5	3001 - 4000	75	0.45	266,927	0.75
6	4001 - 5000	87	0.52	412,058	1.16
7	5001 - 10000	106	0.63	794,529	2.24
8	10001 and above	93	0.56	30,219,088	85.11
	<b>TOTAL:</b>	<b>16,743</b>	<b>100.00</b>	<b>35,504,850</b>	<b>100.00</b>

## 13. Shareholding Pattern as on March 31, 2015

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Percentage
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
<b>1</b>	<b>Indian</b>			
(a)	Individuals/Hindu Undivided Family	-	-	-
(b)	Central Government/State Government(s)	-	-	-
(c)	Bodies Corporate	-	-	-
(d)	Financial Institutions/Banks	-	-	-
(e)	Any Others(Specify)	-	-	-
	<b>Sub Total (A) (1)</b>	-	-	-
<b>2</b>	<b>Foreign</b>			
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)	-	-	-
(b)	Bodies Corporate	1	18,114,663	51.02
(c)	Institutions	-	-	-
(d)	Qualified Foreign Investor	-	-	-
(e)	Any Others(Specify)	-	-	-
	<b>Sub Total(A)(2)</b>	<b>1</b>	<b>18,114,663</b>	<b>51.02</b>
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1) + (A)(2)</b>	<b>1</b>	<b>18,114,663</b>	<b>51.02</b>
<b>(B)</b>	<b>Public shareholding</b>			
<b>1</b>	<b>Institutions</b>			
(a)	Mutual Funds/UTI	7	3,381,631	9.52
(b)	Financial Institutions / Banks	3	12,425	0.03
(c)	Central Government/State Government(s)	-	-	-
(d)	Venture Capital Funds	-	-	-
(e)	Insurance Companies	-	-	-
(f)	Foreign Institutional Investors	1	9,672	0.03
(g)	Foreign Venture Capital Investors	-	-	-
(h)	Qualified Foreign Investor	-	-	-
(i)	Any Other (specify)	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>11</b>	<b>3,403,728</b>	<b>9.59</b>
<b>B 2</b>	<b>Non-institutions</b>			
(a)	Bodies Corporate	368	1,270,711	3.58
(b)	Individuals			
<b>I</b>	Individual shareholders holding nominal share capital up to Rs. 1 lakh	16,098	5,930,332	16.70
<b>II</b>	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	10	3,728,492	10.50
(c)	Qualified Foreign Investor	-	-	-
(d)	Any Other - Specify			
(d-i)	Non Resident Indians	214	3,027,916	8.53
(d-ii)	Clearing Members	41	29,008	0.08
	<b>Sub-Total (B)(2)</b>	<b>16,731</b>	<b>13,986,459</b>	<b>39.39</b>
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1) + (B)(2)</b>	<b>16,742</b>	<b>17,390,187</b>	<b>48.98</b>
	<b>TOTAL (A) + (B)</b>	<b>16,743</b>	<b>35,504,850</b>	<b>100.00</b>
<b>(C)</b>	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>16,743</b>	<b>35,504,850</b>	<b>100.00</b>

#### 14. Dematerialization of Shares And Liquidity

The total number of shares held in dematerialized form as on March 31, 2015 is 35,478,634 equity shares representing 99.93% of the total number of shares of the Company.

The equity shares of the Company are actively traded on the BSE Limited and the National Stock Exchange of India Limited.

#### 15. Plant Location: Not applicable.

#### 16. Address for Correspondence

Shareholders Correspondence should be addressed to:

<p>The Company Secretary D-Link (India) Limited Plot No. U02B, Verna Industrial Estate, Verna, Goa - 403722. Phone Nos : 0832-2885800/811 Fax Nos : 0832-2885823 E-mail : shares@dlink.co.in</p>	<p>Registrars &amp; Share Transfer Agents Karvy Computershare Private Limited Unit : D-Link (India) Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Toll Free No.: 1800-3454-001 Board No: 040-67162222 Fax No. 040-23001153 Email : einward.ris@karvy.com</p>
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#### 17. Compliance with Non Mandatory Requirements

##### a) The Board of Directors

The Company has Non-Executive Chairman. No separate office is maintained for Non-Executive Chairman and the expenses incurred by him during performance of duties are reimbursed to him.

##### b) Shareholder's Rights

The Company does not send half yearly declaration of financial performance to its shareholders. The financial results are displayed on the Company's website.

##### c) Audit Qualifications

During the year under review, there were no audit qualifications on the Company's financial statements.

##### d) Separate posts of Chairman and CEO

The Company has appointed different persons for the post of Chairman and CEO of the Company. Further, their individual roles, responsibilities etc. have been decided and communicated to them by the Board of Directors.

##### e) Reporting of Internal Auditor

The Company had appointed M/s CNK & Associates LLP, Chartered Accountants as the Internal Auditor of the Company for reviewing the internal control system operating in the Company. The Internal auditors shall report directly to the Audit Committee.

**For and on behalf of the Board of Directors**

**Gary Yang**  
**Managing Director**

Mumbai, Dated: May 19, 2015

## Auditors' Certificate on Compliance of Conditions of Corporate Governance

To,

### **The Members of D-Link (India) Limited**

We have examined the compliance of conditions of Corporate Governance by D-Link (India) Limited ("the Company") for the year ended on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

Registration No. 117366W/W - 100018

**A. B. Jani**

Partner

Membership no. 46488

Mumbai, dated: 19th May, 2015

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## Declaration regarding compliance by Board Members and Senior Management personnel with the Company's Code of Conduct

I confirm that the Company has in respect of the financial year ended 31st March, 2015, received from all the members of the Senior Management of the Company and of the Board, a declaration of compliance with the code of conduct as provided under clause 49 of the Listing Agreement.

For **D-Link (India) Limited**

**Gary Yang**

Managing Director

Mumbai, dated: May 19, 2015

# Independent Auditors' Report

## TO THE MEMBERS OF D-LINK (INDIA) LIMITED Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of D-Link (India) Limited (the Company), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### 1. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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.

### 2. 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.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### 3. 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 31st March, 2015, and its profit and its cash flows for the year ended on that date.

### 4. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2015 (the Order), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 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 purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss, 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 (Accounts) Rules, 2014;
  - e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W - 100018)

Mumbai  
Dated: 19th May, 2015

**A. B. Jani**  
Partner  
(Membership no: 46488)

# Annexure to the Auditors' Report

## Re: D-Link (India) Limited

(Referred to in paragraph 4(1) of our report of even date)

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - Some of the fixed assets were physically verified by the Management during the year in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of its inventory:
- As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.
- (iii) According to the information and explanations given to us the Company had granted an unsecured loans to its Subsidiary, which is a party listed in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loan:
- The receipt of principal amount and interest have been as per stipulations.
  - The loan has been repaid during the year.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- (vi) According to the information and explanations given to us the Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 are not applicable to the Company.
- (vii) According to the information and explanations given to us, and the books and records examined by us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.
  - Details of dues of Value Added Taxes and Central Sales Taxes which have not been deposited as on 31<sup>st</sup> March, 2015 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Financial Year to which amount relates	Amount (Rs.)
Goa Value Added Tax Act, 2005	V.A.T. } Penalty } Interest }	Commercial Tax Officer	2009-10	2,469,395 100,000 1,035,116
Central Sales Tax Act, 1956	C.S.T.	Commercial Tax Officer	2009-10	6,830,944
Goa Value Added Tax Act, 2005	V.A.T. } Interest }	Commercial Tax Officer	2010-11	306,915 183,495
Central Sales Tax Act, 1956	C.S.T. } Interest }	Commercial Tax Officer	2010-11	2,177,094 547,247
Goa Value Added Tax Act, 2005	V.A.T. } Interest }	Commercial Tax Officer	2011-12	1,753,314 797,783

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.

## Annexure to the Auditors' Report

- (viii) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the year and the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has not issued any debentures.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the Company does not obtained any term loan.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W - 100018)

Mumbai  
Dated: 19th May, 2015

**A. B. Jani**  
Partner  
(Membership no: 46488)

# Balance sheet as at 31st March, 2015

Sl. No.	Particulars	Note No.		As at 31st March, 2015	As at 31st March, 2014
			Rupees	Rupees	Rupees
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
	(a) Share capital	3	71,009,700		60,009,700
	(b) Reserves and surplus	4	1,273,727,635		936,969,069
				1,344,737,335	996,978,769
<b>(2) Non-current liabilities</b>					
	(a) Deferred tax liabilities (net)	5	-		6,889,300
	(b) Other long-term liabilities	6	452,641		-
	(c) Long-term provisions	7	5,038,843		3,295,119
				5,491,484	10,184,419
<b>(3) Current Liabilities</b>					
	(a) Short-term borrowings	8	22,742,889		35,077,067
	(b) Trade payables	9	1,145,215,963		799,083,414
	(c) Other current liabilities	10	26,304,933		17,581,967
	(d) Short-term provisions	11	58,984,387		24,251,286
				1,253,248,172	875,993,734
	<b>Total</b>			<b>2,603,476,991</b>	<b>1,883,156,922</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
	(a) Fixed assets				
	(i) Tangible assets	12A	193,409,269		197,254,144
	(ii) Intangible assets	12B	1,569,466		1,440,579
				194,978,735	198,694,723
	(b) Non-current Investments	13		165,000,000	-
	(c) Deferred tax assets (net)	5		15,914,300	-
	(d) Long-term loans and advances	14		25,325,540	33,683,801
<b>(2) Current assets</b>					
	(a) Inventories	15	781,218,460		631,735,658
	(b) Trade receivables	16	1,408,165,178		945,261,603
	(c) Cash and cash equivalents	17	1,723,240		31,251,634
	(d) Short-term loans and advances	18	11,111,160		42,529,503
	(e) Other current assets	19	40,378		-
				2,202,258,416	1,650,778,398
	<b>Total</b>			<b>2,603,476,991</b>	<b>1,883,156,922</b>

See accompanying notes forming part of the financial statements.

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**A. B. Jani**  
Partner

Mumbai, dated: 19th May, 2015

**For and on behalf of the Board of Directors**

**Gary Yang**  
Managing Director

**C. M. Gaonkar**  
Chief Financial Officer

Mumbai, dated: 19th May, 2015

**Tushar Sighat**  
Executive Director & CEO

**Shrinivas Adikesar**  
Company Secretary

# Statement of profit and loss for the year ended 31st March, 2015

Sl. No.	Particulars	Note No.	For the year ended 31st March, 2015	For the year ended 31st March, 2014
			Rupees	Rupees
1	Revenue from operations	20	6,253,232,422	4,875,843,836
2	Other income	21	15,623,907	11,175,377
<b>3</b>	<b>Total Revenue (1+2)</b>		<b>6,268,856,329</b>	<b>4,887,019,213</b>
<b>4</b>	<b>Expenses</b>			
	Purchases of traded goods		5,256,589,721	4,239,732,353
	Changes in inventories of traded goods	22	(149,482,802)	(189,457,819)
	Employee benefits expense	23	302,545,002	217,272,444
	Finance cost	24	4,642,694	8,196,510
	Depreciation and amortisation expenses	12	17,015,740	16,812,253
	Other expenses	25	513,476,883	390,808,935
	<b>Total Expenses</b>		<b>5,944,787,238</b>	<b>4,683,364,676</b>
<b>5</b>	<b>Profit before tax (3-4)</b>		<b>324,069,091</b>	<b>203,654,537</b>
<b>6</b>	<b>Tax expenses</b>			
	- Current tax		133,563,527	65,030,000
	- (Excess) / Short provision for tax in respect of earlier years.		(302,869)	30,564
	- Deferred tax		(22,483,922)	2,762,900
			110,776,736	67,823,464
<b>7</b>	<b>Profit for the year (5-6)</b>		<b>213,292,355</b>	<b>135,831,073</b>
	<b>Earnings per share (Face value of Rs. 2/- per share)</b>			
	<b>Basic and Diluted</b>		<b>6.16</b>	<b>4.53</b>
	(Refer Note 34 )			

See accompanying notes forming part of the financial statements.

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**A. B. Jani**  
Partner

Mumbai, dated: 19th May, 2015

**For and on behalf of the Board of Directors**

**Gary Yang**  
Managing Director

**C. M. Gaonkar**  
Chief Financial Officer

Mumbai, dated: 19th May, 2015

**Tushar Sighat**  
Executive Director & CEO

**Shrinivas Adikesar**  
Company Secretary

# Cash flow statement for the year ended 31st March, 2015

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Rupees	Rupees
<b>A. Cash flows from operating activities</b>		
Profit before tax	324,069,091	203,654,537
Adjustments for:		
Depreciation/Amortisation	17,015,740	16,812,253
(Profit) on sale of fixed assets (net)	(10,997)	(76,925)
Assets written off	132,579	-
Profit on sale of current investments (non-trade)	(1,013,163)	(130,081)
Bad debts/Advances written off	770,928	36,550
Unrealised exchange differences(net)	(2,474,200)	(4,229,444)
Sundry balances written back	(80,066)	(49,189)
Provision for doubtful debts	14,454,849	822,265
Interest and finance charges	4,642,694	8,196,510
Interest income on fixed deposits	-	(1,054,510)
Interest on delayed payments by customers	(4,025,698)	(4,923,121)
Interest on Income-tax refund	(1,367,812)	-
Interest on others	(280,504)	-
Dividend income on current investments	(892,127)	(4,934,524)
<b>Operating profit before working capital changes</b>	<b>350,941,314</b>	<b>214,124,321</b>
(Increase) in Trade receivables	(477,570,945)	(133,037,771)
(Increase) in inventories	(149,482,802)	(189,457,819)
Decrease / (increase) in loans and advances	27,574,363	(19,773,539)
(Increase) in Other current assets	(40,378)	-
Increase in trade payables, other liabilities and provisions	358,387,953	203,693,552
<b>Cash generated from Operations</b>	<b>109,809,505</b>	<b>75,548,744</b>
Direct taxes paid	(99,551,092)	(72,490,565)
<b>Net cash generated from operating activities</b>	<b>10,258,413</b>	<b>3,058,179</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(14,440,939)	(10,370,494)
Purchase of current investments	(1,322,392,125)	(1,833,994,126)
Sale of current investments	1,323,405,288	1,849,176,727
Movement in Bank balances (in unpaid dividend accounts)	(196,982)	(100,458)
Sale of fixed Assets	79,099	82,675
Dividend received on current investments,	892,127	4,934,524
Interest received	5,674,014	5,977,631
<b>Net cash (used in) / generated from investing activities</b>	<b>(6,979,518)</b>	<b>15,706,479</b>
<b>C. Cash flows from financing activities</b>		
Short-term borrowings (cash credit account)(net)	(12,334,178)	35,018,495
Dividend paid (including Corporate Dividend tax)	(21,062,505)	(17,552,087)
Interest paid	392,412	(7,465,768)
<b>Net cash (used in) / generated from financing activities</b>	<b>(33,004,271)</b>	<b>10,000,640</b>
<b>Net (Decrease) / Increase in cash and cash equivalents</b>	<b>(29,725,376)</b>	<b>28,765,298</b>
Cash and cash equivalents at the beginning of the year	30,675,468	1,910,170
Cash and cash equivalents at the end of the year	<b>950,092</b>	<b>30,675,468</b>
<b>Note:</b>		
<b>Reconciliation of Cash and cash equivalents :</b>		
Cash and cash equivalents (Refer note 17)	1,723,240	31,251,634
Less: Bank balances not considered as Cash and cash equivalents as defined in Accounting Standard (AS) 3 on 'Cash Flow Statements', as same are restricted.		
In earmarked accounts :		
Unpaid dividend accounts	773,148	576,166
<b>Net cash and cash equivalents as defined in AS 3 on 'Cash Flow Statements'.</b>	<b>950,092</b>	<b>30,675,468</b>

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

A. B. Jani  
Partner

Mumbai, dated: 19th May, 2015

For and on behalf of the Board of Directors

Gary Yang  
Managing Director

C. M. Gaonkar  
Chief Financial Officer

Mumbai, dated: 19th May, 2015

Tushar Sighat  
Executive Director & CEO

Shrinivas Adikesar  
Company Secretary

# Notes forming part of the financial statements

## Note: 1 Background of the Company

D-Link (India) Limited (the Company) is a subsidiary of D-Link Holding Mauritius Inc. and is a part of D-Link Corporation, Taiwan. The Company is primarily engaged in marketing and distribution of D-Link branded Networking products in India and neighbouring countries. The Company operates through a distribution network with a wide range of product portfolio and solutions with a nationwide reach across India.

## Note: 2 Significant Accounting Policies

### a Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies Accounting Rules, 2014 and the relevant provisions of the Companies Act, 2013 (the Act).

### b Use of estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between the actual results and estimates are recognised in the year in which the results are known/materialise.

### c Fixed assets

#### i) Tangible assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

#### ii) Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

### d Depreciation and amortisation

#### i) Tangible assets

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Assets costing less than Rs. 5,000 each are fully depreciated in the year of acquisition.

Depreciation on additions and deletions during the year are charged on pro-rata basis.

#### ii) Intangible assets

Computer software is amortised over a period of five years.

### e Impairment of assets

At the end of each accounting period, the Company determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on 'Impairment of Assets'. An impairment loss is charged to the Statement of Profit and Loss in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

### f Investments

Long-term (non-current) investments are carried at cost. Provision for diminution, if any, is made to recognize a decline, other than temporary, in the value of investments. Current investments are carried at lower of cost and fair value.

### g Inventories

Traded goods are valued at lower of cost and net realisable value, on weighted average basis.

### h Revenue recognition

Revenue from sale of products is recognised net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods.

Revenue from services is recognized when the services are rendered.

Interest income is accounted on accrual basis.

Dividend income is accounted for when the right to receive the same is established.

Revenue (income) is recognized when no significant uncertainty as to determination/realization exists.

### i Employee Benefits

#### Post-employment and other long-term benefits

##### i) Defined contribution plan

Contribution under Defined Contribution Plan in the form of Provident Fund is recognised in the Statement of Profit and Loss in the period in which the employee has rendered the service.

**ii) Defined benefit and other long-term benefit plans**

Company's liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences are determined using the Projected Unit Credit Method. The liability is determined as a differential amount on the basis of actuarial valuation being carried out at each balance sheet date using Projected Unit Credit Method and fund balance. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognised as an expense on a straight line basis over the average period until the benefits become vested. To the extent the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, past service cost is recognised immediately.

**iii) Short-term employee benefits**

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include performance incentives.

**j) Foreign currency transactions**

Transactions in foreign currencies are recorded at the original rates of exchange in force at the time the transactions are effected. In case of forward exchange contracts or other financial instruments that is in substance a forward exchange contract, other than for trading or speculation purposes, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of contract. Gains / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognised as income or expense. At the year-end, monetary items denominated in foreign currency and the relevant foreign exchange contracts are reported using the closing rate of exchange. Exchange difference arising thereon and on realization / payments of foreign exchange are accounted as income or expenses in the relevant year.

**k) Borrowing costs**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

**l) Taxes on income**

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income-tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets in case there are unabsorbed depreciation and losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

**m) Provisions and contingencies**

Provision is recognised in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any are disclosed in the notes to the financial statements.

**Note 3: Share Capital**

	As at 31st March, 2015	As at 31st March, 2014
	Rupees	Rupees
<b>a. Authorised share capital</b>		
70,000,000 Equity Shares of Rs.2/- each	140,000,000	140,000,000
<b>b. Issued, subscribed and paid up</b>		
35,504,850 (30,004,850) Equity Shares of Rs.2/- each, fully paid-up.	71,009,700	60,009,700

**c. Rights, preferences and restrictions attached to each class of shares**

The Company has only one class of Equity shares having a par value of Rs. 2/- per share. Each holder of Equity shares is entitled to one vote per share and each Equity share carries an equal right to dividend and in case of repayment of capital. Further, 5,500,000 Equity shares issued during the year on preferential allotment basis are subject to a lock-in-period of one year, i.e., up to 28th July, 2015

**d. Details of shares held by the Holding Company**

	As at 31st March, 2015		As at 31st March, 2014	
	Number	Rupees	Number	Rupees
D-Link Holding Mauritius Inc.	18,114,663	36,229,326	18,114,663	36,229,326

**e. Reconciliation of the number of Shares and amount outstanding**

	As at 31st March, 2015		As at 31st March, 2014	
	Number	Rupees	Number	Rupees
Opening Balance	30,004,850	60,009,700	30,004,850	60,009,700
Shares issued during the year	5,500,000	11,000,000	-	-
Closing Balance	35,504,850	71,009,700	30,004,850	60,009,700

During the year, the Company has allotted 5,500,000 Equity shares of Rs. 2/- each fully paid-up to the shareholders and promoters of TeamF1 Networks Private Limited (TeamF1) on preferential allotment basis for consideration other than cash (swap of 10,499 Equity shares held by the shareholders in TeamF1). Consequent to the said allotment, TeamF1 has become a wholly owned subsidiary of the Company with effect from 29th May, 2014. The shares have been issued at Rs. 30/- per Equity Share (including a premium of Rs. 28/- per Equity share). The issue price being higher than the price determined in accordance with Regulation 76(1) of Chapter VII of the SEBI ICDR Regulation.

## Notes forming part of the financial statements

## f Details of shareholders holding more than 5% of the Equity shares in the Company

Name of the Shareholders	As at 31st March, 2015		As at 31st March, 2014	
	Number	% holding	Number	% holding
D-Link Holding Mauritius Inc., holding company	18,114,663	51.02%	18,114,663	60.37%
Mukesh Tirthdas Lulla	2,618,773	7.38%	-	-
Vinai Kolli	2,514,525	7.08%	-	-
SBI Funds Management Pvt. Ltd	2,407,112	6.78%	-	-

## g Details of five years immediately preceding the date of balance sheet

	As at 31st March, 2015	As at 31st March, 2014
Equity Shares allotted without payment being received in cash		
1) Equity shares allotted pursuant to the Scheme of Arrangement by capitalisation of reserves during the financial year 2009-10	-	30,004,850
2) Equity shares issued on preferential allotment basis (under share swap agreement). Refer 3e above.	5,500,000	-

	As at 31st March, 2015	As at 31st March, 2014
	Rupees	Rupees
<b>Note 4: Reserves and surplus</b>		
<b>Securities Premium Account</b>		
As per last Balance sheet	205,134,440	205,134,440
Add : Premium on Equity shares allotted during the year (Refer note 3e)	154,000,000	-
	<u>359,134,440</u>	<u>205,134,440</u>
<b>General Reserve</b>		
Opening balance	52,280,563	38,680,563
Add : Transferred from surplus in Statement of Profit and Loss	25,000,000	13,600,000
Closing Balance	<u>77,280,563</u>	<u>52,280,563</u>
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	679,554,066	578,385,498
Less : Depreciation arising on account of transitional provision of Schedule II of the Companies Act, 2013 (Net of deferred tax of Rs.319,678/-) (Refer note 38)	620,828	-
	<u>678,933,238</u>	<u>578,385,498</u>
Add : Profit for the year	213,292,355	135,831,073
Less : Proposed dividend (Re.0.70 per share [Previous year: Re. 0.60])	24,853,395	18,002,910
Tax on dividend	5,059,566	3,059,595
Transferred to General reserve	25,000,000	13,600,000
	<u>54,912,961</u>	<u>34,662,505</u>
Closing balance	<u>837,312,632</u>	<u>679,554,066</u>
	<b>Total</b>	<b>Total</b>
	<u><u>1,273,727,635</u></u>	<u><u>936,969,069</u></u>

## Note 5: Deferred Tax Liabilities (net)

Deferred Tax Liability		
Depreciation	(13,512,424)	(11,567,398)
	<u>(13,512,424)</u>	<u>(11,567,398)</u>
Deferred Tax Asset		
Provision for doubtful debts / advances	7,530,759	2,483,078
Disallowances under section 43B of the income tax act	2,638,004	1,943,752
Provision for gratuity	1,714,604	251,268
Under section 40 (a)(ia) of the income tax act	9,334,871	-
Provision for inventory obsolescence	8,208,486	-
	<u>29,426,724</u>	<u>4,678,098</u>
<b>Deferred Tax Assets / (Liabilities) (net)</b>	<b>Total</b>	<b>Total</b>
	<u><u>15,914,300</u></u>	<u><u>(6,889,300)</u></u>

## Note 6: Other long-term liabilities

Security deposits received	452,641	-
	<u>452,641</u>	<u>-</u>
<b>Total</b>	<b>Total</b>	
	<u><u>452,641</u></u>	<u><u>-</u></u>

## Notes forming part of the financial statements

	As at 31st March, 2015	As at 31st March, 2014
	Rupees	Rupees
<b>Note 7: Long-term provisions</b>		
Provision for employee benefits		
- Provision for leave encashment	5,038,843	3,295,119
<b>Total</b>	<b>5,038,843</b>	<b>3,295,119</b>
<b>Note 8: Short-term borrowings</b>		
Balances with banks		
- In cash credit accounts (Refer note 37 )	22,742,889	35,077,067
<b>Total</b>	<b>22,742,889</b>	<b>35,077,067</b>
<b>Note 9: Trade Payables</b>		
Trade payables (Refer note 36)	1,145,215,963	799,083,414
<b>Total</b>	<b>1,145,215,963</b>	<b>799,083,414</b>
<b>Note 10: Other current liabilities</b>		
Unearned revenue	329,174	158,740
Unpaid dividends	771,518	574,751
Statutory dues	19,304,576	6,031,441
Disputed demand of V.A.T./ C.S.T. authorities (Refer note 26(b))	5,765,848	3,214,751
Mark to Market gain on foreign exchange forward contracts	-	4,610,511
Advance from customers	133,817	2,991,773
<b>Total</b>	<b>26,304,933</b>	<b>17,581,967</b>
<b>Note 11: Short-term provisions</b>		
Provision for employee benefits		
- Provision for gratuity	4,954,356	739,240
- Provision for leave encashment	2,583,685	2,423,481
	7,538,041	3,162,721
Other provisions		
- Income-tax (net of advance tax)	21,533,385	26,060
- Proposed dividend	24,853,395	18,002,910
- Corporate dividend tax	5,059,566	3,059,595
	51,446,346	21,088,565
<b>Total</b>	<b>58,984,387</b>	<b>24,251,286</b>

## Notes forming part of the financial statements

## Note 12: Fixed Assets

Nature of assets	Gross block			Depreciation/Amortisation			Net block			
	As at 1 <sup>st</sup> April, 2014	Additions	Deletions/Adjustments	As at 31 <sup>st</sup> March, 2015	Upto 31 <sup>st</sup> March, 2014	For the year	Deletions	Adjustments (Refer Note 38)	Upto 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2015
<b>A. Tangible assets</b>										
Office Premises	190,343,442 (190,343,442)	-	-	190,343,442 (190,343,442)	30,898,216 (21,381,044)	2,826,807 (9,517,172)	-	-	33,725,023 (30,898,216)	156,618,419 (159,445,226)
Plant and Equipments	3,721,018 (3,409,668)	1,405,391 (311,350)	-	5,126,409 (3,721,018)	1,458,787 (726,628)	359,604 (732,159)	-	-	1,818,391 (1,458,787)	3,308,018 (2,262,231)
Electrical installations	2,435,364 (2,435,364)	-	-	2,435,364 (2,435,364)	389,743 (275,616)	298,845 (114,127)	-	-	688,588 (389,743)	1,746,776 (2,045,621)
Furniture and Fixtures	20,556,992 (20,231,200)	3,538,219 (325,792)	69,817	24,025,394 (20,556,992)	5,482,229 (4,220,608)	3,151,733 (1,261,621)	20,130	-	8,613,832 (5,482,229)	15,411,562 (15,074,763)
Office equipment	33,203,518 (27,485,007)	5,567,691 (8,840,957)	2,319,843 (3,122,446)	36,451,366 (33,203,518)	14,932,506 (14,203,788)	9,269,808 (3,845,414)	2,168,849 (3,116,696)	940,506	22,973,971 (14,932,506)	13,477,395 (18,271,012)
Vehicles	1,943,142 (1,943,142)	3,017,607	-	4,960,749 (1,943,142)	1,787,851 (1,569,844)	325,799 (218,007)	-	-	2,113,650 (1,787,851)	2,847,099 (155,291)
	252,203,476 (245,847,823)	13,528,908 (9,478,099)	2,389,660 (3,122,446)	263,342,724 (252,203,476)	54,949,332 (42,377,528)	16,232,596 (15,688,500)	2,188,979 (3,116,696)	940,506	69,933,455 (54,949,332)	193,409,269 (197,254,144)
<b>B. Intangible assets</b>										
Computer Software	6,549,893 (5,657,498)	912,031 (892,395)	104,293	7,357,631 (6,549,893)	5,109,314 (3,985,561)	783,144 (1,123,753)	104,293	-	5,788,165 (5,109,314)	1,569,466 (1,440,579)
	6,549,893 (5,657,498)	912,031 (892,395)	104,293	7,357,631 (6,549,893)	5,109,314 (3,985,561)	783,144 (1,123,753)	104,293	-	5,788,165 (5,109,314)	1,569,466 (1,440,579)
<b>Grand Total (A + B)</b>	258,753,369 (251,505,321)	14,440,939 (10,370,494)	2,493,953 (3,122,446)	270,700,355 (258,753,369)	60,058,646 (46,363,089)	17,015,740 (16,812,253)	2,293,272 (3,116,696)	940,506	75,721,620 (60,058,646)	194,978,735 (198,694,723)

Figures in brackets are those of previous year.

Notes forming part of the financial statements

	As at 31st March, 2015	As at 31st March, 2014
	Rupees	Rupees
<b>Note 13: Non-Current investment</b>		
Investment in Equity Instruments (at cost) (Unquoted) (Trade) in Subsidiary company. 10,499 Equity shares of Rs. 10/- each fully paid-up in TeamF1 Networks Private Limited. (Refer Note 3e)	165,000,000	-
<b>Total</b>	<b>165,000,000</b>	<b>-</b>
<b>Note 14: Long-term loans and advances (unsecured)</b>		
(a) Considered good:		
Security deposits paid	11,084,573	6,953,093
Advance payment of taxes (net of provision)	7,422,806	19,625,047
Customs duties recoverable	6,543,161	6,543,161
Capital Advances	275,000	562,500
	<u>25,325,540</u>	<u>33,683,801</u>
(b) Considered doubtful:		
Customs duties recoverable	5,696,262	5,696,262
Less: Provision	5,696,262	5,696,262
	<u>-</u>	<u>-</u>
<b>Total</b>	<b>25,325,540</b>	<b>33,683,801</b>
<b>Note 15: Inventories (valued at lower of cost and net realisable value)</b>		
Traded goods [including Goods-in-transit Rs. 289,947,340/- (Previous year Rs. 150,198,898/-)]	781,218,460	631,735,658
<b>Total</b>	<b>781,218,460</b>	<b>631,735,658</b>
<b>Note 16: Trade receivables (Unsecured)</b>		
a Debts outstanding for a period exceeding six months from the due date		
Considered good	516,388	-
Considered doubtful	14,928,324	1,377,146
	<u>15,444,712</u>	<u>1,377,146</u>
Less: Provision	(14,928,324)	(1,377,146)
	<u>516,388</u>	<u>-</u>
b Other Trade receivables		
Considered good	1,407,648,790	945,261,603
Considered doubtful	1,135,584	231,913
	<u>1,408,784,374</u>	<u>945,493,516</u>
Less: Provision	(1,135,584)	(231,913)
	<u>1,407,648,790</u>	<u>945,261,603</u>
<b>Total</b>	<b>1,408,165,178</b>	<b>945,261,603</b>
<b>Note 17: Cash and Cash equivalents</b>		
Cash on hand	14,075	10,781
Balances with banks		
- In current accounts	936,017	30,664,687
- In earmarked accounts		
- Unpaid dividend accounts	773,148	576,166
	<u>1,709,165</u>	<u>31,240,853</u>
<b>Total</b>	<b>1,723,240</b>	<b>31,251,634</b>

## Notes forming part of the financial statements

	As at 31st March, 2015	As at 31st March, 2014
	Rupees	Rupees
<b>Note 18: Short-term loans and advances (Unsecured, considered good)</b>		
Security deposits paid	598,040	2,000,230
Customs and other duties recoverable	3,599,826	29,638,810
Prepaid expenses	3,393,407	7,172,183
Advances to suppliers	2,645,298	2,791,661
Advances to employees	874,589	926,619
<b>Total</b>	<b>11,111,160</b>	<b>42,529,503</b>
<b>Note 19: Other Current Assets</b>		
Mark to Market gain on foreign exchange forward contracts	40,378	-
	<b>40,378</b>	<b>-</b>
	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
	Rupees	Rupees
<b>Note 20: Revenue from operations</b>		
Sale of traded goods (Networking products)	6,231,236,872	4,856,781,780
Sale of services	8,351,654	3,492,445
Other operating revenues		
- Duty drawback	11,719,788	12,974,287
- DEPB licence income	158,740	306,514
- Commission Income	1,765,368	2,288,810
	13,643,896	15,569,611
<b>Total</b>	<b>6,253,232,422</b>	<b>4,875,843,836</b>
<b>Note 21: Other income</b>		
<b>Interest</b>		
- On fixed deposits with banks	-	114,110
- On current investments (non-trade)	-	940,400
- On delayed payments by customers.	4,025,698	4,923,121
- On others	280,504	-
- On Income-tax refund	1,367,812	-
	5,674,014	5,977,631
Dividend on current investments (non-trade)	892,127	4,934,524
Profit on sale of current investments (non-trade) (net)	1,013,163	130,081
Sundry balances written back	80,066	49,189
Profit on sale of fixed Assets	10,997	76,925
Exchange gain (net)	7,945,163	-
Miscellaneous income	8,377	7,027
<b>Total</b>	<b>15,623,907</b>	<b>11,175,377</b>
<b>Note 22: Changes in inventories of traded goods</b>		
Closing Stock	781,218,460	631,735,658
Less: Opening Stock	631,735,658	442,277,839
<b>Increase</b>	<b>(149,482,802)</b>	<b>(189,457,819)</b>

## Notes forming part of the financial statements

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	<b>Rupees</b>	<b>Rupees</b>
<b>Note 23: Employee benefits expense</b>		
Salaries, wages and bonus	275,516,771	208,080,939
Contribution to provident and other funds	18,704,352	2,643,783
Staff welfare expenses	8,323,879	6,547,722
<b>Total</b>	<b>302,545,002</b>	<b>217,272,444</b>
<b>Note 24: Finance Cost</b>		
Interest		
- On cash credit accounts	3,025,101	6,878,477
- On delayed payments of Income-tax / service tax	1,617,593	1,318,033
<b>Total</b>	<b>4,642,694</b>	<b>8,196,510</b>
<b>Note 25: Other Expenses</b>		
Sales and customer support services	6,089,980	10,226,289
Power	6,201,346	3,967,063
Rent including lease rentals	30,964,350	19,803,302
Rates and taxes	3,847,159	5,748,728
Insurance	8,615,107	8,044,489
<u>Repairs and maintenance:</u>		
- Office premises	3,071,672	2,290,648
- Others	5,605,402	3,018,231
	8,677,074	5,308,879
Travelling and conveyance expenses	34,743,438	32,306,156
Communication expenses	9,443,468	7,629,708
Advertisement and sales development expenses	151,059,182	112,210,972
Commission on sales	116,125,100	73,789,094
Servicing expenses	60,823,017	35,095,452
Provision for doubtful debts (net of amounts written back Rs. 996,347/- (previous year Rs. 82,500/-))	14,454,849	822,265
Exchange loss (net)	-	36,680,091
Legal and professional fees	33,800,656	21,142,399
Bad debts/Advances written off	770,928	36,550
Miscellaneous expenses	27,861,229	17,997,498
<b>Total</b>	<b>513,476,883</b>	<b>390,808,935</b>
<b>Note 26:</b>		
<b>a) Contingent liabilities</b>		
Contingent liabilities, in respect of Custom duty paid under protest. The same is included under "customs duties recoverable" in note no.14 pending resolution of the dispute.	6,312,963	6,312,963
The trading material/software imported are subjected to different rates of customs duty based on classification under respective Tariff Head. The Customs department has objected to the classifications adopted for certain items and has demanded additional duty for the same. The differential duty has been paid under protest. The matter is pending with Central Excise and Service Tax Appellate Tribunal for hearing.		
Disputed demand from commercial tax officer Margao, Government of Goa, towards value added tax (VAT) / central sales tax (CST)	10,435,455	10,435,455
The Company had filed appeal against the assessment order dated 22nd March, 2013 before the Addl. Commissioner of Commercial Taxes, Panaji- Goa requesting for Stay of the recovery of disputed amount of tax, demanded for the Assessment Year 2009-10. The Company is awaiting personal hearing from the Addl. Commissioner of Commercial Taxes.		
<b>b)</b> In addition to the above, the company has disputed the demands from the commercial tax office Margao, Government of Goa towards VAT / CST, mainly relating to 'C' forms from customers, aggregating Rs. 4,237,323 (Previous year Rs.2,484,009), including interest aggregating Rs. 1,528,525 (Previous year Rs. 730,742). The Company, out of abundant caution has provided for the aforesaid demands (Refer note 10), but is pursuing the matter in appeal with the authorities and is hopeful of succeeding in the appeal.		

## Notes forming part of the financial statements

**Note 27:**

- a) The Company enters into foreign exchange forward contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counter party to the Company's foreign currency forward contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments.

The following are the outstanding forward exchange contracts entered into by the company:

Currency	Amount Outstanding at year end in Foreign currency	Amount outstanding at year end in Rupees	Exposure to Buy/Sell
US Dollar	550,797 (4,598,570)	34,938,871 (280,110,839)	Sell Buy

Figures in brackets are those of previous year

- b) The year-end foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:  
Amount receivable in foreign currency on account of the following:

	As at 31st March, 2015		As at 31st March, 2014	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Receivables	USD 24,790	1,508,020	USD 578,044	34,624,814

Amount payable in foreign currency on account of the following:

	As at 31st March, 2015		As at 31st March, 2014	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Payables	USD 8,822,720	551,420,026	USD 2,397,096	143,610,002

	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
	Rupees	Rupees
<b>Note 28: Payment to Auditors</b>		
As Auditors - Statutory Audit	800,000	800,000
For Limited Review	180,000	180,000
For Audit of financial information for year ended 31st December, 2014/2013	250,000	250,000
For Taxation matters	300,000	300,000
For Other services - certification etc.	115,000	40,000
For Reimbursement of expenses.	-	39,933
For Service tax	203,322	198,987
<b>Total</b>	<b>1,848,322</b>	<b>1,808,920</b>
<b>Note 29:</b>		
<b>(a) Details of Sale of traded goods</b>		
Networking products	6,231,236,872	4,856,781,780
<b>(b) Details of purchase of traded goods</b>		
Networking products	5,256,589,721	4,239,732,353
<b>(c) Details of inventory of traded goods</b>		
Networking products	781,218,460	631,735,658
<b>Note 30:</b>		
<b>A The disclosure as required under Accounting Standard 15 on 'Employee Benefits' (AS-15) regarding the Company's defined benefit plan is as follows:</b>	<b>As at 31st March 2015</b>	<b>As at 31st March 2014</b>
<b>I. Reconciliation of opening and closing balances of Defined Benefit obligation</b>		
	<b>Gratuity (funded)</b>	<b>Gratuity (funded)</b>
Defined Benefit obligation at the beginning of the year	9,394,012	8,353,876
Current Service Cost	6,573,433	2,226,694
Interest Cost	857,308	657,372
Actuarial (gain) / loss	8,098,466	(1,570,468)
Benefits paid	(130,624)	(273,462)
Defined Benefit obligation at the end of the year	24,792,595	9,394,012

## Notes forming part of the financial statements

	As at 31st March, 2015	As at 31st March, 2014
	Rupees	Rupees
<b>II. Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at beginning of the year	8,654,772	5,057,004
Expected return on plan assets	929,683	630,289
Actuarial gain / (loss)	83,182	(370,931)
Employer contribution	10,301,226	3,611,872
Benefits paid	(130,624)	(273,462)
Fair value of plan assets at year end	19,838,239	8,654,772
<b>III Reconciliation of fair value of assets and obligations</b>		
Present value of obligation as at 31st March, 2015 / 31st March, 2014	24,792,595	9,394,012
Fair value of plan assets as at 31st March, 2015 / 31st March, 2014	19,838,239	8,654,772
Amount recognized in Balance Sheet	(4,954,356)	(739,240)
<b>IV Expense recognized during the year</b> (Under the head employee benefits expenses - Refer Note 23)		
Current Service Cost	6,573,433	2,226,694
Interest Cost	857,308	657,372
Expected return on plan assets	(929,683)	(630,289)
Actuarial (gain) / loss	8,015,284	(1,199,537)
<b>Net Cost</b>	14,516,342	1,054,240
<b>V Actuarial assumptions</b>		
Discount rate (per annum)	7.77%	9.19%
Expected rate of return on plan assets (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	17.00%	10.00%
Employee Attrition Rate	5.00%	5.00%

**VI** The assumptions of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment.

The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets are furnished below:

	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011
<b>Experience Adjustment</b>					
a. due to change in Actuarial assumption	12,023,791	(1,542,521)	3,164,764	(217,675)	-
b. Experience (Gain) / Loss on obligation	(3,925,325)	(27,947)	(1,064,297)	(214,904)	(550,803)
c. Actuarial gain / (loss) on plan assets	83,182	(370,931)	(94,280)	(99,760)	(24,613)
Present value of benefit obligation	24,792,595	9,394,012	8,353,876	3,932,459	4,004,119
Fair value of plan assets	19,838,239	8,654,772	5,057,004	4,179,353	3,896,975
Excess of (obligation over plan assets) / plan assets over obligation	(4,954,356)	(739,240)	(3,296,872)	246,894	(107,144)

**VII** The contributions expected to be made by the Company during the financial year 2015-16 is Rs. 4,954,356/-.

The plan assets are managed by the Gratuity trust formed by the Company. The funds are held in the Bank Account of the gratuity trust as on March 31, 2015.

Subsequently the funds are invested in "Bajaj Allianz group debt fund" managed by Bajaj Allianz Life Insurance Company.

**B** The disclosure as required under AS-15 regarding the Company's defined contribution plans is as follows :

i) Contribution to provident fund Rs. 4,192,714/- (Previous year Rs.1,589,543/-)

### Note 31: Lease transactions

#### Operating leases

The company has taken premises on cancellable operating lease basis. The tenure of the agreement ranges from 33/60 months. There are no renewal or purchase options and escalation clauses in these agreements.

The lease rentals for the year charged to revenue are Rs. 30,964,350/- (Previous year Rs. 19,803,302/-)

## Notes forming part of the financial statements

## Note 32: Related party disclosures

## a) Name of related parties where control exists

D-Link Holding Mauritius Inc.	Holding Company
D-Link Corporation, Taiwan	Ultimate Holding Company
TeamF1 Networks Private Limited	Subsidiary Company (w.e.f. 29th May 2014)

## b) List of related parties with whom transactions have taken place during the year and nature of relationship

Name of the related parties	Nature of relationship
D-Link Corporation	Ultimate Holding Company
D-Link (Europe) Ltd	Fellow Subsidiary
D-Link International (Singapore)	Fellow Subsidiary
D-Link Canada Inc.	Fellow Subsidiary
D-Link Middle East - FZCO	Fellow Subsidiary
D-Link Japan K K (DJP)	Fellow Subsidiary
D-Link International Pte. Ltd	Fellow Subsidiary
D-Link Latin America	Fellow Subsidiary
D-Link Brasil LTDA	Fellow Subsidiary
D-Link Australia Pty Limited	Fellow Subsidiary
D-Link Latin America - DLABR	Fellow Subsidiary
TeamF1 Networks Private Limited	Subsidiary Company (w.e.f. 29th May 2014)

Mr. Yao Chuan Yang (Gary Yang)	Key management person
Mr. Chandrashekhar M. Gaonkar	Key management person (upto 23rd August 2014)
Mr. Tushar Sighat	Key management person (w.e.f. 30th September 2014)

## (c) Details of transactions with related parties during the year:

(Rupees)

Nature of transactions	Ultimate Holding Company / Holding Company	Subsidiary Company	Fellow Subsidiary	Key management person	Total
<b>Purchase of traded goods</b>					
D-Link International (Singapore)			14,652,972 (1,732,632)		14,652,972 (1,732,632)
D-Link International Pte. Ltd.			3,120,138,236 (2,427,018,922)		3,120,138,236 (2,427,018,922)
D-Link Corporation	2,226,682 (2,917,277)				2,226,682 (2,917,277)
Others			69,384,857 (37,945,834)		69,384,857 (37,945,834)
<b>Sale of traded goods</b>					
D-Link International (Singapore)			2,590,473 (1,254,330)		2,590,473 (1,254,330)
D-Link Middle East-FZCO			13,061,036 (5,141,553)		13,061,036 (5,141,553)
D-Link Latin America			3,313,916 (2,981,606)		3,313,916 (2,981,606)
D-Link Corporation	- (1,225,285)				- (1,225,285)
Others			247,709 (2,446,617)		247,709 (2,446,617)
<b>Professional fees paid</b>					
D-Link Corporation	13,202,438 (6,539,177)				13,202,438 (6,539,177)
<b>Reimbursement of expenditure</b>					
D-Link Corporation	1,844,537 (2,903,821)				1,844,537 (2,903,821)
D-Link Middle East-FZCO			209,141 -		209,141 -
D-Link International Pte. Ltd.			301,147 -		301,147 -

## Notes forming part of the financial statements

(c) Details of transactions with related parties during the year (contd.)					(Rupees)
Nature of transactions	Ultimate Holding Company / Holding Company	Subsidiary Company	Fellow Subsidiary	Key management person	Total
<b>Reimbursement of expenditure (Income)</b>					
D-Link International Pte. Ltd			7,306,088 (1,127,499)		7,306,088 (1,127,499)
D-Link Holding Mauritius Inc.	40,017 (150,102)				40,017 (150,102)
D-Link Latin America - DLABR			- (41,236)		- (41,236)
Loan given		9,600,000 -			9,600,000 -
Loan repaid		9,600,000 -			9,600,000 -
Interest income on loan		280,504 -			280,504 -
<b>Managerial Remuneration</b>					
Mr. Chandrashekhar M. Gaonkar				1,675,310 (5,177,102)	1,675,310 (5,177,102)
Mr. Yao Chuan Yang (Gary Yang)				3,877,960 (186,662)	3,877,960 (186,662)
Mr. Tushar Sighat				19,190,065 -	19,190,065 -
<b>Sitting Fees</b>					
Mr. Yao Chuan Yang (Gary Yang)				- (15,000)	- (15,000)
<b>Dividend paid</b>					
D-Link Holding Mauritius Inc.	10,868,798 (9,057,332)				10,868,798 (9,057,332)
Mr. Chandrashekhar M. Gaonkar				45,528 (37,941)	45,528 (37,941)
<b>As at the year end</b>					
<b>Amount due to</b>					
D-Link International Pte. Ltd			771,905,701 (362,861,294)		771,905,701 (362,861,294)
D-Link International (Singapore)			745,606 -		745,606 -
D-Link Corporation	12,183,591 (6,157,469)				12,183,591 (6,157,469)
Others			2,527,166 (20,985,687)		2,527,166 (20,985,687)
<b>Amount due from</b>					
D-Link International Pte. Ltd			620,665 -		620,665 -
D-Link Middle East-FZCO			824,868 (1,360,813)		824,868 (1,360,813)
Other			254,594 -		254,594 -

Figures in brackets pertain to previous year.

### Note 33: Segment information

#### (A) Segment information for primary reporting (by business segment)

The Company has its operations in marketing and distribution of networking products. These networking products are sold to distributors, Original Equipment Manufacturers (OEM's) and System Integrators (SI). The primary reporting segment for the Company, therefore, is the business segment, viz., networking products.

#### (B) Segment information for secondary segment reporting (by geographical segments)

The secondary reporting segment for the Company is the geographical segment based on location of customers, which is as follows:

- i) Domestic
- ii) Export

## Notes forming part of the financial statements

**Note 33: Segment information (contd.)***Information about secondary segments*

Particulars	(Rupees)			
	Domestic	Exports	Unallocated	Total
Revenues from external customers (net)	6,005,291,111 (4,638,229,595)	234,297,415 (222,044,630)	- -	6,239,588,526 (4,860,274,225)
Segment assets	2,541,929,376 (1,797,655,427)	36,446,891 (34,624,814)	25,100,724 (50,876,681)	2,603,476,991 (1,883,156,922)
Additions to fixed assets during the year	14,440,939 (10,370,494)	- (-)	- (-)	14,440,939 (10,370,494)

Figures in brackets pertain to previous year.

**Note 34:**

Earnings per share is calculated by dividing the profit attributable to the Equity shareholders by the weighted average number of Equity shares outstanding during the year, as under:

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
Profit attributable to equity shareholders (Rupees)	213,292,355	135,831,073
Weighted average number of Equity Shares outstanding during the year	34,615,809	30,004,850
Basic / diluted earnings per share (Rupees)	6.16	4.53
Nominal value per share (Rupees)	2.00	2.00

**Note 35: Other disclosures**

	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Rupees	Rupees
a <u>C.I.F. value of goods imported</u>		
Traded goods	3,541,952,817	2,754,873,141
Capital goods	-	-
b <u>Expenditure in foreign currency</u>		
Travelling expenses	816,496	1,280,590
Professional Fees	13,202,438	6,539,177
Others	17,985,500	-
c <u>Earnings in foreign exchange</u>		
F.O.B. value of exports	234,297,415	222,044,630
d <u>Amount remitted during the year in foreign currency on account of dividend</u>		
Number of non-resident shareholders	3	3
Number of shares held by them on which dividend is due	18,214,663	18,214,663
Year to which dividend relates	2013-14	2012-13
Amount of dividend remitted in Rupees	10,928,798	9,107,332

Other than the above, the Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividend have been made by non- resident shareholders.

**Note 36:**

The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made on the basis of confirmations received from suppliers regarding their status under the said act;

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
	Rupees	Rupees
1 Outstanding principal Amount and Interest as on 31st March 2015		
- Principal Amount	32,999,535	49,254,317
- Interest due thereon	-	-
2 Amount of interest paid along with the amounts of payment made beyond the appointed day	-	-
3 Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	-	-
4 The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
5 The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act	-	-

**Note 37:**

Cash Credit accounts with banks are secured by charge ranking pari passu, by way of hypothecation of stock and book debts both present and future.

**Note 38:**

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1st April 2014, the Company revised the estimated useful life of its assets to align the useful life with those specified in Schedule II. Pursuant to the transitional provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on 1st April, 2014, and has adjusted an amount of Rs. 620,828/- (net of deferred tax of Rs. 319,678/-) against the opening Surplus balance in the Statement of Profit and Loss. The depreciation expense in the Statement of Profit and Loss for the year is lower by Rs. 1,246,504/- and profit for the year is higher by the like amount consequent to the change in the useful life .

**Note 39:**

As per the provisions of section 135 of the Companies Act, 2013, the company is required to spend Rs. 3,201,047/- towards Corporate Social Responsibility (CSR) activities. The Company has not spent any amount during the year and intends to do so in coming financial years in line with the CSR policy of the company.

**Note 40:**

During the year, the Company has changed its leave encashment policy, reducing the maximum leave accumulation per employee from 45 days to 10 days. As a result of this change, there is a reduction in the amount of provision required for leave encashment as at the year end. Accordingly, employee benefits expense for the year ended 31st March 2015 is lower by Rs. 13,763,156/- and the profit before tax for the year is higher by a like amount.

**Note 41:**

Particulars of loans given as required under Section 186 (4) of the Companies Act, 2013

Name of the party	Amount in Rupees	Period	Rate of Interest	Purpose
TeamF1 Networks Private Limited	9,600,000	3 Months	13.50% p.a.	Working Capital purposes

Note:

1. The aforesaid loan amount has been received back (repaid) in full during the year.

**Note 42:**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification.

**Signatures to Notes 1 to 42**

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants

**A. B. Jani**  
 Partner

Mumbai, dated: 19th May, 2015

**For and on behalf of the Board of Directors**

**Gary Yang**  
 Managing Director

**C. M. Gaonkar**  
 Chief Financial Officer

Mumbai, dated: 19th May, 2015

**Tushar Sighat**  
 Executive Director & CEO

**Shrinivas Adikesar**  
 Company Secretary

# Independent Auditors' Report

## TO THE MEMBERS OF D-LINK (INDIA) LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of D-Link (India) Limited (hereinafter referred to as "the Holding Company") and its subsidiary, TeamF1 Networks Private Limited (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

#### 1. Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group 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. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### 2. Auditor's Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### 3. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### 4. Emphasis of Matter

We draw attention to Note 44 to the consolidated financial statements regarding payment of remuneration to the Managing Director of the subsidiary in excess of the limits laid down under section 197 of the Act, pending approval from the Central Government.

Our opinion is not modified in respect of this matter.

#### 5. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and our report of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 27 to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company.

For Deloitte Haskins & Sells LLP  
Chartered Accountants  
(Firm Registration No. 117366W/W - 100018)

A. B. Jani  
Partner  
(Membership no: 46488)

Mumbai  
Dated: 19th May, 2015

# Annexure to the Independent Auditors' Report

## Re: D-Link (India) Limited

### (Referred to in paragraph 5 (1) of our report of even date)

- (i) In respect of its fixed assets:
  - (a) The Group has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
  - (b) Some of the fixed assets were physically verified by the Management during the year in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) In respect of the inventory of the Holding Company:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company.  
The subsidiary is a service Company and does not hold any physical inventories. Thus, para 3 (ii) of the Order is not applicable to it.
- (iii) According to the information and explanations given to us the Holding Company had granted an unsecured loan to its subsidiary, which is a party listed in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loan:
  - (a) The receipt of principal amount and interest have been as per stipulations.
  - (b) The loan has been repaid during the year.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Group and the nature of its business for the purchase of inventory and sale of goods in case of the Holding Company and the purchase of fixed assets and for the sale of services in case of the Group and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system. The Subsidiary Company does not purchase inventory or sell goods.
- (v) According to the information and explanations given to us, neither the Holding Company nor the subsidiary has accepted any deposit from the public during the year.
- (vi) According to the information and explanations given to us the Companies (Cost Records and Audit) Rules, 2014, prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013 are not applicable to the Group.
- (vii) According to the information and explanations given to us, and the books and records examined by us, in respect of statutory dues of the Group:
  - (a) The Group have generally been regular in depositing undisputed dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable by the Group in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

- (c) Details of dues of Value Added Taxes and Central Sales Taxes which have not been deposited as on 31<sup>st</sup> March, 2015 on account of disputes by the Holding Company are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Financial Year to which amount relates	Amount (Rs.)
Goa Value Added Tax Act, 2005	V.A.T. } Penalty } Interest }	Commercial Tax Officer	2009-10	2,469,395 100,000 1,035,116
Central Sales Tax Act, 1956	C.S.T.	Commercial Tax Officer	2009-10	6,830,944
Goa Value Added Tax Act, 2005	V.A.T. } Interest }	Commercial Tax Officer	2010-11	306,915 183,495
Central Sales Tax Act, 1956	C.S.T. } Interest }	Commercial Tax Officer	2010-11	2,177,094 547,247
Goa Value Added Tax Act, 2005	V.A.T. } Interest }	Commercial Tax Officer	2011-12	1,753,314 797,783

There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the subsidiary.

- (d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- (vii) The Holding Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the year and the immediately preceding financial year. The subsidiary has not been registered for a period exceeding five years and hence para 3 (viii) of the Order is not applicable to it.
- (ix) In our opinion and according to the information and explanations given to us, the Holding Company has not defaulted in repayment of dues to banks. The subsidiary does not have any dues to banks. The Group has not issued any debentures.
- (x) According to the information and explanations given to us, the Group has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the Group has not obtained any term loan.
- (xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Group and no material fraud on the Group has been noticed or reported during the year.

For **Deloitte Haskins & Sells LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W - 100018)

Mumbai  
Dated: 19th May, 2015

**A. B. Jani**  
Partner  
(Membership no: 46488)

# Consolidated Balance sheet as at 31st March, 2015

Sl. No.	Particulars	Note No.	Rupees	As at 31st March, 2015 Rupees
<b>I. EQUITY AND LIABILITIES</b>				
<b>(1) Shareholders' funds</b>				
	(a) Share capital	3	71,009,700	
	(b) Reserves and surplus	4	1,279,016,988	1,350,026,688
<b>(2) Minority Interest</b>				
			1,609	1,609
<b>(3) Non-current liabilities</b>				
	(a) Deferred tax liabilities (net)	5	-	
	(b) Other long-term liabilities	6	452,641	
	(c) Long-term provisions	7	17,569,428	18,022,069
<b>(4) Current Liabilities</b>				
	(a) Short-term borrowings	8	22,742,889	
	(b) Trade payables	9	1,150,677,494	
	(c) Other current liabilities	10	27,464,355	
	(d) Short-term provisions	11	61,978,646	1,262,863,384
	<b>Total</b>			<b>2,630,913,750</b>
<b>II. ASSETS</b>				
<b>(1) Non-current assets</b>				
	<b>(a) Fixed assets</b>			
	(i) Tangible assets	12A	196,417,087	
	(ii) Intangible assets	12B	2,301,466	198,718,553
	(b) Goodwill on consolidation	13		153,496,461
	(c) Deferred tax Asset (net)	5		20,668,620
	(d) Long-term loans and advances	14		30,324,243
<b>(2) Current assets</b>				
	(a) Inventories	15	781,218,460	
	(b) Trade receivables	16	1,420,352,622	
	(c) Cash and cash equivalents	17	8,792,901	
	(d) Short-term loans and advances	18	17,292,882	
	(e) Other current assets	19	49,008	
	<b>Total</b>			<b>2,227,705,873</b>
	<b>Total</b>			<b>2,630,913,750</b>

See accompanying notes forming part of the financial statements.

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**A. B. Jani**  
Partner

Mumbai, dated: 19th May, 2015

**For and on behalf of the Board of Directors**

**Gary Yang**  
Managing Director

**C. M. Gaonkar**  
Chief Financial Officer

Mumbai, dated: 19th May, 2015

**Tushar Sighat**  
Executive Director & CEO

**Shrinivas Adikesar**  
Company Secretary

# Consolidated Statement of profit and loss for the year ended 31st March, 2015

Sl. No.	Particulars	Note No.	For the year ended 31st March, 2015
			<b>Rupees</b>
1	Revenue from operations	20	6,408,236,831
2	Other income	21	15,288,928
<b>3</b>	<b>Total Revenue (1+2)</b>		<b>6,423,525,759</b>
<b>4</b>	<b>Expenses</b>		
	Purchases of traded goods		5,256,589,721
	Changes in inventories of traded goods	22	(149,482,802)
	Employee benefits expense	23	417,760,839
	Finance cost	24	4,642,704
	Depreciation and amortisation expenses	12	17,888,548
	Other expenses	25	545,050,314
	<b>Total Expenses</b>		<b>6,092,449,324</b>
<b>5</b>	<b>Profit before tax (3-4)</b>		<b>331,076,435</b>
<b>6</b>	<b>Tax expenses</b>		
	- Current tax		140,244,689
	- (Excess) / Short provision for tax in respect of earlier years.		(361,064)
	- Deferred tax		(27,389,411)
			112,494,214
<b>7</b>	<b>Profit for the year (5-6)</b>		<b>218,582,221</b>
	Minority Interest		(513)
	Profit after Tax, Minority Interest		218,581,708
	<b>Earnings per share (Face value of Rs. 2/- per share)</b>		
	Basic and Diluted		6.31
	(Refer Note 35)		
	See accompanying notes forming part of the financial statements.		

In terms of our report attached

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

**A. B. Jani**  
Partner

Mumbai, dated: 19th May, 2015

**For and on behalf of the Board of Directors**

**Gary Yang**  
Managing Director

**C. M. Gaonkar**  
Chief Financial Officer

Mumbai, dated: 19th May, 2015

**Tushar Sighat**  
Executive Director & CEO

**Shrinivas Adikesar**  
Company Secretary

# Consolidated Cash flow statement for the year ended 31st March, 2015

	For the year ended 31st March, 2015
	Rupees
<b>A. Cash flows from operating activities</b>	
Profit before tax	331,076,435
Adjustments for:	
Depreciation / Amortisation	17,888,548
(Profit) on sale / discard of fixed assets (net)	(10,997)
Assets written off	336,024
Profit on sale of current investments (non-trade)	(1,013,163)
Bad debts / Advances written off	770,928
Unrealised exchange differences(net)	(2,255,943)
Sundry balances written back	(80,066)
Provision for doubtful debts and advances	14,454,849
Interest and finance charges	4,642,704
Interest income on fixed deposits	(99,497)
Interest on delayed payments by customers	(4,025,698)
Interest on Income-tax refund	(1,367,812)
Dividend income on current investments	(892,127)
<b>Operating profit before working capital changes</b>	<b>359,424,185</b>
(Increase) in Trade receivables	(489,216,858)
(Increase) in inventories	(149,482,802)
Decrease / (increase) in loans and advances	25,932,087
(Increase) / Decrease in other current assets	(49,008)
Increase in trade payables, other liabilities and provisions	379,304,399
<b>Cash generated from Operations</b>	<b>125,912,003</b>
Direct taxes paid	(106,936,043)
<b>Net cash generated from operating activities</b>	<b>18,975,960</b>
<b>B. Cash flows from investing activities</b>	
Purchase of fixed assets	(16,828,884)
Purchase of current investments	(1,322,392,125)
Sale of current investments	1,323,405,288
Movement in Bank balances (in unpaid dividend accounts)	(196,982)
Sale of fixed Assets	79,099
Dividend received on current investments	892,127
Interest received	5,493,007
<b>Net cash (used in) / generated from investing activities</b>	<b>(9,548,470)</b>
<b>C. Cash flows from financing activities</b>	
Short-term borrowings (cash credit account)(net)	(12,334,178)
Dividend paid (including Corporate Dividend tax)	(21,062,505)
Interest paid	392,402
<b>Net cash (used in) / generated from financing activities</b>	<b>(33,004,281)</b>
<b>Net (Decrease) / Increase in cash and cash equivalents</b>	<b>(23,576,791)</b>
Cash and cash equivalents at the beginning of the year	31,596,544
Cash and cash equivalents at the end of the year	<b>8,019,753</b>
<b>Note:</b>	
<b>Reconciliation of Cash and cash equivalents:</b>	
Cash and cash equivalents (Refer note 17)	8,792,901
Less: Bank balances not considered as Cash and cash equivalents as defined in Accounting Standard (AS) 3 on 'Cash Flow Statements', as same are restricted.	
In earmarked accounts :	
Unpaid dividend accounts	773,148
<b>Net cash and cash equivalents as defined in AS 3 on 'Cash Flow Statements'.</b>	<b>8,019,753</b>

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

For and on behalf of the Board of Directors

Gary Yang  
Managing Director

Tushar Sighat  
Executive Director & CEO

A. B. Jani  
Partner

C. M. Gaonkar  
Chief Financial Officer

Shrinivas Adikesar  
Company Secretary

Mumbai, dated: 19th May, 2015

Mumbai, dated: 19th May, 2015

# Notes forming part of the consolidated financial statements

## Note 1: Background

The Consolidated Financial Statements of D-Link (India) Limited (the Parent Company) comprise of the financials of the parent company and TeamF1 Networks Private Limited, subsidiary of the parent Company, together referred to as the 'Group'.

The subsidiary was acquired by the Parent Company on 29th May, 2014. Hence, the consolidated Financial Statements include the accounts of the subsidiary from the aforesaid date.

TeamF1 Networks Private Limited is in the business of development of Network Security Software and develop and test new applications / enhancements and provide maintenance support for existing applications.

## Note 2: Significant Accounting Policies

### a Basis of preparation of financial statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies Accounting Rules, 2014) and the relevant provisions of the Companies Act, 2013 (The Act).

### b Use of estimates

The preparation of the financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting year. Differences between the actual results and estimates are recognised in the year in which the results are known/ materialise.

### c Fixed assets

#### i) Tangible assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

#### ii) Intangible assets

Intangible assets are stated at cost less accumulated amortisation.

### d Depreciation and amortisation

#### i) Tangible assets

Depreciation is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013, assets costing less than Rs. 5,000 each are fully depreciated in the year of acquisition.

Depreciation on additions and deletions during the year are charged on pro-rata basis.

#### ii) Intangible assets

Computer software is amortised over a period of five years.

### e Impairment of assets

At the end of each accounting period, the Group determines whether a provision should be made for impairment loss on fixed assets by considering the indications that an impairment loss may have occurred in accordance with Accounting Standard 28 on 'Impairment of Assets'. An impairment loss is charged to the Statement of Profit and Loss in the period in which, an asset is identified as impaired, when the carrying value of the asset exceeds its recoverable value. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

### f Investments

Long-term (non-current) investments are carried at cost. Provision for diminution, if any, is made to recognize a decline, other than temporary, in the value of investments. Current investments are carried at lower of cost and fair value.

### g Inventories

Traded goods are valued at lower of cost and net realisable value, on weighted average basis.

### h Revenue recognition

Revenue from sale of products is recognised net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods.

Revenue from Software Development Services is recognized on the basis of the terms of Contract and Project Work Orders.

Revenue from services is recognized when the services are rendered.

Interest income is accounted on accrual basis.

Dividend income is accounted for when the right to receive the same is established.

Revenue (income) is recognized when no significant uncertainty as to determination / realization exists.

### i Employee Benefits

Post-employment and other long-term benefits

#### i) Defined contribution plan

Contribution under Defined Contribution Plan in the form of Provident Fund is recognised in the Statement of Profit and Loss in the period in which the employee has rendered the service.

## Notes forming part of the consolidated financial statements

ii) Defined benefit and other long-term benefit plans

Group liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences are determined using the Projected Unit Credit Method. The liability is determined as a differential amount on the basis of actuarial valuation being carried out at each balance sheet date using Projected Unit Credit Method and fund balance. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence of such gains and losses. Past service cost is recognised as an expense on a straight line basis over the average period until the benefits become vested. To the extent the benefits are already vested immediately following the introduction of, or changes to, a defined benefit plan, past service cost is recognised immediately.

iii) Short-term employee benefits

Short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised undiscounted during the period employee renders services. These benefits include performance incentives.

j) Foreign currency transactions

Transactions in foreign currencies are recorded at the original rates of exchange in force at the time the transactions are effected. In case of forward exchange contracts or other financial instruments that is in substance a forward exchange contract, other than for trading or speculation purposes, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of contract. Gains / losses on settlement of transactions arising on cancellation / renewal of forward exchange contracts are recognised as income or expense. At the year end, monetary items denominated in foreign currency and the relevant foreign exchange contracts are reported using the closing rates of exchange. Exchange difference arising thereon and on realization / payments of foreign exchange are accounted as income or expenses in the relevant year.

k) Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

l) Taxes on income

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961. Deferred income-tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years / period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets in case there are unabsorbed depreciation and losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

m) Provisions and contingencies

Provision is recognised in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any are disclosed in the notes to the financial statements.

**Note 3: Share Capital**

	As at 31st March, 2015
	Rupees
<b>a. Authorised share capital</b>	
70,000,000 Equity Shares of Rs. 2/- each	140,000,000
<b>b. Issued, subscribed and paid up</b>	
35,504,850 (30,004,850) Equity Shares of Rs. 2/- each, fully paid-up.	71,009,700

c. Rights, preferences and restrictions attached to each class of shares

The Parent Company has only one class of Equity Shares having a par value of Rs. 2/- per share. Each holder of Equity shares is entitled to one vote per share and each Equity share carries an equal right to dividend and in case of repayment of capital. Further, 5,500,000 Equity shares issued during the year on preferential allotment basis are subject to a lock-in-period of one year, i.e., up to 28th July, 2015.

d. Details of shares held by the Holding Company

D-Link Holding Mauritius Inc.

As at 31st March, 2015	
Number	Rupees
18,114,663	36,229,326

e. Reconciliation of the number of Shares and amount outstanding

Opening Balance  
Shares issued during the year  
Closing Balance

As at 31st March, 2015	
Number	Rupees
30,004,850	60,009,700
5,500,000	11,000,000
35,504,850	71,009,700

During the year, the Parent Company has allotted 5,500,000/- Equity shares of Rs. 2/- each fully paid-up to the shareholders and promoters of TeamF1 Networks Private Limited (TeamF1) on preferential allotment basis for consideration other than cash (swap of 10,499 Equity shares held by the shareholders in TeamF1). Consequent to the said allotment, TeamF1 has become a wholly owned subsidiary of the Company with effect from 29th May, 2014. The shares have been issued at Rs. 30/- per Equity Share (including a premium of Rs. 28/- per Equity share). The issue price being higher than the price determined in accordance with Regulation 76(1) of Chapter VII of the SEBI ICDR Regulation.

## Notes forming part of the consolidated financial statements

## f Details of shareholders holding more than 5% of the Equity shares in the Company

As at 31st March, 2015	
Number	% holding
18,114,663	51.02%
2,618,773	7.38%
2,514,525	7.08%
2,407,112	6.78%

**Name of the Shareholders**

D-Link Holding Mauritius Inc., holding company  
 Mukesh Tirthdas Lulla  
 Vinai Kolli  
 SBI Funds Management Pvt. Ltd

## g Details of five years immediately preceding the date of balance sheet

	As at 31st March, 2015
Equity Shares allotted without payment being received in cash	
Equity shares issued on preferential allotment basis (under share swap agreement). Refer 3e above.	5,500,000

	As at 31st March, 2015
	Rupees
<b>Note 4: Reserves and surplus</b>	
<b>Securities Premium Account</b>	
As per last Balance sheet	205,134,440
Add: Premium on Equity shares allotted during the year (Refer note 3e)	154,000,000
	<u>359,134,440</u>
<b>General Reserve</b>	
Opening balance	52,280,563
Add: Transferred from surplus in Statement of Profit and Loss	25,000,000
Closing Balance	<u>77,280,563</u>
<b>Surplus in Statement of Profit and Loss</b>	
Opening balance	679,554,066
Less: Depreciation arising on account of transitional provision of Schedule II of the Companies Act, 2013 (Net of deferred tax of Rs. 319,678/-) (Refer note 39)	620,828
	<u>678,933,238</u>
Add : Profit for the year	218,581,708
Less: Proposed dividend (Re.0.70 per share [Previous year : Re. 0.60/-])	24,853,395
Tax on dividend	5,059,566
Transferred to General reserve	25,000,000
	<u>54,912,961</u>
Closing balance	842,601,985
	<u><b>1,279,016,988</b></u>

**Note 5: Deferred tax Assets /(Liabilities) (net)**

Deferred Tax Liability	
Depreciation	(13,889,915)
	<u>(13,889,915)</u>
Deferred Tax Asset	
Provision for doubtful debts / advances	7,625,534
Disallowances under section 43B of the income tax act	6,305,228
Provision for gratuity	3,084,416
Under section 40 (a)(ia) of the income tax act	9,334,871
Provision for inventory obsolescence	8,208,486
	<u>34,558,535</u>
<b>Deferred tax Assets / (Liabilities) (net) Total</b>	<u><b>20,668,620</b></u>

**Note 6: Other long-term liabilities**

Security deposits received	452,641
	<u><b>452,641</b></u>

## Notes forming part of the consolidated financial statements

		As at 31st March, 2015
		Rupees
<b>Note 7: Long-term provisions</b>		
Provision for employee benefits		
-	Provision for gratuity	2,221,951
-	Provision for leave encashment	15,347,477
	<b>Total</b>	<b>17,569,428</b>
<b>Note 8: Short-term borrowings</b>		
Balances with banks		
-	In cash credit accounts ( Refer note 38 )	22,742,889
	<b>Total</b>	<b>22,742,889</b>
<b>Note 9: Trade Payables</b>		
Trade payables (Refer note 37)		
	<b>Total</b>	<b>1,150,677,494</b>
<b>Note 10: Other current liabilities</b>		
Unearned revenue		
		329,174
Unpaid dividends		
		771,518
Statutory dues		
		19,346,496
Disputed demand of V.A.T./ C.S.T. authorities (Refer note 27(b))		
		5,765,848
Payables for purchase of Fixed assets		
		1,024,650
Advance from customers		
		226,669
	<b>Total</b>	<b>27,464,355</b>
<b>Note 11: Short-term provisions</b>		
Provision for employee benefits		
-	Provision for gratuity	6,954,356
-	Provision for leave encashment	3,577,944
		10,532,300
Other provisions		
-	Income-tax (net of advance tax)	21,533,385
-	Proposed dividend	24,853,395
-	Corporate dividend tax	5,059,566
		51,446,346
	<b>Total</b>	<b>61,978,646</b>

## Notes forming part of the consolidated financial statements

## Note 12: Fixed Assets

(Rupees)

Nature of assets	Gross Block						Depreciation/Amortisation					Net block	
	As at 1 April, 2014	Pursuant to acquisition of subsidiary	Additions	Deletions/ Adjustments	As at 31 March, 2015	Upto 31 March, 2014	Pursuant to acquisition of subsidiary	For the year	Deletions	Adjustments (Refer Note no.39)	Upto 31 March, 2015	As at 31 March, 2015	
<b>A. Tangible assets</b>													
Office Premises	190,343,442	-	-	-	190,343,442	30,898,216	-	2,826,807	-	-	33,725,023	156,618,419	
Plant and Equipments	3,721,018	-	1,405,391	-	5,126,409	1,458,787	-	359,604	-	-	1,818,391	3,308,018	
Electrical installations	2,435,364	-	-	-	2,435,364	389,743	-	298,845	-	-	688,588	1,746,776	
Furniture and Fixtures	20,556,992	-	3,569,719	69,817	24,056,894	5,482,229	-	3,152,717	20,130	-	8,614,816	15,442,078	
Office equipment	33,203,518	2,254,611	7,924,136	2,479,823	40,902,442	14,932,506	863,573	9,938,299	2,227,139	940,506	24,447,745	16,454,697	
Vehicles	1,943,142	-	3,017,607	-	4,960,749	1,787,851	-	325,799	-	-	2,113,650	2,847,099	
	<b>252,203,476</b>	<b>2,254,611</b>	<b>15,916,853</b>	<b>2,549,640</b>	<b>267,825,300</b>	<b>54,949,332</b>	<b>863,573</b>	<b>16,902,071</b>	<b>2,247,269</b>	<b>940,506</b>	<b>71,408,213</b>	<b>196,417,087</b>	
<b>B. Intangible assets</b>													
Computer Software	6,549,893	1,220,000	912,031	104,293	8,577,631	5,109,314	284,667	986,477	104,293	-	6,276,165	2,301,466	
	<b>6,549,893</b>	<b>1,220,000</b>	<b>912,031</b>	<b>104,293</b>	<b>8,577,631</b>	<b>5,109,314</b>	<b>284,667</b>	<b>986,477</b>	<b>104,293</b>	<b>-</b>	<b>6,276,165</b>	<b>2,301,466</b>	
<b>Grand Total A+B</b>	<b>258,753,369</b>	<b>3,474,611</b>	<b>16,828,884</b>	<b>2,653,933</b>	<b>276,402,931</b>	<b>60,058,646</b>	<b>1,148,240</b>	<b>17,888,548</b>	<b>2,351,562</b>	<b>940,506</b>	<b>77,684,378</b>	<b>198,718,553</b>	

## Notes forming part of the consolidated financial statements

		As at 31st March, 2015
		Rupees
<b>Note 13: Goodwill on consolidation</b>		
Opening Balance		-
Add: On acquisition of a subsidiary during the year		153,496,461
	<b>Total</b>	<b>153,496,461</b>
<b>Note 14: Long-term loans and advances (unsecured)</b>		
(a) Considered good:		
Security deposits paid		15,292,625
Advance payment of taxes (net of provision)		8,213,457
Customs duties recoverable		6,543,161
Capital Advances		275,000
		<b>30,324,243</b>
(b) Considered doubtful:		
Customs duties recoverable		5,696,262
Less: Provision		(5,696,262)
		-
	<b>Total</b>	<b>30,324,243</b>
<b>Note 15: Inventories (valued at lower of cost and net realisable value)</b>		
Traded goods [including Goods-in-transit Rs. 289,947,340/-]		781,218,460
	<b>Total</b>	<b>781,218,460</b>
<b>Note 16: Trade receivables (Unsecured)</b>		
a Debts outstanding for a period exceeding six months from the due date		
Considered good		858,388
Considered doubtful		14,928,324
		15,786,712
Less: Provision		(14,928,324)
		858,388
b Other Trade receivables		
Considered good		1,419,494,234
Considered doubtful		1,135,584
		1,420,629,818
Less: Provision		(1,135,584)
		1,419,494,234
	<b>Total</b>	<b>1,420,352,622</b>
<b>Note 17: Cash and Cash equivalents</b>		
Cash on hand		22,800
Balances with banks		
- In current accounts		2,996,953
- In deposit accounts		5,000,000
- In earmarked accounts		
- Unpaid dividend accounts		773,148
		8,770,101
	<b>Total</b>	<b>8,792,901</b>

## Notes forming part of the consolidated financial statements

	As at 31st March, 2015
	Rupees
<b>Note 18: Short-term loans and advances (Unsecured, considered good)</b>	
a) Considered good :	
Security deposits paid	598,040
Service tax input credit receivable	5,535,211
Customs and other duties recoverable	3,599,826
Prepaid expenses	4,039,918
Advances to suppliers	2,645,298
Advances to employees	874,589
	<b>17,292,882</b>
b) Considered doubtful:	
Security Deposits Paid	292,110
Less: Provision	(292,110)
	-
<b>Total</b>	<b>17,292,882</b>
<b>Note 19: Other Current Assets</b>	
Mark to Market gain on foreign exchange forward contracts	40,378
Interest accrued on deposits	8,630
<b>Total</b>	<b>49,008</b>
	<b>For the year ended 31st March, 2015</b>
<b>Note 20: Revenue from operations</b>	
Sale of traded goods (Networking products)	6,231,236,872
<b>Sale of services</b>	
Software Exports	151,254,409
Software Domestic	3,750,000
Others	8,351,654
	163,356,063
Other operating revenues	
- Duty drawback	11,719,788
- DEPB licence income	158,740
- Commission Income	1,765,368
	13,643,896
<b>Total</b>	<b>6,408,236,831</b>
<b>Note 21: Other income</b>	
<b>Interest</b>	
- On fixed deposits with banks	99,497
- On delayed payments by customers.	4,025,698
- On Income-tax refund	1,367,812
	5,493,007
Dividend on current investments (non-trade)	892,127
Profit on sale of current investments (non-trade) (net)	1,013,163
Sundry balances written back	80,066
Profit on sale of fixed Assets	10,997
Exchange gain (net)	7,791,191
Miscellaneous income	8,377
<b>Total</b>	<b>15,288,928</b>

Notes forming part of the consolidated financial statements

	As at 31st March, 2015	
	Rupees	
<b>Note 22: Changes in inventories of traded goods</b>		
Closing Stock	781,218,460	
Less: Opening Stock	631,735,658	
<b>Increase</b>	<b>(149,482,802)</b>	
<b>Note 23: Employee benefits expense</b>		
Salaries, wages and bonus	382,331,219	
Contribution to provident and other funds	25,175,278	
Staff welfare expenses	10,254,342	
<b>Total</b>	<b>417,760,839</b>	
<b>Note 24: Finance Cost</b>		
Interest		
- On cash credit accounts	3,025,101	
- On delayed payments of Income-tax / service tax	1,617,603	
<b>Total</b>	<b>4,642,704</b>	
<b>Note 25: Other Expenses</b>		
Sales and customer support services	6,089,980	
Power	10,180,818	
Rent including lease rentals	41,139,577	
Rates and taxes	3,874,059	
Insurance	8,615,107	
<u>Repairs and maintenance:</u>		
- Office premises	4,936,202	
- Others	6,124,698	
	11,060,900	
Travelling and conveyance expenses	37,561,291	
Communication expenses	10,538,065	
Advertisement and sales development expenses	151,059,182	
Commission on sales	116,125,100	
Servicing expenses	60,823,017	
Software License Support Fee	1,016,666	
Provision for doubtful debts and advances (net of amounts written back Rs. 996,347/- (previous year Rs. 82,500/-))	14,454,849	
Legal and professional fees	40,625,288	
Bad debts/Advances written off	770,928	
Miscellaneous expenses	31,115,487	
<b>Total</b>	<b>545,050,314</b>	
<b>Note 26:</b>		
The Consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 on 'Consolidated Financial Statements' (AS-21) specified under section 133 of the Companies Act, 2013, read with Rule 7 of the Companies Accounting Rules, 2014.		
The details of the subsidiary is as under:		
Subsidiary (incorporated in India)	Percentage holding	Date of the Financial Statements
TeamF1 Networks Private Limited	99%	31st March, 2015

## Notes forming part of the consolidated financial statements

**Note 27: a) Contingent liabilities**

Contingent liabilities of the parent Company, in respect of Custom duty paid under protest.

The same is included under "customs duties recoverable" in note no.14 pending resolution of the dispute. 6,312,963

The trading material / software imported are subjected to different rates of customs duty based on classification under respective Tariff Head. The Customs department has objected to the classifications adopted for certain items and has demanded additional duty for the same. The differential duty has been paid under protest. The matter is pending with Central Excise and Service Tax Appellate Tribunal for hearing.

Disputed demand on the parent Company from commercial tax officer Margao, Government of Goa, towards value added tax (VAT) / central sales tax (CST)

10,435,455

The parent Company had filed appeal against the assessment order dated 22nd March, 2013 before the Addl. Commissioner of Commercial Taxes, Panaji - Goa requesting for Stay of the recovery of disputed amount of tax, demanded for the Assessment Year 2009-10. The parent Company is awaiting personal hearing from the Addl. Commissioner of Commercial Taxes.

**b)** In addition to the above, the parent Company has disputed the demands from the commercial tax office Margao, Government of Goa towards VAT/CST, mainly relating to 'C' forms from customers, aggregating Rs. 4,237,323 (Previous year Rs. 2,484,009), including interest aggregating Rs. 1,528,525 (Previous year Rs. 730,742). Then parent Company, out of abundant caution has provided for the aforesaid demands (Refer note 10), but is pursuing the matter in appeal with the authorities and is hopeful of succeeding in the appeal.

**Note 28:**

- a) The parent Company enters into foreign exchange forward contracts to offset the foreign currency risk arising from the amounts denominated in currencies other than the Indian rupee. The counter party to the parent Company's foreign currency forward contracts is generally a bank. These contracts are entered into to hedge the foreign currency risks of firm commitments.

**The following are the outstanding forward exchange contracts entered into by the parent company:**

Currency	Amount Outstanding at year end in Foreign currency	Amount outstanding at year end in Rupees	Exposure to Buy/Sell
US Dollar	550,797	34,938,871	Sell

- b) The year-end foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:  
Amount receivable in foreign currency on account of the following:

	As at 31st March, 2015	
	In Foreign Currency	In Rupees
Receivables	USD 216,243	13,261,340

Amount payable in foreign currency on account of the following:

	As at 31st March, 2015	
	In Foreign Currency	In Rupees
Payables	USD 8,824,182	551,512,878

		For the Year Ended 31st March, 2015
		Rupees
<b>Note 29: Payment to Auditors</b>		
As Auditors - Statutory Audit		1,500,000
For Limited Review		180,000
For Audit of financial information for year ended 31st December, 2014		250,000
For Taxation matters		300,000
For Other services - certification etc.		115,000
For Reimbursement of expenses		-
For Service tax		289,842
<b>Total</b>		<b>2,634,842</b>

## Notes forming part of the consolidated financial statements

	As at 31st March, 2015
	Rupees
<b>Note 30:</b>	
<b>a) Details of Sale of traded goods</b>	
Networking products	6,231,236,872
<b>b) Details of Sale of Services</b>	
Software	155,004,409
Others	8,351,654
<b>c) Details of purchase of traded goods</b>	
Networking products	5,256,589,721
<b>d) Details of inventory of traded goods</b>	
Networking products	781,218,460
<b>Note 31:</b>	
<b>A The disclosure as required under Accounting Standard 15 on 'Employee Benefits' (AS-15) regarding the group's defined benefit plan is as follows:</b>	
<b>I. Reconciliation of opening and closing balances of Defined Benefit obligation</b>	
	<b>Gratuity (funded)</b>
Defined Benefit obligation at the beginning of the year	9,394,012
Current Service Cost	9,790,833
Interest Cost	857,308
Actuarial (gain) / loss	11,561,972
Benefits paid	(143,779)
Defined Benefit obligation at the end of the year	31,460,346
<b>II. Reconciliation of opening and closing balances of fair value of plan assets</b>	
Fair value of plan assets at beginning of the year	8,654,772
Opening Adjustments	1,066,614
Expected return on plan assets	1,023,817
Actuarial gain/(loss)	60,461
Employer contribution	11,601,119
Benefits paid	(143,779)
Fair value of plan assets at year end	22,263,004
<b>III Reconciliation of fair value of assets and obligations</b>	
Present value of obligation as at 31st March, 2015.	31,460,346
Fair value of plan assets as at 31st March, 2015.	22,263,004
Amount recognized in Balance Sheet	(9,197,342)
<b>IV Expense recognized during the year</b>	
(Under the head employee benefits expenses - Refer Note 23)	
Current Service Cost	9,790,833
Interest Cost	857,308
Expected return on plan assets	(1,023,817)
Adjustment towards expenses accounted in previous years	(1,066,614)
Actuarial (gain) / loss	11,501,511
<b>Net Cost</b>	<b>20,059,221</b>
<b>V Actuarial assumptions</b>	
Discount rate (per annum)	7.77%
Expected rate of return on plan assets (per annum)	8.00%
Rate of escalation in salary (per annum)	17-21%
Employee Attrition Rate	5-15%

## Notes forming part of the consolidated financial statements

	As at 31st March, 2015
	Rupees
<b>VI</b> The assumptions of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment. The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets are furnished below; <u>Experience Adjustment</u>	
a. due to change in Actuarial assumption	12,023,791
b. Experience (Gain) / Loss on obligation	(461,819)
c. Actuarial gain / (loss) on plan assets	60,461
Present value of benefit obligation	31,460,346
Fair value of plan assets	22,263,004
Excess of (obligation over plan assets) / plan assets over obligation	(9,197,342)
<b>VII</b> The contributions expected to be made by the group during the financial year 2015-16 is Rs. 6,954,356/-. The plan assets are managed by the Gratuity trust formed by the group. The funds of Parent Company are held in the Bank Account of the gratuity trust and that of Subsidiary Company in "Employee Group Gratuity Scheme" managed by Life Insurance Corporation of India as on March 31, 2015. Subsequently, the funds of the Parent Company are invested in "Bajaj Allianz group debt fund" managed by Bajaj Allianz Life Insurance Company.	
<b>B</b> The disclosure as required under AS-15 regarding the group's defined contribution plans is as follows :	
i) Contribution to provident fund Rs. 5,234,416/-.	

**Note 32: Lease transactions****Operating leases**

The group has taken premises on cancellable operating lease basis. The tenure of the agreement ranges from 33/60 months. There are no renewal or purchase options and escalation clauses in these agreements.

The lease rentals for the year charged to revenue are Rs. 41,139,577/-.

**Note 33: Related party disclosures****a) Name of related parties where control exists**

D-Link Holding Mauritius Inc.	Holding Company
D-Link Corporation, Taiwan	Ultimate Holding Company
TeamF1 Networks Private Limited	Subsidiary Company (w.e.f. 29th May 2014)

**b) List of related parties with whom transactions have taken place during the year and nature of relationship**

Name of the related parties	Nature of relationship
D-Link Corporation	Ultimate Holding Company
D-Link (Europe) Ltd	Fellow Subsidiary
D-Link International (Singapore)	Fellow Subsidiary
D-Link Canada Inc.	Fellow Subsidiary
D-Link Middle East - FZCO	Fellow Subsidiary
D-Link Japan K K (DJP)	Fellow Subsidiary
D-Link International Pte. Ltd	Fellow Subsidiary
D-Link Latin America	Fellow Subsidiary
D-Link Brasil LTDA	Fellow Subsidiary
D-Link Australia Pty Limited	Fellow Subsidiary
D-Link Latin America - DLABR	Fellow Subsidiary

Mr. Yao Chuan Yang (Gary Yang)	Key management person
Mr. Chandrashekhar M. Gaonkar	Key management person (upto 23rd August 2014)
Mr. Tushar Sighat	Key management person (w.e.f. 30th September 2014)
Mr. Vinai Kolli	Key management person of Subsidiary (w.e.f. 30th May, 2014)

## Notes forming part of the consolidated financial statements

## (c) Details of transactions with related parties during the year: (Rupees)

Nature of transactions	Ultimate Holding Company / Holding Company	Fellow Subsidiary	Key management person	Total
<b>Purchase of traded goods</b>				
D-Link International (Singapore)		14,652,972		14,652,972
D-Link International Pte. Ltd.		3,120,138,236		3,120,138,236
D-Link Corporation	2,226,682			2,226,682
Others		69,384,857		69,384,857
<b>Sale of traded goods</b>				
D-Link International (Singapore)		2,590,473		2,590,473
D-Link Middle East-FZCO		13,061,036		13,061,036
D-Link Latin America		3,313,916		3,313,916
Others		247,709		247,709
<b>Sale of Software Services</b>				
D-Link International (Singapore)		111,517,021		111,517,021
TeamF1 Inc., USA		39,737,388		39,737,388
<b>Professional fees paid</b>				
D-Link Corporation	13,202,438			13,202,438
<b>Reimbursement of expenditure</b>				
D-Link Corporation	1,844,537			1,844,537
D-Link Middle East-FZCO		209,141		209,141
D-Link International Pte. Ltd.		301,147		301,147
<b>Reimbursement of expenditure (Income)</b>				
D-Link International Pte. Ltd		7,306,088		7,306,088
D-Link Holding Mauritius Inc.	40,017			40,017
<b>Managerial Remuneration</b>				
Mr. Chandrashekhar M. Gaonkar			1,675,310	1,675,310
Mr. Yao Chuan Yang (Gary Yang)			3,877,960	3,877,960
Mr. Tushar Sighat			19,190,065	19,190,065
Mr. Vinai Kolli (K.M.P. of Subsidiary)			9,751,667	9,751,667
<b>Salaries</b>				
Mrs. Annapurna K Kolli - HR Technical			364,000	364,000
<b>Dividend paid</b>				
D-Link Holding Mauritius Inc.	10,868,798			10,868,798
Mr. C.M.Gaonkar			45,528	45,528
<b>As at the year end</b>				
<b>Amount due to</b>				
D-Link International Pte. Ltd		771,905,701		771,905,701
D-Link International (Singapore)		745,606		745,606
D-Link Corporation	12,183,591			12,183,591
Others		2,620,018		2,620,018
<b>Amount due from</b>				
D-Link International Pte. Ltd		620,665		620,665
D-Link Middle East-FZCO		824,868		824,868
D-Link International (Singapore)		11,753,320		11,753,320
Other		254,594		254,594
<b>Minority Interest</b>				
D-Link Holding Mauritius Inc.	1,609			1,609

## Notes forming part of the consolidated financial statements

**Note 34: Segment information**

(A) Segment information for primary segment reporting (by business segment)

The Company has two business segments:-

- Trading of Networking Products "Trading" - Marketing and Distribution of Networking products.
- Development of Networking Software "Software" - Development and sale of Network Security Software and develop and test new applications/ enhancement and provide maintenance support for existing applications.

(in Rupees)

Particulars	Trading	Software	Total
<b>REVENUE</b>			
From external customers	6,253,232,422	155,004,409	6,408,236,831
<b>Total Revenue</b>	<b>6,253,232,422</b>	<b>155,004,409</b>	<b>6,408,236,831</b>
<b>RESULT</b>			
Segment Result	313,087,878	7,188,361	320,276,239
Operating Profit	313,087,878	7,188,361	320,276,239
Other income	15,343,403	99,497	15,442,900
Finance cost	4,642,694	10	4,642,704
Profit before tax	323,788,587	7,287,848	331,076,435
Tax expense	110,776,736	1,717,478	112,494,214
Net Profit after Tax	213,011,851	5,570,370	218,582,221
<b>OTHER INFORMATION</b>			
<b>Segment Assets</b>	<b>2,438,476,991</b>	<b>38,940,298</b>	<b>2,477,417,289</b>
Unallocated Corporate Assets	153,496,461	-	153,496,461
Total assets	2,591,973,452	38,940,298	2,630,913,750
<b>Segment Liabilities</b>	<b>1,258,739,656</b>	<b>22,145,797</b>	<b>1,280,885,453</b>
Unallocated Corporate Liabilities	-	-	1,609
Total liabilities	1,258,739,656	22,145,797	1,280,887,062
<b>Capital expenditure during the year</b>			
- Additions to segment assets	14,440,939	2,387,945	16,828,884
<b>Depreciation/Amortisation</b>	<b>17,015,740</b>	<b>872,808</b>	<b>17,888,548</b>

(B) Segment information for secondary segment reporting (by geographical segments)

The secondary reporting segment for the Company is the geographical segment based on location of customers, which is as follows:

- Domestic
- Export

Information about secondary segments

(Rupees)

Particulars	Domestic	Exports	Unallocated	Total
Revenues from external customers (net)	6,009,041,111	385,551,824	-	6,394,592,935
Segment assets	2,565,658,173	48,200,211	17,055,366	2,630,913,750
Additions to fixed assets during the year	16,828,884	-	-	16,828,884

**Note 35:**

Earnings per share is calculated by dividing the profit attributable to the Equity shareholders by the weighted average number of Equity shares outstanding during the year, as under:

	Year ended 31st March, 2015
Profit attributable to equity shareholders (Rupees)	218,581,708
Weighted average number of Equity Shares outstanding during the year	34,615,809
Basic/diluted earnings per share (Rupees)	6.31
Nominal value per share (Rupees)	2.00

## Notes forming part of the consolidated financial statements

## Note 36: Other disclosures

	For the year ended 31st March, 2015
	Rupees
a. <u>C.I.F. value of goods imported</u>	
Traded goods	3,541,952,817
Capital goods	-
b. <u>Expenditure in foreign currency</u>	
Travelling expenses	968,588
Professional Fees	13,202,438
Others	18,232,001
c. <u>Earnings in foreign exchange</u>	
F.O.B. value of exports	385,551,824
d. <u>Amount remitted during the year in foreign currency on account of dividend</u>	
Number of non-resident shareholders	3
Number of shares held by them on which dividend is due	18,214,663
Year to which dividend relates	2013-14
Amount of dividend remitted in Rupees	10,928,798

Other than the above, the Company has not remitted any amount in foreign currencies on account of dividends during the year and does not have information as to the extent to which remittances, if any, in foreign currencies on account of dividend have been made by non-resident shareholders.

## Note 37:

The disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 have been made on the basis of confirmations received from suppliers regarding their status under the said act;

Particulars	For the year ended 31st March, 2015
	Rupees
1 Outstanding principal Amount and Interest as on 31st March 2015	
- Principal Amount	32,999,535
- Interest due thereon	-
2 Amount of interest paid along with the amounts of payment made beyond the appointed day	-
3 Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	-
4 The amount of interest accrued and remaining unpaid at the end of each accounting year.	-
5 The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act	-

## Note 38:

Cash Credit accounts with banks are secured by charge ranking pari passu, by way of hypothecation of stock and book debts both present and future.

## Note 39:

During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from 1st April 2014, the group revised the estimated useful life of its assets to align the useful life with those specified in Schedule II. Pursuant to the transitional provisions prescribed in Schedule II to the Companies Act, 2013, the group has fully depreciated the carrying value of assets net of residual value, where the remaining useful life of the asset was determined to be nil as on 1st April, 2014, and has adjusted an amount of Rs. 620,828/- (net of deferred tax of Rs. 319,678/-) against the opening Surplus balance in the Statement of Profit and Loss. The depreciation expense in the Statement of Profit and Loss for the year is lower by Rs. 1,246,504/- and profit for the year is higher by the like amount consequent to the change in the useful life .

## Note 40:

During the year, the subsidiary Company has changed the method of providing Depreciation from Written Down Value method to Straight Line Method. An amount of Rs. 44,405/- representing surplus on the change in method has been credited to Statement of Profit and Loss.

## Note 41:

As per the provisions of section 135 of the Companies Act, 2013, the Parent Company is required to spend Rs. 3,201,047/- towards Corporate Social Responsibility (CSR) activities. The Parent Company has not spent any amount during the year and intends to do so in coming financial years in line with the CSR policy of the company.

## Notes forming part of the consolidated financial statements

**Note 42:**

During the year, the Parent Company has changed its leave encashment policy, reducing the maximum leave accumulation per employee from 45 days to 10 days. As a result of this change, there is a reduction in the amount of provision required for leave encashment as at the year end. Accordingly, employee benefits expense for the year ended 31st March 2015 is lower by Rs. 13,763,156/- and the profit before tax for the year is higher by a like amount.

**Note 43:**

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
TeamF1 Networks Private Limited	1.24%	16,794,502	2.42%	5,289,866

**Note 44:**

The remuneration of Mr Vinai Kolli (Managing Director) of the subsidiary company for the period from 29th May, 2014 to 31st March, 2015 is in excess of the limits specified in Schedule V of the Companies Act, 2013 by Rs. 6,260,282/- and hence is subject to the approval of the Central Government under section 197 of the Act. The Company has made an application to the Central Government on 22nd February, 2015, the approval of which is awaited.

**Note 45:**

The Parent Company has acquired the subsidiary TeamF1 Networks Private Limited in the current year consequently, this is the first period for which the Parent Company has prepared the consolidated financial statements, hence there are no figures for the previous year.

**Signatures to Notes 1 to 45**

In terms of our report attached  
**For Deloitte Haskins & Sells LLP**  
 Chartered Accountants

**A. B. Jani**  
 Partner

Mumbai, dated: 19th May, 2015

**For and on behalf of the Board of Directors**

**Gary Yang**  
 Managing Director

**C. M. Gaonkar**  
 Chief Financial Officer

Mumbai, dated: 19th May, 2015

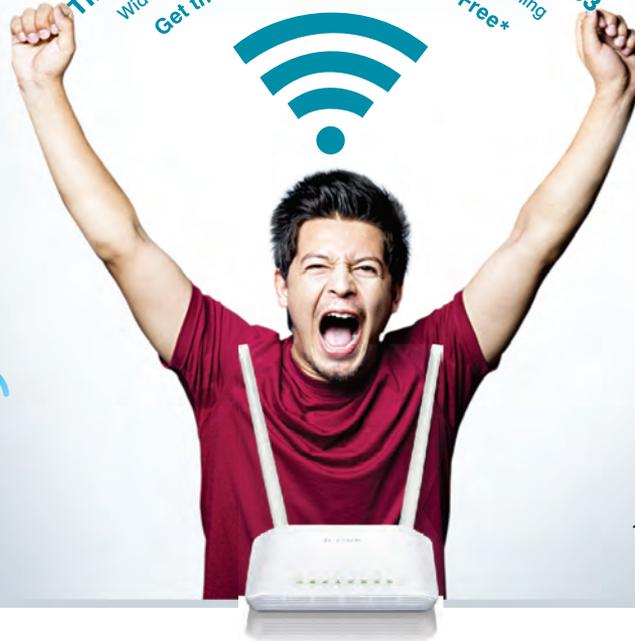
**Tushar Sighat**  
 Executive Director & CEO

**Shrinivas Adikesar**  
 Company Secretary



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**1.3Ghz**  
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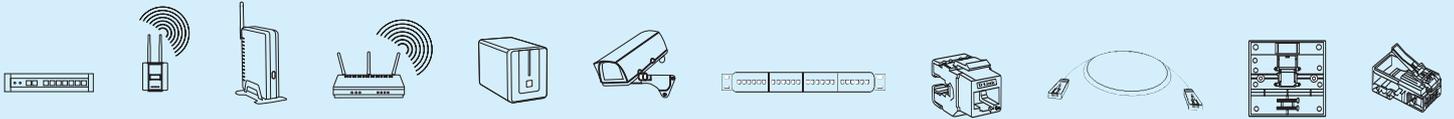


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D-Link (India) Limited  
CIN: L72900GA2008PLC005775  
Registered office:  
Plot No. U02B, Verna Industrial Estate  
Verna, Goa – 403722, India  
Tel: 0832-2885800 Fax: 0832-2885823

Corporate Office:  
Kalpataru Square, 2nd Floor,  
Unit No. 24, Kondivita Lane,  
Off. Andheri Kurla Road,  
Andheri East, Mumbai - 400059, India  
Tel: 022-29215700 Fax: 022-28301901

[www.dlink.co.in](http://www.dlink.co.in)

FORM A

Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	D-Link (India) Limited
2.	Annual Standalone financial statements for the year ended	31st March, 2015.
3.	Type of Audit observation	No qualifications / Matter of Emphasis in the Audit report for the year ended March 31, 2015.
4.	Frequency of observation	Not Applicable
5.	Signed by:-  Mr. Gary Yang <i>Managing Director</i>  Mr. C. M. Gaonkar <i>Chief Financial officer</i>  Mr. Rajaram Ajgaonkar <i>Audit Committee Chairman</i>	 <hr/>  <hr/> 

Auditor of the company;

Refer our Audit Report dated May 19, 2015 on the Standalone Financial Statements of the Company.

For **DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**  
**(Firm Registration No. 117366W/W-100018)**



**A. B. Jani**  
Partner  
Membership No.: 46488

Mumbai, May 19, 2015

**FORM - A**

**Covering letter of the annual audit report to be filed with the stock exchanges**

1.	Name of the Company:	<b>D-Link (India) Limited</b>
2.	Annual Consolidated Financial statements for the year ended	<b>31st March, 2015.</b>
3.	Type of Audit observation	1) No qualifications. 2) Matter of Emphasis in the Consolidated Audit report for the year ended March 31, 2015. <b>Emphasis of Matter</b> paragraph in the Auditor's report is as follows; " We draw attention to Note 44 to the consolidated financial statements regarding payment of remuneration to the Managing Director of the subsidiary in excess of the limits laid down under section 197 of the Act, pending approval from the Central Government".
4.	Frequency of observation	The matter referred to in the "Emphasis of Matter" paragraph of the Auditor's report on the Consolidated Financial Statements for the year ended March 31, 2015 is appearing for the first time.
5.	Signed by:- Mr. Gary Yang <i>Managing Director</i>  Mr. C. M. Gaonkar <i>Chief Financial officer</i>  Mr. Rajaram Ajgaonkar <i>Audit Committee Chairman</i>	

Auditor of the company;

Refer our Audit Report dated May 19, 2015 on the Consolidated Financial Statements of the Company.

For **DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**  
**(Firm Registration No. 117366W/W-100018)**



**A. B. Jani**  
Partner  
Membership No.: 46488

Mumbai, May 19, 2015

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Seventh Annual General Meeting (AGM) of the members of D-Link (India) Limited will be held on Saturday, August 29, 2015 at 11:00 a.m. at Kesarval Gardens, Verna, Salcette, Goa - 403722, to transact the following business:

### ORDINARY BUSINESS:

- To receive, consider, approve and adopt;
  - the Audited Standalone Balance Sheet of the Company as at 31st March, 2015, and the Statement of Profit and Loss for the financial year ended on that date together with the Reports of the Directors' and Auditors' thereon and;
  - the Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2015 together with the Report of Auditors' thereon.
- To consider declaration of dividend for the financial year ended March 31, 2015.
- To consider appointment of a Director in the place of Mr. Yao Chuan Yang (Mr. Gary Yang) (DIN: 02609366), who retires by rotation and being eligible, offers himself for re-appointment.
- To consider and approve ratification of appointment of Auditors of the Company;

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

**"RESOLVED THAT** pursuant to the provisions of Section 139, 141 and all other applicable provisions, if any, of the Companies Act, 2013 read with the rules made thereunder and ordinary resolution passed by the members at the Sixth Annual General Meeting, the appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Registration No. 117366W/W-100018), as Auditors of the Company be and is hereby ratified for the financial year 2015-16, to hold office from the conclusion of this AGM till the conclusion of the next AGM of the Company and hereby authorize the Board of Directors to fix their remuneration."

### SPECIAL BUSINESS

#### 5. To consider adoption of new set of Articles of Association of the Company;

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

**"RESOLVED THAT** pursuant to the provisions of Section 5, 14 and all other applicable provisions, if any, of the Companies Act, 2013, read with Schedule I made thereunder and the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the existing set of Articles of Association of the Company be and is hereby replaced, altered, modified and revised as per the new set of Articles of Association and the new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in substitution of the existing Articles of Association."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### 6. To consider appointment of Mr. Tushar Sighat as Director of the Company;

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force), Mr. Tushar Sighat (DIN:06984518), who

holds office upto the date of this Annual General Meeting, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

#### 7. To consider appointment of Mr. Tushar Sighat as Whole-time Director and designated as Executive Director & CEO of the Company;

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

**"RESOLVED THAT** pursuant to the provisions of Sections 2(94), 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force) (hereinafter referred to as "Act"), consent of the members of the Company be and is hereby accorded for the appointment of Mr. Tushar Sighat (DIN: 06984518) as a Director in the whole-time employment of the Company and be designated as "Executive Director & CEO" (whose term of office shall be liable to retire by rotation) for a period of 5 years with effect from October 1, 2014 at such remuneration as recommended by the Nomination and Remuneration Committee and as approved by the Board, subject to and within the overall ceiling of remuneration payable, as prescribed under the Act."

**"RESOLVED FURTHER THAT** pursuant to the applicable provisions of the Act, Mr. Tushar Sighat shall be entitled to the following remuneration for his services during the tenure as the Executive Director & CEO of the Company with effect from October 1, 2014:

- Basic Salary: Rs.300,000/- per month with such annual increment in salary as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time subject to a ceiling of Rs.600,000/- per month.
- Other Allowances: Rs.600,000/- per month with such annual increment as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time, subject to a ceiling of Rs.1,200,000/- per month.
- Performance linked variable pay and / or any other compensation as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time and the same may be made on a pro-rata basis every month or on an annual basis subject to maximum of Rs.20,000,000/- per annum.
- Perquisites : In addition to the Salary as set out above, the Executive Director & CEO shall be entitled to the following perquisites:
  - House Rent Allowance equivalent to 40% of the Basic Salary.
  - Use of Company's car for official duties and telephone shall not be considered as perquisites.
  - Reimbursement of all Medical expenses upto maximum of Rs.25 lakhs p.a.
  - Provident Fund and Gratuity as per the applicable laws and rules.
  - Earned Leave encashment as per the rules of the Company.
  - For the purpose of calculating the above perquisites, valuation shall be done as per Income Tax Act and Rules made thereunder, wherever applicable and in the absence of any such rule, perquisites shall be valued at actual cost.

Other Terms and Conditions:

- in the event of absence or inadequacy of profits in any financial year, the remuneration as set out above shall be paid to the Executive Director & CEO as minimum remuneration during the continuance of the tenure of the Executive Director & CEO, subject to approval from the Central Government as required under the Act.

- ii) the appointment may be terminated by either party by giving at least 90 days' prior notice in writing in that behalf to the other party or 90 days salary in lieu thereof.

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary including alter or vary any or all of the terms of appointment without any further reference to the Company in General Meeting, within the overall limits of remuneration approved by the shareholders as above."

**8. To consider appointment of Mr. Vinai Kolli as Director of the Company;**

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

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 read with the rules made thereunder (including any statutory modification(s) from time to time or any re-enactment thereof for the time being in force), Mr. Vinai Kolli (DIN:01568068), who holds office upto the date of this Annual General Meeting, be and is hereby appointed as the Director of the Company, liable to retire by rotation."

**9. To consider appointment of Mr. Vinai Kolli as Whole-time Director of the Company;**

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

"**RESOLVED THAT** subject to the provisions of sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactments thereof for the time being in force), consent of the members of the Company be and is hereby accorded for the appointment of Mr. Vinai Kolli (DIN:01568068) as the Whole-time Director of the Company for a period of 5 years, without any remuneration, commencing on and from December 18, 2014."

**10. To consider appointment of Ms. Sue-Fung Wang as Director of the Company;**

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

"**RESOLVED THAT** pursuant to the provisions of section 149 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any modification or re-enactment thereof) read with Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Ms. Sue-Fung Wang (DIN: 06979219), who holds office upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to September 29, 2019."

**11. To consider and approve variation in the terms of payment of remuneration to Managing Director;**

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

"**RESOLVED THAT** in partial modification of the earlier approval for payment of remuneration to Mr. Gary Yang (Mr. Yao Chuan Yang) - Managing Director vide special resolution passed by the members of the Company on May 7, 2014 and subject to the provisions of Sections 196, 197, 198, 203 read with the rules made thereunder and Schedule V and other applicable provisions of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded for the variation in the terms and conditions of the existing arrangement between the Company and Mr. Gary Yang - Managing Director, for the remaining period of his tenure of office as detailed below;

Particulars	Existing terms upto March 31, 2015.	Amended/Revised terms effective from April 1, 2015.
Basic Salary:	In the scale of Rs.50,000/- to Rs.100,000/- per month as the Board may decide from time to time.	In the scale of Rs.50,000/- to Rs.200,000/- per month as the Board may decide from time to time.
Special Allowances:	In the scale of Rs.75,000/- to Rs.150,000/- per month as the Board may decide from time to time.	In the scale of Rs.75,000/- to Rs.300,000/- per month as the Board may decide from time to time.
Performance linked variable pay and / or any other compensation:	Not exceeding Rs.20,00,000/- per annum as may be decided by the Board from time to time and the same may be made on a pro-rata basis every month or on an annual basis at the discretion of the Board.	Not exceeding Rs.1 crore per annum as may be decided by the Board from time to time and the same may be made on a pro-rata basis every month or on an annual basis at the discretion of the Board.

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to vary/alter the terms of payment of remuneration to Mr. Gary Yang - Managing Director based on the recommendation of the Nomination and Remuneration Committee from time to time, within the overall limits approved by the members as above."

"**RESOLVED FURTHER THAT** except as above, all other terms and conditions as agreed between the Company and Mr. Gary Yang - Managing Director and approved by the members of the Company vide special resolution dated May 7, 2014 shall remain unchanged."

**12. To consider and approve Related Party Transactions with the Holding and Fellow Subsidiaries Companies;**

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

"**RESOLVED THAT** pursuant to the provisions of Clause 49 (VII) of the Listing Agreement, entered into with the Stock Exchanges, consent of the members be and is hereby accorded to enter into contracts or arrangements with D-Link International Pte Ltd and D-Link Corporation and its Subsidiaries, (related parties within the meaning of the aforesaid clause), for sale, purchase or supply of IT Networking products or materials and/or availing or rendering of any services on such terms and conditions as may be mutually agreed upon between the Company and related parties for an amount not exceeding Rs. 2,000 crores in each financial year and that such contract(s)/ transaction(s) so carried out shall at all times be on arm's length price basis and in the ordinary course of the Company's business."

"**RESOLVED FURTHER THAT** consent of the members be and is hereby accorded for ratification of the transaction(s) with related parties already entered into by the Company during the financial year ended 31st March 2015 which are material in nature in terms of Clause 49 (VII) of the Listing Agreement."

**"RESOLVED FURTHER THAT** the Board of Directors and/or any Key Managerial Persons of the Company be and is hereby authorized to undertake all such acts, deeds, matters and things to finalize and execute all such documents and writings as may be deemed necessary, proper, desirable and expedient in its absolute discretion, to enable this resolution, and to settle any question, difficulty or doubt that may arise in this regard."

**By order of the Board  
For D-Link (India) Limited**

**Shrinivas Adikesar  
Company Secretary**

Mumbai, Dated: May 19, 2015

**Registered Office:**

Plot No. U02B, Verna Industrial Estate,  
Verna, Goa - 403722, India.

**Notes:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY OR PROXIES SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business is annexed hereto.
3. The Register of Members and the Share Transfer Register will remain closed for a period of 7 days from July 31, 2015 to August 6, 2015 (both days inclusive).

The dividend recommended by the Board, if approved by the shareholders at the 7th Annual General Meeting, shall be paid to those members whose names appear on the Register of Members during the aforesaid period.

4. There is no dividend which has remained unclaimed for a period of 7 years as on March 31, 2015 and hence no unclaimed dividend is due for transfer to the Investor Education and Protection Fund (IEPF), established by the Central Government. The details of unpaid and unclaimed amounts lying with the Company as on August 23, 2014 (date of last Annual General Meeting) has been uploaded on the website of the Company ([www.dlink.co.in](http://www.dlink.co.in)).
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
6. Members are requested to send their queries, if any on the operations of the Company, to reach the Company Secretary at the Company's Registered Office, atleast 5 days before the meeting, so that the information can be compiled in advance.

7. Members are requested to register their e-mail addresses through their Depository Participant where they are holding their Demat Accounts for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the Registrar and Transfer Agents, giving reference of Folio Number.
8. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice.
9. Electronic copy of the Annual Report for 2014-15 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email IDs, physical copies of the Annual Report for 2014-15 are being sent in the permitted mode.
10. The Notice of the 7th Annual General Meeting of the Company and instructions for e-voting, along with Attendance Slip and Proxy Form is being sent to all the members by electronic mode, whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email IDs, physical copies of the aforementioned documents are being sent in the permitted mode.

11. Voting through electronic means:

**A) Voting**

- a) In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote at the 7th Annual General Meeting (AGM) by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting (remote e-voting). The business may be transacted through e-Voting Services provided by Karvy Computershare Pvt. Ltd. (Karvy).
- b) The facility for voting, through ballot paper, will also be made available at the AGM and the members attending the AGM who have not already cast their votes by remote e-voting shall be able to exercise their right to vote at the AGM through ballot paper. Members who have 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.

**B) General Instructions**

- a) The e-voting period commences on Wednesday, August 26, 2015 (9:00 am) and ends on Friday, August 28, 2015 (5:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. Friday, August 21, 2015, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently or cast the vote again.
- b) Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of the cut-off date may obtain the login ID and password by sending a request to Karvy (Ref: Unit: D-Link (India) Limited) at [evoting@karvy.com](mailto:evoting@karvy.com). However if you are already registered with Karvy for e-voting, then you can use your existing user ID and password/ PIN for casting your vote. The e-voting username and password is annexed herewith separately.
- c) A member may participate in the AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the AGM.

- d) The voting rights of shareholders shall be in proportion to their shareholding to the paid up equity share capital of the Company as on the cut-off date.
- e) Mr. Shivaram Bhat – Practising Company Secretary has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- f) The results along with the Scrutinizer's Report shall be placed on the Company's website [www.dlink.co.in](http://www.dlink.co.in) and on the website of Karvy immediately after the results are declared by the Chairman or any other person authorised by the Chairman, and the same shall be communicated to the BSE Limited and National Stock Exchange of India Limited.

## ANNEXURE TO NOTICE

### Statement pursuant to Section 102 of the Companies Act, 2013.

#### Item No. 5:

The existing Articles of Association (AoA) are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956. With the coming into force of the Companies Act, 2013 (Act) several regulations of the existing AoA of the Company require alteration or deletions. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles. The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

The proposed AoA is available for inspection at the Registered Office of the Company on all working days between 11.00 a.m. and 1.00 p.m. up to the date of AGM.

The Board of Directors of the Company recommends the resolution for approval of the members, be passed as a Special Resolution as set out in Item No. 5 of the accompanying Notice.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned in the said Special Resolution.

#### Item No. 6 & 7:

Mr. Tushar Sighat was appointed as an Additional Director of the Company with effect from September 30, 2014 and holds office upto the date of this Annual General Meeting of the Company, in terms of section 161 of the Companies Act, 2013. Mr. Sighat is associated with the Company since July 1, 2011 as the Chief Executive Officer of the Company.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Tushar Sighat for the office of the Director.

The Board of Directors of your Company recommends passing of the resolution in relation to the appointment of Mr. Tushar Sighat for the office of Director.

Further, considering his performance as the Chief Executive Officer of the Company and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends to the consideration of members, the appointment of Mr. Tushar Sighat as a Director in the Whole-time employment of the Company, to be designated as Executive Director & CEO for a period of 5 (Five) years with effect from October 1, 2014 on such terms and conditions as specified in the Resolution and agreed upon by and between him and the Board of Directors/any Committee thereof.

Pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Board recommends the appointment of Mr. Tushar Sighat as a Whole-time Director, to the Members for their approval.

Except Mr. Tushar Sighat, none of the other Directors and Key Managerial Personnel of the Company and their relatives is in any

way concerned or interested, whether financial or otherwise, in the resolution set out at Item No. 6 & 7 of the accompanying Notice.

#### Item No. 8 & 9:

Mr. Vinai Kolli was appointed as an Additional Director of the Company with effect from September 30, 2014 and holds office upto the date of this Annual General Meeting of the Company, in terms of section 161 of the Companies Act, 2013.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Vinai Kolli for the office of the Director.

The Board of Directors of your Company recommends passing of the resolution in relation to the appointment of Mr. Vinai Kolli for the office of Director.

Considering his Technical qualifications and wide experience in the IT industry and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends for the consideration of the members the appointment of Mr. Vinai Kolli as the Whole-time Director of the Company with effect from December 18, 2014 for a period of 5 years without any remuneration. Mr. Kolli is the Managing Director in TeamF1 Networks Private Limited (TeamF1), the wholly owned subsidiary of the Company, and receives remuneration from TeamF1. As such no remuneration is being proposed by the Company.

Except Mr. Vinai Kolli, none of the other Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, whether financial or otherwise, in the resolution set out at Item No. 8 & 9 of the accompanying Notice.

#### Item No. 10:

Pursuant to the second proviso to sub-section (1) of section 149 of the Companies Act, 2013 read with the rules made thereunder and clause 49 (II) (A) (1) of the Listing agreement, Ms. Sue-Fung Wang was appointed as an additional director on the Board of Directors with effect from September 30, 2014 and holds office upto the date of this AGM of the Company.

The Company has received a declaration from Ms. Sue-Fung Wang that she meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. The Company has received consent in writing to act as Director in Form DIR- 2 and intimation in Form DIR-8 to the effect that she is not disqualified u/s 164(2) to act as Director. In the opinion of the Board, Ms. Sue-Fung Wang fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for her appointment as an Independent Director of the Company and is independent of the management.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013, from a member proposing her candidature for the office of the Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013. The Board recommends the resolution in relation to appointment of Ms. Sue-Fung Wang as an Independent Director, for the approval of the members of the Company.

Except Ms. Sue-Fung Wang, none of the other Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, whether financial or otherwise, in the resolution set out at Item No. 10 of the accompanying Notice.

#### Item No. 11:

The Board of Directors had appointed Mr. Gary Yang as the Managing Director of the Company for a period of 5 years, effective from March 1, 2014 on the terms and conditions as mutually agreed between Mr. Gary Yang and the Board of Directors of the Company subject to necessary statutory approvals. The said appointment of Mr. Gary Yang as Managing Director was approved by the members of the Company

vide passing a Special Resolution on May 7, 2014 and by the Central Government vide its approval letter dated 30th September, 2014.

The terms of appointment and the office of Mr. Yang as Managing Director was initially not liable to retire by rotation as per the provisions of erstwhile Companies Act, 1956 and shall henceforth be liable to retire by rotation.

Mr. Gary Yang has wide knowledge and more than 25 years' experience in the IT industry. Mr. Gary Yang possesses a Bachelor's degree in Management from Cheng Kung University, Taiwan. Mr. Gary Yang is associated with D-Link for more than 21 years and presently he is supervising the operations in India, Middle East and African Countries.

Considering his wide experience and past performance, the Board of Directors, based on the recommendation of Nomination and Remuneration Committee, varied the terms of payment of remuneration to Mr. Yang - Managing Director, in order to bring in line with the Industry Standard with effect from April 1, 2015 for the remainder of his term.

The other terms and conditions of his appointment will remain unchanged and will continue to be governed by resolution passed by the members of the Company on May 7, 2014.

Except Mr. Gary Yang, no other Director, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at Item no. 11 accompanying Notice.

#### Item No. 12:

D-Link (India) Limited (the Company) is a Subsidiary of D-Link Holding Mauritius Inc., which is 100% Subsidiary of D-Link Corporation. D-Link Corporation, Taiwan, founded in 1986, is engaged in design, development and manufacture of Networking Products having worldwide presence through its Subsidiaries and Associates (D-Link group), and as such D-Link Group is considered as related parties of the Company. The Company is primarily engaged in marketing and distribution of D-Link branded Networking products in India and SAARC region. The Company in the ordinary course of its business, imports and exports various networking products to and from D-Link Group.

The annual turnover of the Company as per the last audited financial statement (for the financial year ended 31st March 2014) was Rs.4,875,843,836/-. The transactions entered into with related parties are given in the notes to Standalone Financial Statements. The following transactions entered into with D-Link International Pte. Ltd is in excess of the threshold limit of 10% of the annual turnover of the Company and as such the transactions are being considered as "material transactions" in terms of Clause 49 (VII) (E) of the Listing Agreement effective from October 1, 2014.

Sr. No.	Name of the related party	Nature of contracts	Amount of the RPT for the financial year 2014-15 (in Rs.)
1	D-Link International Pte. Ltd	Purchase of traded goods	3,120,138,236
		Reimbursement of expenditure	301,147
		Reimbursement of expenditure (Income)	7,306,088

The Company expects further growth in similar transactions with D-Link International Pte Ltd in the course of the financial year ending 31st March 2016, which are also likely to be "material transactions". Hence, approval of the members is being sought to the above material related party transactions entered into by the Company for the financial year ended 31st March, 2015 and to the similar transactions proposed to be entered into by the Company with D-Link International Pte Ltd in the course of the financial year ending 31st March, 2016 and thereafter.

The relevant information is as follows;

Sr. No.	Particulars	
1	Name of the related party	D-Link International Pte. Ltd
2	Name of the director or key managerial personnel who is related, if any	Mr. A. P. Chen Mr. Gary Yang
3	Nature of relationship	D-Link Corporation is ultimate Holding Company. D-Link International Pte Ltd is a fellow subsidiary.
4	Nature of the contract or arrangement	Transaction of sale, purchase or supply of Networking Products or materials and/ or availing or rendering of any services on arm's length basis and in the ordinary course of the Company's business from time to time.
5	Material Terms particulars of the contract or arrangement.	Arrangement by the Company with D-Link International Pte Ltd, in this regard and the material terms are: a) Credit terms between 45 day to 75 days from the date of invoice; b) Warranty for the products for a period of 1 year to 3 years for the product specifications; and c) Availing ERP and IT Support Services.
6	Monetary value	Upto Rs. 2,000 crores in each financial year estimated based on the Company's current transactions and future business projections.
7	Any other information relevant or important for the members to take a decision on the proposed resolution	The Company is engaged in Trading and Marketing of Networking products in India and SAARC region. The majority networking products dealt by the Company are imported from D-Link Group companies at Arm's Length Price basis and in the ordinary course of Company's business. The Board is of the opinion that the above transactions are in the best interests of the Company.

The transactions entered into with the related parties are in the ordinary course of business and are at arm's length price basis. However, pursuant to Clause 49 of the equity listing agreement, the Company proposes to seek approval of such related party transactions, both existing and proposed to be entered into by the Company with related parties. The Board has approved the said transactions with related parties and recommends the Special Resolution as set out at Item No.12 of the Notice for approval of the members.

Mr. A. P. Chen and Mr. Gary Yang may be deemed to be interested in the above special resolution by virtue of their holding senior management positions in D-Link group and / or in other associate concerns of D-Link Corporation. None of the other Directors and / or Key Managerial Personnel of the Company and / or their relatives is concerned or interested, financial or otherwise in the resolution set out at Item No.12 of the Notice.

**By order of the Board  
For D-Link (India) Limited**

**Shrinivas Adikesar  
Company Secretary**

Mumbai, Dated: May 19, 2015

**Registered Office:**  
Plot No. U02B, Verna Industrial Estate,  
Verna, Goa - 403722, India.

## Annexure - A

**Details of Directors seeking appointment and re-appointment at the 7th Annual General Meeting**  
(pursuant to clause 49 of the Listing Agreement)

<b>Name of Director</b>	<b>Mr. Gary Yang</b>	<b>Mr. Tushar Sighat</b>	<b>Mr. Vinai Kolli</b>	<b>Ms. Sue-Fung Wang</b>
<b>Date of Birth</b>	06/03/1964	30/09/1969	29/03/1967	22/07/1952
<b>Qualification and expertise</b>	Gary Yang is in-charge of India, Middle East and African countries for D-Link. Mr. Yang has contributed 25 years to the IT field of which he has worked for 21 years with D-Link. He possesses Bachelor's degree in Management from Cheng Kung University, Taiwan.	Mr. Sighat brings with him vast experience & domain expertise spanning over 24 years. In his current role Mr. Sighat is responsible for driving the company's growth, and play a strategic role to strengthen D-Link's position. Mr. Sighat is a qualified B.E in Electronics & Telecommunication.	Mr. Kolli brings onboard over 24 years of experience in networking protocols. He is responsible for maintaining TeamF1's technical lead in world-class embedded networking & security technologies. Mr. Kolli holds an MSEE from the University of Southern California & a BSEE from R.E.C. Surat.	Ms. Sue-Fung Wang holds a Ph.D in Finance from University of Houston, USA. At present she is also positioned as Associate Professor at Graduate Institute of Finance - National Chiao Tung University, Taiwan.
<b>Names of other companies in which he holds directorships.</b>	Nil	TeamF1 Networks Pvt. Ltd.	TeamF1 Networks Pvt. Ltd.	Nil
<b>Chairman/Member of the Committee(s) of Board of Directors of other companies.</b>	Nil	Nil	Nil	Nil
<b>Shareholding in the Company</b>	Nil	16,427	25,14,525	Nil

**ATTENDANCE SLIP**

(To be filled in and presented at the entrance of the meeting venue)

I hereby record my presence at the Seventh Annual General Meeting of the Company on Saturday, August 29, 2015 at 11:00 a. m. at Kesarval Gardens, Verna, Salcette, Goa - 403722.

Name & Address of the Shareholder/Proxy\*  
(In Block Letters)

Signature of Shareholder/Proxy\*

\* strike out whichever is not applicable

Ledger Folio/DP & Client ID No.(s) :

No. of Shares :

----- CUT HERE -----

**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 No./Client Id: \_\_\_\_\_ DP ID: \_\_\_\_\_

I/We, being member(s) of \_\_\_\_\_ shares of D-Link (India) Limited, hereby appoint :

(1) Name: \_\_\_\_\_ Address: \_\_\_\_\_ E-mail id: \_\_\_\_\_ or failing him;

(2) Name: \_\_\_\_\_ Address: \_\_\_\_\_ E-mail id: \_\_\_\_\_ or failing him;

(3) Name: \_\_\_\_\_ Address: \_\_\_\_\_ E-mail id: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual General Meeting of the Company, to be held on Saturday, August 29, 2015 at 11:00 a.m. at the Kesarval Gardens, Verna, Salcette, Goa - 403722 and at any adjournment thereof in respect of such resolutions as are indicated below:

I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolutions	Optional*	
		For	Against
<b>ORDINARY BUSINESS</b>			
1	To consider and adopt Standalone and Consolidated Financial Statements of the Company for the year ended 31st March, 2015.		
2	To consider declaration of dividend for the year ended March 31, 2015.		
3	To consider appointment of Mr. Gary Yang, who retires by rotation, as Director of the Company.		
4	To approve ratification of appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, as Auditors of the Company.		
<b>SPECIAL BUSINESS</b>			
5	To consider adoption of new set of Articles of Association of the Company.		
6	To consider appointment of Mr. Tushar Sighat as Director of the Company, liable to retire by rotation.		
7	To consider appointment of Mr. Tushar Sighat as Whole-time Director and designated as Executive Director & CEO of the Company.		
8	To consider appointment of Mr. Vinai Kolli as Director of the Company, liable to retire by rotation.		
9	To consider appointment of Mr. Vinai Kolli as Whole-time Director of the Company.		
10	To consider appointment of Ms. Sue-Fung Wang as Independent Director of the Company.		
11	To consider and approve variation in the terms of payment of remuneration to Managing Director.		
12	To consider and approve Related Party Transactions.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2015

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder

\_\_\_\_\_  
Signature of Second Proxy holder

\_\_\_\_\_  
Signature of Third Proxy holder

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. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- 5\*. This is only Optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' 'Against' or 'Abstain' 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.