

September 12, 2016

To,  
**The Manager – Corporate  
Relationship Department  
BSE Limited**  
25<sup>th</sup> Floor, P.J. Towers,  
Dalal Street, Mumbai-400 001

To,  
**The Manager - Corporate Compliance  
National Stock Exchange of India  
Limited**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai- 400 051.

**Sub: Submission of Annual Report for the year ended 31st March, 2016 under  
Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements)  
Regulations, 2015:**

**Script Code: BSE - 533146, NSE - DLINKINDIA**

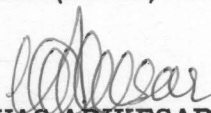
Dear Sir,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the copy of the Annual Report for the year ended 31st March, 2016 which was duly approved and adopted at the Annual General Meeting of the Company held on August 26, 2016.

Kindly take the same on record and oblige.

Thanking You,

Yours faithfully,  
For **D-LINK (INDIA) LIMITED**

  
**SHRINIVAS ADIKESAR  
COMPANY SECRETARY**

Encl.:- As Above.

30  
celebrating  
years

**D-Link®**  
Building Networks for People



EXECUTION



INNOVATION



HERITAGE

**D-Link (India) Limited**  
Annual Report 2015-16

# Business Solutions



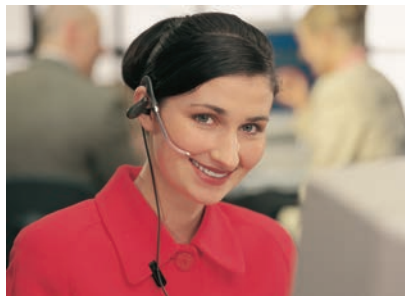
# Consumer Solutions





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### 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



“ It is the core spirit of ‘Innovation’ that has led to introduction of products that provide high performance and cost effective solutions to deliver better connectivity, security, efficiency, and cost savings for both home and office. ”

**Gary Yang**  
Managing Director

Dear Stakeholders,

The slowdown trend in global economy continued and was reflected in subdued growth in most emerging markets as well, driven by low commodity prices, weak capital inflows and declining global trade.

Against this backdrop, the growth in India was fairly resilient. Following a strong political mandate, expectations were high on major reforms that could push the economy into an accelerated growth path. While no major reforms were implemented, India still emerged as the world's fastest growing large economy and GDP growth in FY2015-16 climbed to 7.6% as against 7.2% in the previous fiscal.

However, factors like weak monsoon and debt problems of banks resulted in slower than expected growth. The Indian Rupee also depreciated from Rs.62 to nearly Rs.68 to the US Dollar. On a positive note, the government has announced various initiatives that would lead to accelerated growth. The revival of several large projects both in the public as well as private sectors would call for major networking and surveillance solutions and increase demand.

FY 2015-16 was a good year for D-Link India. The Total Revenue on Consolidated basis increased by 12.5% to Rs.7228.16 million from Rs.6423.53 million in the previous year and Consolidated Profit After Tax increased to Rs.243.75 million from Rs.218.58 million, an increase of 11.5% over the previous year. This performance is creditable as there has been severe pressure on margins on account of intense competition from both well known MNCs as well as small local players.

As we mark our 30<sup>th</sup> anniversary, we are witnessing an inflection point in the next wave of the internet. I strongly believe that the opportunities ahead will be even brighter than those in the past.

Much of our success comes from our ability to lead transitions that take place in the market and our passion to innovate. We use technology to provide solutions that drive growth and productivity for our clients. We are able to deliver intelligent cost effective solutions that are required in today's digital world.

Looking forward, D-Link is making a strong commitment to capitalize on the growing Internet of Things movement and assume leadership of the home automation market, this time

on the back of the new mydlink Home software and its growing Connected Home product line.

Our focus on high-margin, valued-added, cutting-edge solutions continues to differentiate D-Link from low-cost, low quality competitors, who are quickly losing relevance in the rapidly evolving consumer and business spaces. In order to excel in a new era of connectivity, successful firms will need to rely on innovation, integration and brand recognition – three of D-Link's core strengths.

It is the core spirit of 'Innovation' that has led to introduction of products that provide high performance and cost effective solutions to deliver better connectivity, security, efficiency, and cost savings for both home and office. At D-Link it is our goal to nurture a truly customer focused culture by providing service with a personal touch, regardless of whether the customer is an individual or a large corporation.

While the global macroeconomic environment will continue to pose complex challenges, D-Link's highly differentiated value added strategy remains fundamentally sound. We realize that as the needs of the consumers become more sophisticated, the demand for simple elegant solutions only grows.

D-Link is uniquely positioned to give its customers exactly what they want; the ability to easily access, control, view and share their work, home and digital lives.

The year ahead could well be as challenging as the last but I am confident that, as in the past, our passion to innovate will help us to convert every challenge into an opportunity.

I would like to take this opportunity to thank all our business partners and associates for their valued support. Let me conclude by expressing my sincere thanks to the Board of Directors for their invaluable guidance and the Shareholders for the confidence and faith they have reposed in us. It has been a wonderful journey of three decades for the company; and the future promises to be even more exciting.

Sincerely,

**Gary Yang**  
 Managing Director

## Message from Executive Director & CEO



“A vast sea of opportunities lies before us. Given our passion, energy and the strong competitive edge of our world-class branded products, I am confident of leveraging our strengths to continue on the path of growth and profitability.”

**Tushar Sighat**  
Executive Director & CEO



Dear Stakeholders,

**T**his year is special as D-Link celebrates 30 years of building networks for people.

In the last 30 years, D-Link engineers have successfully contributed to the development of the rapidly evolving home and business networking environment. Our three decades of experience in the networking domain brings along expertise in understanding user needs, envisaging future trends and most importantly, building a loyal customer base.

The revival in the economy expected in FY2015-16 did not really happen and growth was rather subdued. Intense competition from a large number of players in the organized as well as unorganized sectors put severe pressure on our margins. But, as in the past, our teams used their dedication and ingenuity to steer the company through these challenging times.

Our Net Sales on Standalone basis grew by 12% from Rs.6253.23 million to Rs.7007.44 million. However, as a result of intense pressure on margins, Net Profit After Tax on Standalone basis grew only marginally to Rs.214.99 million as against Rs.213.29 million in the previous year.

The company is determined to continue with the growth momentum in 2016. We have our strategies in place with focus on different business verticals like Telcos, ISPs, Government, Education etc. Further focus on Smart Home segment with IoT, and latest consumer wireless range is likely to boost overall performance.

The continued development of our Connected Home product line - our collection of smart, automated solutions for the Internet of Things era - has positioned D-Link as a firm with several key competitive advantages in what promises to be an explosively expanding home automation market.

We are aggressively pursuing opportunities where we believe we can do better. We seek to translate our recent success in consumer markets to greater success in small to medium sized business (SMB) markets that can also benefit from D-Link's new offerings.

Today's D-Link is defined by customer-centric thinking. We understand that this means more than simply responding to the needs of the markets we serve; we also must anticipate future developments within those markets. As the world enters

the Internet of Things era, we know we can do more - and do it better - than our competition.

Competing on the cutting edge of Internet technology is no simple task, but D-Link is meeting the challenge head on. We understand that in order to stay on top, we need to continue to innovate. So as part of our strategy for future growth, we are continuing our aggressive pursuit of technological advances that will deliver powerful solutions to our customers in the years to come as the demand for more connectivity grows exponentially.

As the Indian economy accelerates and initiatives like 'Digital India' and 'Smart Cities' gather momentum, we would have unprecedented opportunities. I envision that we would be delighting more consumers than ever before and with top notch quality products. A vast sea of opportunities lies before us. Given our passion, energy and the strong competitive edge of our world-class branded products, I am confident of leveraging our strengths to continue on the path of growth and profitability.

The past 30 years have placed D-Link firmly within the forces shaping the wireless industry. We've turned our passion to innovate into solutions - like our Connected Home range and high performance networking kits - that improve people's lives. Taking the legacy forward, we shall continue with our passion to innovate into 2016 and beyond.

I would like to express my deep sense of gratitude to the banks, government authorities, business associates, and the community around us for their support and whole hearted cooperation. I would also like to place on record my sincere appreciation for the hard work put in by every member of the D-Link family.

As D-Link India confronts new challenges and pursues new opportunities, I wish to thank our Shareholders for the long term confidence in our vision. Through our concerted effort D-Link will continue to operate as an industry leader in connecting people to one another.

Thank you.

**Tushar Sighat**  
 Executive Director & CEO



## Celebrating a ‘Passion to Innovate’



**D-Link is celebrating 30 years in 2016. The Company's exceptional growth story is defined by networking, vision, and a *Passion to Innovate*.**

**D**-Link is celebrating 30 years in 2016. The Company's exceptional growth story is reflected in its anniversary logo.

The numbers “3” and “0” join together like two links in a chain, representing networking. The roundness of the 3 and 0 double as two binocular-eyes, signifying vision. Finally, the elegant font complements the thick-set letters of the corporate logo, signaling our *Passion to Innovate* and our focus on style.

### Networking

Our name comes from our ability to bring people - and the things that are important to them - together. We started life as Datex Systems, a combination of the words “data” and “exchange,” but our name quickly became D-Link. “D” stands for “Datex,” our roots, and “Link” focuses on our core business: the network. D-Link's Mandarin name means “friends networking together,” which is reflected in our mission statement: Building Networks for People.

### Where it started

In the early 1980s, most home PCs were Atari,

Commodore, and IBM computers that were big and heavy, largely because of the bulky components inside them. The technology connecting people, the networking card, was typically 11 inches wide - almost as big as a notebook today. No one had the know-how to change this until a small manufacturer from Taiwan came along. D-Link optimized the size of the networking adapter, while economizing on price. This affordability and the increased functionality of computers made them more useful to thousands of people. In turn, this helped accelerate a global PC revolution.

### Vision

Before history happens, it's hard to know which side you'll be on. Luckily, at D-Link's helm was 36-year-old Mr Ken Kao, who broke the mold. At the time, his bold vision was rare. His dream was to build a proud Taiwanese brand that created products branded under its own name, rather than start another OEM (Original Equipment Manufacturer). That was 30 years ago. Mr Kao's vision paid off, and after the first ground-breaking “DN-001” network adapter, his company went on to create many affordable,

high-quality hubs and switches. Today, D-Link is an international household brand with a reputation for high-quality, integrated, all-in-one networking services.

### The D-Link Spirit: Passion to Innovate

Mr Kao's heritage of innovation and insight lives on at D-Link. We are playing to the strengths of our heritage, anticipating future trends and meeting customer needs. We were one of the first technology companies to emphasize software-developed Cloud services. We were the first networking company to invest in a dedicated Cloud platform team that eventually made way for Cloud Routers, Cloud Cameras, the mydlink app and the mydlink Home app for Connected Home. We were the first to enter the 11AC market. We were the first networking company to deliver a Wi-Fi baby camera. We created the first battery-powered mobile 11AC router. And we launched the first *180-degree Wide Eye* home surveillance camera to see more than the human eye at a glance.

Today's D-Link has transformed from a family company to a globally-diverse, billion-dollar enterprise able to leverage its strong local expertise and develop localized products, which gives us a critical advantage across world markets.

### Who we serve

Across the world, we are helping millions of people in their daily lives. Every day, in some 100 countries, we power hospital networks so that life-saving operations can be carried out. We connect vast knowledge centers in the heart of universities and research institutes, enabling critical scientific breakthroughs. We help grow small family businesses through our Wi-Fi networking and camera surveillance products. And in millions of homes around the world, we help families enjoy rich, fast digital lifestyles, while maintaining peace of mind.

D-Link has grown from a group of seven friends in 1986 to more than 3,000 employees around the world. In 2016, we are celebrating our heritage, our *Passion to Innovate*, and all the people we've helped connect in our 30 years. We're looking forward to ringing in another 30 years of networking and growth.



# Corporate Milestones

## Three Decades of Leadership & Innovation



1994

D-Link becomes Taiwan's first networking company with a Taiwan Stock Exchange IPO



1998

D-Link is listed among Forbes's 300 companies.



2004

D-Link is ranked #1 in SMB networking connectivity according to The Synergy Research Group.



2008

D-Link is listed among Taiwan's Top 10 International Brands for five years in a row



2014

D-Link introduces the concept of "GET YOUR HOME TALKING," launching a series of Connected Home products. D-Link India acquires TeamF1

1986

Datex Systems, Inc. is founded to market network adapters.



1995

D-Link sets up India operations and R&D center.



2001

D-Link India has its IPO listed on the Stock Exchanges.



2007

D-Link global consolidated revenues hit USD 1 billion.



D-Link is ranked as the 6th most valuable Taiwan Global Brand, with a brand value of USD 347 million.

2009

Demerger of D-Link branded business



***Passion to  
innovate***



## Product Innovation Milestones

The legacy of creating the world's first continues...



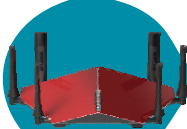
The 1st Portable  
11AC Router



The 1st  
11AC Wearable  
Camera



The 1st Color Router.  
We introduced the  
rainbow to the drab  
Router



The 1st Best of the  
Year AC Router, the  
'Media-Magnet'  
AC3200 DIR-890L

The 1st complete  
11AC line-up of  
Routers



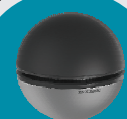
The 1st Baby Camera  
from a Networking  
Company.



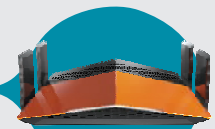
The 1st Tower  
Routers  
from D-Link.



The 1st Orb-Shaped  
Wireless Adaptor. Another  
piece of Design Flair



The 1st Router as fashion  
statement, the EXO Routers.  
IN Unmistakable Orange  
with Sophisticated  
Antennas



***Passion to  
innovate***

## About D-Link (India) Limited



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

**D**-Link (India) Limited is part of D-Link Corporation and one of the largest networking companies in India. D-Link Corporation is widely recognized as a remarkable global enterprise with active presence worldwide.

Celebrating its 30<sup>th</sup> anniversary in 2016, D-Link Corporation is a global leader in connectivity for home, small business, medium to large-sized enterprise environments, and service providers. An award-winning designer, developer, and manufacturer, D-Link implements and supports unified network solutions that integrate capabilities in switching, wireless, broadband, storage, IP Surveillance, cloud-based network management, and Structured Cabling.

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 (India) Limited is engaged in marketing and distribution of networking products in India and SAARC region. It is a key market player with nationwide reach, robust product portfolio and superior services. The Company is firmly

committed towards delivering high quality, efficient and reliable networking products, solutions and services.

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.

D-Link's mission is "Building Networks for People", and its 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.

# Driving Growth through Compelling Strategies



**Despite a challenging macroeconomic environment and intense competition, D-Link India has been able to find new ways to win.**

**T**he computer networking industry in India is witnessing strong growth as government initiatives like the Smart City project and Digital India is driving the digital economy forward. The emergence of an affluent middle class is triggering exponential growth in 3G/4G subscribers and broadband users, further accelerating demands for networking products from individual users. And as the size of business operations increase, large enterprise and SMBs are also investing in network infrastructure, resulting in huge business opportunities for networking companies in the region.

Sound business planning and strategic alliances have made it possible for D-Link to reach out to a wider customer network with a broader product portfolio and more expansive end-to-end solutions.

Channel engagement has been a prime focus for D-Link as channel/reseller communities are an integral part of business ecosystem. The company has witnessed steady business growth for 3G/4G products as the proliferation of internet adoption fueled by handheld devices like mobile phones and tablets has led to increased demand of wireless products.

The government sector has also been a major business driver and D-Link has won many substantial contracts. In addition, there has been strong demand for D-Link's products from the education sector as more and more campuses seek to modernize themselves with WIFI and IP Camera surveillance solutions. Finally, partnerships with major telecom companies have driven demand for D-Link's ADSL router and has led to several big victories for the company in a highly competitive market.

D-Link utilizes sophisticated marketing techniques to communicate to consumers. With expanded campaigns across various media and digital platforms, the company develops and delivers compelling messages across a wide range of engagement channels. Moving forward, D-Link will continue to educate potential customers on how they can best use the company's products to connect to what matters most to them from wherever they may be.

D-Link has accelerated its speed of innovation and is poised to sustain its growth momentum reflecting the important role the network plays in both homes and businesses today.



## Consumer Solutions



**D-Link has been the digital lifestyle brand of choice for millions of customers since 1986.**

**Smart Home technology is the latest trend and D-Link leads the way with Smart Home solutions called mydlink™ Home.**

**D**-Link has been the digital lifestyle brand of choice for millions of customers since 1986. The company has constantly set trends and developed leading-edge consumer products designed to meet people's needs. Smart Home technology is the latest trend and D-Link is leading the way, designing and producing hardware and software to help consumers automate, control, monitor and enjoy their homes.

D-Link aims to expand its consumer base by providing a full range of solutions that deliver unbeatable value and performance in the IoT and High Speed AC Wireless categories.

By 2020, the typical family home could have over 100 smart devices! Everyday items like the TV remote, a coffee machine, or the central heating system and even the toothbrush will gain some level of sensor and intelligence combined with the ability to communicate wirelessly. A connected home with household items communicating, triggering reactions or responding to requests is not beyond reach. Smart home ecosystems including everything from temperature control, camera security and

lighting can be managed remotely from a smartphone or tablet, at the touch of a button.

D-Link has launched a range of products to make Smart Home a reality,

- Smart Plug - Control your devices and appliances from anywhere.
- Audio Extender - Stream all your music from your device to any connected speaker.
- Wireless Sensors - Always know when something's moving at home.
- Home Monitors - The simplest way to keep an eye on your home, kids, pets, or business.

From networking, security and surveillance to home automation, D-Link products can make your home brighter, safer, and more in tune with you. D-Link firmly believes that homes will move from being interconnected to information- and smart- enabled and have an integrated services



environment and has introduced a new product category under IoT with a range of Smart Home Solutions called mydlink™ Home.

D-Link aims to automate each home with its Smart Home Automation Solution which is smart home technology at its most futuristic. These products enable users to stream music at home from computer, smartphone or tablet (wires are dead!); can detect motion, and have that detection trigger an action with a few swipes and taps on a customizable app; make it easier to monitor the power usage of all electrical appliances and turn them on and off manually or automatically, whenever and from wherever.

D-Link continues to be the leader in providing Home connectivity solutions with the Award winning WiFi Routers and has been innovating continuously to provide fastest routers available in the country. All D-Link Wireless AC routers support dual-band wireless, operating on both the 2.4 GHz and the 5 GHz wireless bands. This allows one to browse the web, chat and e-mail using the 2.4 GHz band on the smartphone and computer, while simultaneously streaming stream HD videos or playing online games on media streaming players or games console on the 5 GHz band. Newer innovations such as Beamforming Technology improves the way radio signals are transmitted and provide a much stronger signal especially beneficial for mobile devices.

### Quality of Service (QoS):

Routers with QoS traffic controls track the type of network traffic (web surfing, online gaming, Skype®, Netflix® and so on) and decide which application deserves higher priority. This improves the online experience by ensuring that high priority

traffic like Netflix is prioritised over other network traffic ensuring the best video quality and user experience across all devices on the network.

D-Link offers an extensive choice of Wireless AC routers, cameras and wireless adapters for anyone looking to upgrade to the latest wireless standard.

D-Link's new products in the Wireless AC line-up provide superior networking solutions for all and deliver ultrafast HD media streaming, file downloads, VoIP calls, and online gaming on more devices, in more rooms of the house, without compromising connection speed or quality. These new routers mean there's a fast, feature-packed and easy-to-use Wireless AC Cloud Router for practically anyone, including students or others on a limited budget.

D-Link's 11AC product offerings 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.

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.



# Business Solutions



For over 30 years, D-Link has been creating complete, end-to-end networking solutions that deliver just that and more. It all adds up to state-of-the-art solutions that will really work for your business.

D-Link's portfolio extends across business verticals such as Switching, Business Wireless, IP Surveillance, Structured Cabling and FTTH and offers customized business solutions to both Enterprises and SMBs.

D-Link wireless networks are scalable, easy to deploy and manage, and deliver reliable and secure connectivity.

## Switches Solutions

D-Link Network Switches provide the foundation for a full range of high-value network solutions for small and medium-size businesses, hospitals, schools, universities and government agencies.

From enabling physical security to managing an end-to-end wireless infrastructure or protecting and storing sensitive data, D-Link Network Switches provide the basis for secure and reliable business networks. D-Link's comprehensive portfolio of switches includes 10 Gigabit, Gigabit, Fast Ethernet and PoE, ranging from entry level to fully managed, and include products like Unmanaged, Smart, Managed, xStack, Chassis and Unified Wireless.

## Power over Ethernet

The Enterprise Ethernet Switch market continues to be strong on account of reliability and speed of wired devices. D-Link's Smart Switches are preferred by small and medium businesses, which require the power and flexibility of managed switches without the complexity and offer the best of both worlds. Fast Ethernet ports continue to perform strongly and Power over Ethernet (PoE) is also a commonly required feature for the growing network camera market.

## Wireless Solutions

D-Link offers unified wireless networking solutions that enable small and medium-sized businesses to create highly mobile, highly productive work environments at a low total cost of ownership.

D-Link wireless networks are scalable, easy to deploy and manage - delivering reliable and secure connectivity and the products in this category include Access Points, VPN Security Routers, Management Platform, Mobile Wireless and Accessories.



## Central WiFiManager

D-Link's free bespoke web-based Wi-Fi network management software - Central WiFiManager - allows setup, management and control of an entire network from one central location from any Internet-connected device. Totally scalable, the web-based software can access, monitor and optimize the network in real time with detailed reports of network activity.

Central WiFiManager offers easy access to Wi-Fi network set-up and support for all businesses, whether large or small. Unlike traditional hardware controller solutions for managing wireless access points, Central WiFiManager has a much lower initial investment cost.

## Surveillance Solutions

D-Link is setting new standards with industry-leading networking, wireless, surveillance and storage products. In fact, the company is confident of the reliability of its products and offers warranties that give the customer full assurance.

## Structured Cabling

D-Link's wide range of Copper & Fiber cabling solutions incorporate premium quality and excellent brand recall and has earned the confidence of partners and customers. D-Link's high end copper and fiber range can be positioned in sophisticated applications like data centers and server farms.

## Fiber To The Home (FTTH)

Fiber To The Home (FTTH) is based on fiber optic cable and associated optical devices for delivery of multiple services like telephone, broadband internet and television to homes and businesses. FTTH has seen overwhelming response from customers due to unlimited bandwidth capacity to deliver triple play

services (Data, Voice & Video), This solution is deployed across Hospitality and Large Residential Complexes. Products under this category include such as Optical Fiber Drop Cable, Optical Splitter, Fiber Optic Outlet, Optic Distribution Box and Drop Cable Pigtail.

## Special Key Initiatives

D-Link India and Moxa have tied up as a cohesive group to provide technology solutions for Smart City projects, the mega Initiative by the Indian government under "Smart Cities Mission" to develop entire urban eco-system, represented by the four pillars of comprehensive development-institutional, physical, social and economic infrastructure.

D-Link is strongly placed to support national initiatives such as Digital India and Smart Cities and aims to enhance its customer base across various Government departments and ministries including defense, railway, public sector units, and citizen services.

D-Link India has launched Advance Replacement - Next Business Day (AR-NBD) support program for Enterprise customers. With this, D-Link has upscaled its existing support model for enterprises.

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 and 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.

## Product Distribution and Service Infrastructure



D-Link has made significant investments in setting up a robust distribution and service infrastructure to make its products available in the remotest areas and address customer demands for service.

D-Link India has always laid high emphasis on customer satisfaction. It has made significant investments in settling up a robust distribution and service infrastructure to make its products available in the remotest areas and address customer demands for service.

D-Link's pan India distribution network comprises of 18 branch offices, 90 business distributors (national/regional/business distributors all across India plus SAARC countries), 500 dealers and 5000 resellers which allows it to reach every nook and corner of the country.

Over the years, D-Link has also built a unique relationship with its channel partners across the country. Besides annual conferences and events, there are various training interventions to increase their efficiency so they are better equipped to deliver our promise of best product, best sales, best support and best service.

A renewed focus on expanding and improving our relationships with channel partners at all levels (distributors, dealers, retailers and system integrators) will ensure that more of our products reach our customers.

D-Link India has continuously worked towards enhancing its support infrastructure as well. Today, there are 11 D-Link Direct Service Centres, 49 Partner Service centre and 156 Courier Collection points across the country. With this now D-Link India has coverage for 128 Locations with 216 Service Points for Customer Support. In a major breakthrough, the company introduced D-Link Direct Service (DDS) a few years ago. DDS is a one-stop service solution that offers service at the doorstep.

D-Link's products are now backed by the company's own service centres thereby ensuring total peace of mind for consumers.

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.

While competitive pricing is a key attribute for value conscious consumers, increasing product differentiators and providing a high standard of service and support will ensure that D-Link will continue to strengthen its position as a preferred networking solutions provider.

## Awards & Accolades



**D-Link's commitment to quality, innovation and customer service has received global recognition.**

**D**-Link has been recognized by industry and media for its continuous product enhancements and implementations. D-Link continued its award winning spree during the year. The Company received innumerable national and international recognitions which speaks volumes of D-Link's commitment to quality, customer service and brand leadership. Winning awards is a great morale booster and a huge recognition that what the company does is valued. Even more importantly, it lets the people in the company as well as its customers know that the company is continuously positioning itself for success.

### **Majestic Five Continent Award for Quality & Excellence**

D-Link's crowning glory was its selection by the Association Otherways Management & Consulting for the prestigious 'Majestic Five Continent Award for Quality & Excellence' and 'Total Quality Management Aptitude Seal' for its achievements and success and its unwavering commitment to quality. The award symbolised international recognition for the Company and was received by Tushar Sighat, D-Link India's Executive Director and CEO, at a high profile ceremony in Berlin, Germany in April, 2016.

Such recognitions raise the bar for the company and challenges it to do even better in future.

During the year, D-Link was also recognized by IDC as No.1 player in India with the highest market share in the Wireless LAN and Switches market (REF IDC India WLAN Tracker Q4 2016 and IDC India Switch Tracker Q4 2016).

Some of the awards the company received during the year were:

- 🏆 Top Achiever Companies of 2015 - *NCN & Mobility Magazine, May 2016*
- 🏆 Best Networking Company of 2015 - *NCN & Mobility Magazine, May 2016*
- 🏆 Best Customer Service Brand of 2015 - *NCN & Mobility Magazine, May 2016*
- 🏆 Best Structured Cabling Brand 2015 - *NCN & Mobility Magazine, May 2016*
- 🏆 Best Networking Company - *VAR India, November 2015*
- 🏆 Best Structured Cabling Company - *VAR India, November 2015*



## Board of Directors



**Douglas Hsiao**  
Chairman

Douglas Hsiao possesses a Bachelor's degree in Telecommunication Engineering from National Chiao Tung University, Taiwan. Mr. Hsiao's achievements can be found in many disciplines including Executive Management, Global Sales, Finance, Quality Assurance and Engineering etc. Mr. Hsiao has more than 30 years of Industry experience and has held numerous senior positions in various Companies such as Alpha Networks Inc and D-Link Corporation.



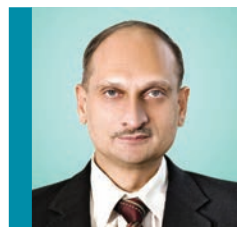
**Rajaram Ajgaonkar**  
Director

Rajaram Ajgaonkar is a practising Chartered Accountant with 37 years of post qualification experience. He is also qualified as LLB (Gen) from Government Law College in Mumbai.



**Gary Yang**  
Managing Director

Gary Yang is in-charge of India, Middle East and African countries for D-Link. Gary Yang has contributed 26 years to the IT field of which he has worked for 22 years with D-Link. He possesses a Bachelors degree in Management from Cheng Kung University, Taiwan.



**Satish Godbole**  
Director

Satish Godbole is a practising Chartered Accountant with 35 years of experience. He has specialized in Company Law, Mergers & Amalgamation and FEMA.



**Tushar Sighat**  
Executive Director & CEO

Tushar Sighat brings with him vast experience and domain expertise spanning over 25 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.



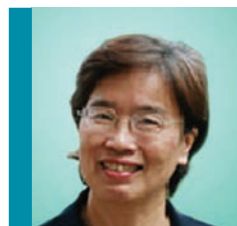
**Anil Bakshi**  
Director

Anil Bakshi is a Chartered Accountant and Company Secretary. He is an industrialist and has over 31 years of experience in overall business management.



**Mukesh Lulla**  
Director

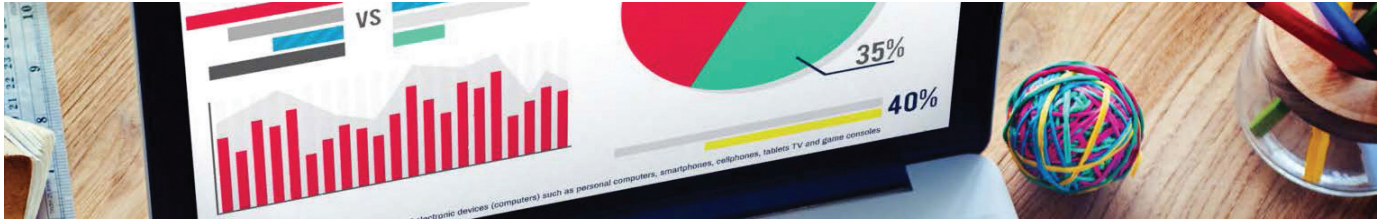
Mukesh Lulla brings on the Board a unique blend of technical expertise and savvy entrepreneurial skills. Mr. Lulla is a veteran in global technology marketing, business development and holds a Master's degree in Electrical Engineering from the University of Southern California, and a Bachelor's degree in Electronics Engineering from N.I.T. Surat. Mr. Lulla has been awarded several patents related to programmable silicon and software algorithms in the field of embedded networking technology and security embedded networking technology and security.



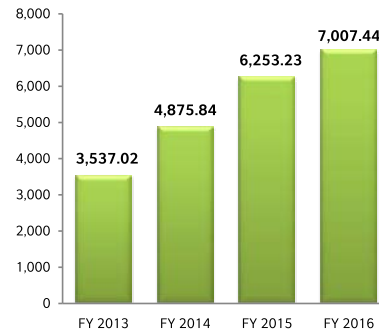
**Ms. S F Wang**  
Director

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.

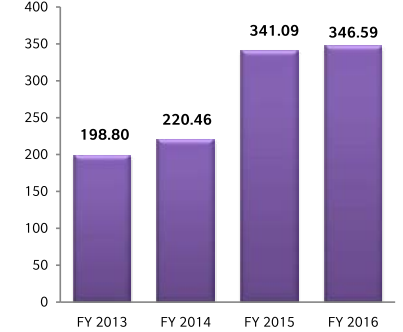
# Financial Performance



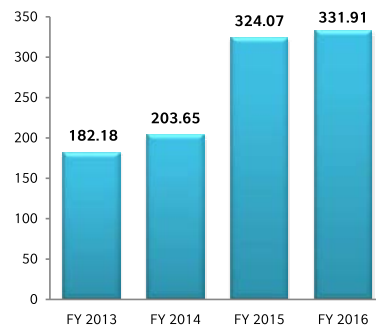
**Revenue**  
(Rs. in million)



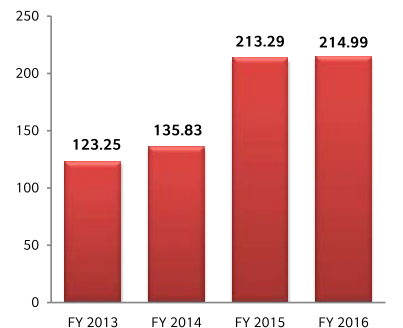
**Profit Before Tax and Depreciation**  
(Rs. in million)



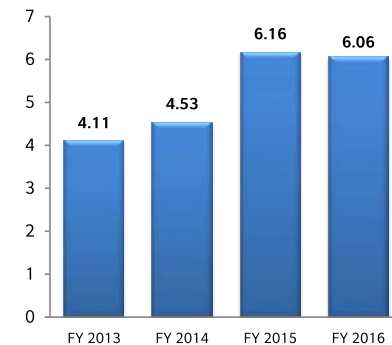
**Profit Before Tax (PBT)**  
(Rs. in million)



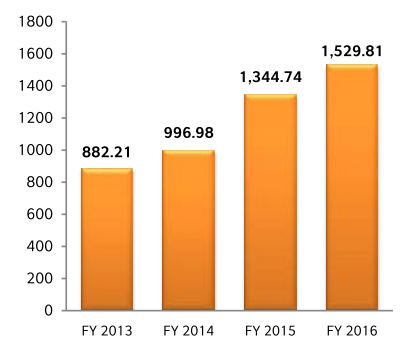
**Net Profit After Tax (PAT)**  
(Rs. in million)



**Earnings Per Share (EPS)**  
(Rupees)



**Net Worth**  
(Rs. in million)



# Directors' Report

To,  
The Members,

The Board of Directors of your Company take pleasure in presenting the Eighth Annual Report together with Balance Sheet and Statement of Profit and Loss for the financial year ended 31<sup>st</sup> March, 2016.

## 1. Financial Results (Standalone and Consolidated)

(Rupees in Million)

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
<b>Revenue from Operations</b>	<b>7,007.44</b>	<b>6,253.23</b>	<b>7,213.31</b>	<b>6,408.24</b>
Profit Before Depreciation and Tax	346.59	341.09	391.77	348.96
Less: Depreciation for the year	14.68	17.02	16.81	17.89
<b>Profit Before Tax (PBT)</b>	<b>331.91</b>	<b>324.07</b>	<b>374.96</b>	<b>331.07</b>
Less: Provision for Tax				
a) Current Tax	135.72	133.26	148.48	139.88
b) Deferred Tax	(18.80)	(22.48)	(17.27)	(27.39)
<b>Profit After Tax</b>	<b>214.99</b>	<b>213.29</b>	<b>243.75</b>	<b>218.58</b>
Balance b/f from previous year	837.31	679.55	842.60	679.55
Adjustments to fixed assets	0.00	0.62	0.00	0.62
Amount available for Appropriation	1,052.30	892.22	1,086.35	897.51
Transfer to General Reserve	25.00	25.00	25.00	25.00
Proposed Dividend	24.85	24.85	24.85	24.85
Tax on Dividend	5.06	5.06	5.06	5.06
<b>Balance carried forward to Balance Sheet</b>	<b>997.39</b>	<b>837.31</b>	<b>1,031.44</b>	<b>842.60</b>
Earnings per Share (Rs.)	6.06	6.16	6.87	6.31

## 2. State of Company's Affairs

During the financial year 2015-16, your company achieved high performance, both in terms of turnover and profits. The standalone gross revenue increased by 12%, Rs. 7,007.44 million as compared to Rs. 6,253.23 million in the previous year. The standalone profit before tax stood at Rs. 331.91 million as compared to Rs. 324.07 million in the previous year.

During the year under review, the Company has undertaken the manufacturing of set-top boxes and its allied products for Indian market.

The consolidated financial statements of your Company for the financial year 2015-16, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as prescribed by the Securities and Exchange Board of India (SEBI). The audited consolidated financial statement is provided in the Annual Report.

The financial statements of subsidiary, TeamF1 Networks Private Limited (TeamF1) 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 have decided to transfer an amount of Rs. 25 million to the General Reserves, 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 31<sup>st</sup> March, 2016 (i.e. @ 35% on the paid-up equity capital) to be paid, if approved at the Eighth Annual General Meeting.

### 5. Share Capital

During the year under review, the total paid-up share capital of the Company stood at Rs. 71,009,700/- consisting of 35,504,850 equity shares of Rs. 2/- each.

### 6. Extract of the Annual Return

As mandated by Section 92 of Companies Act, 2013 read with the rules made thereunder, the extract of annual return for the financial year ended 31<sup>st</sup> March, 2016 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. A. P. Chen has ceased to be the Director and Chairman of the Company effective from 7<sup>th</sup> August 2015.
- (ii) Mr. Douglas Hsiao was appointed as Additional Director on the Board, designated as non-executive Chairman of the Company effective from 29<sup>th</sup> August, 2015.
- (iii) Mr. Vinai Kolli has ceased to be the Whole-time Director of the Company effective from 6<sup>th</sup> November 2015.
- (iv) Mr. Mukesh Lulla has been appointed as Additional Director on the Board, effective from 4<sup>th</sup> February 2016.

#### 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. Tushar Sighat 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.

- (ii) The Board of Directors upon the recommendation of the Nomination and Remuneration Committee had appointed Mr. Douglas Hsiao as Additional Director of the Company and designated as Non-executive Chairman with effect from August 29, 2015, pursuant to Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company.

Mr. Hsiao will hold office up to the date of the ensuing AGM of the Company. His appointment requires the approval of members at the ensuing AGM.

- (iii) The Board of Directors upon the recommendation of the Nomination and Remuneration Committee had appointed Mr. Mukesh Lulla as an Additional Director of the Company with effect from February 4, 2016, pursuant to Section 161(1) of the Companies Act, 2013 and Articles of Association of the Company.

Mr. Lulla will hold office up to the date of the ensuing AGM of the Company. His appointment requires the approval of members at the ensuing AGM.

#### 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 of the Company 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 30<sup>th</sup> May, 2016 has duly taken note of the same.

### 8. Number of meetings of Board of Directors

During the year under review, five 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.



Also, pursuant to provisions of part VII of the Schedule IV of the Companies Act, 2013 and regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Separate Meeting of Independent Directors was held on 19<sup>th</sup> March, 2016 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 regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Board of Directors have not accepted the recommendations of the Audit Committee during the year 2015-16.

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

In accordance with Section 178 and all other applicable provisions, if any, of the Companies Act, 2013 read with the rules issued thereunder and regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have duly constituted Nomination and Remuneration Committee.

Further, the Board of Directors on the recommendations of the Nomination and Remuneration Committee, have put in place a Nomination and Remuneration Policy of the Company.

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;

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company;
- Relationship of remuneration to performance is clear and meets appropriate performance industry benchmarks; and
- 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 Personnel 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 regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has duly constituted "Stakeholders Relationship Committee". The detailed terms of reference, constitution and other relevant details of Stakeholders Relationship Committee has 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 behavior, actual or suspected

## Directors' Report

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 through Audit Committee has not received any complaints relating to unethical behavior, actual or suspected fraud or violation of company's code of conduct from any employee or directors.

### 14. Risk Management Policy

Pursuant to Section 134 (3) (n) of the Companies Act, 2013, the Company has formulated and implemented the Risk Management Policy. The Audit Committee shall review and monitor the Risk Management Policy, from time to time. The objective of the Risk Management Policy is to identify the risks impacting the business and formulate strategies / policies aimed at risk mitigation as part of risk management.

### 15. Details of Subsidiary Company

TeamF1 is subsidiary of the Company, engaged 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 financial statements show positive signs of growth in terms of its revenues. It registered gross revenue of Rs. 205.87 million as compared to Rs. 173.01 million in the previous fiscal year, thereby resulting in an increase of 19%. The profit before tax stood at Rs. 43.06 million as compared to Rs. 4.54 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, 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 Seventh Annual General Meeting of the Company had ratified appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Registration no. 117366W/W-100018) as Auditors of the Company. The Board recommends for further ratification of appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants as the Auditors of the Company for the financial year 2016-17.

### 17. Cost Audit

During the relevant period for the purpose of Section 148 of the Companies Act, 2013 read with the rules made thereunder, there was no manufacturing activity and hence maintaining of the Cost Accounting records were not applicable.

### 18. 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 2015-16 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.

### 19. 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.

### 20. Particulars of loans, guarantees or investments

During the year, the company has not granted loans and guarantee given, investments made and securities provided, covered under the provisions of Section 186 of the Companies Act, 2013.

## 21. 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 neighboring 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 35 of the Notes to 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>.

## 22. 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 2015-16. 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.

## 23. 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.

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

The Company has formulated and implemented a policy on prevention, prohibition and redressal of sexual harassment of women 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 2015-16, the committee has neither received any complaints nor any cases were pending as at 31<sup>st</sup> March, 2016.

## 25. 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 38 forming part of the Standalone Financial Statements.

## 26. 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.

During the financial year, the company is required to spend Rs.4.87 million (previous year Rs.3.20 million) towards Corporate Social Responsibility (CSR) activities.

## Directors' Report

The Company is in the process of ascertaining CSR initiatives for various programs at a base level, review and then putting an enhanced sustainable model to ensure maximum benefit to the community. For this reason, during the year, the amount spent by the Company on the CSR activities is less than the prescribed amount under the Act. The CSR activities are scalable which coupled with new initiatives that may be considered in future to spend CSR amount in accordance with the prescribed limits.

The Company has spent Rs. 1.6 million subsequent to closing of the financial year.

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

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>.

### 27. 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.

### 28. Management Discussion and Analysis Report

The Management Discussion and Analysis including the result of operations of the Company for the year, as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is appended to this Annual Report.

### 29. Corporate Governance

As required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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.

### 30. Directors' Responsibility Statement

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

- in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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, 2016 and of the profit of the Company for that period;
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- 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; and
- 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.

### 31. 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**

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

**Tushar Sighat**  
**Executive Director & CEO**

Mumbai, Dated: 30<sup>th</sup> May, 2016



## 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 31/03/2016

#### 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	51.02%	18114663	-	18114663	51.02%	0.00%
d) Banks/FI	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	<b>18114663</b>	<b>-</b>	<b>18114663</b>	<b>51.02%</b>	<b>18114663</b>	<b>-</b>	<b>18114663</b>	<b>51.02%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	3381631	-	3381631	9.52%	3308230	-	3308230	9.32%	-0.21%
b) Banks/FI	12425	-	12425	0.03%	10802	-	10802	0.03%	0.00%
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	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	<b>3403728</b>	<b>-</b>	<b>3403728</b>	<b>9.59%</b>	<b>3319032</b>	<b>-</b>	<b>3319032</b>	<b>9.35%</b>	<b>-0.24%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	1270711	-	1270711	3.58%	2004002	-	2004002	5.64%	2.07%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	5904116	26216	5930332	16.70%	5894601	25716	5920317	16.67%	-0.03%
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	3728492	-	3728492	10.50%	5529770	-	5529770	15.57%	5.07%
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	3027916	-	3027916	8.53%	426991	-	426991	1.20%	-7.33%
Clearing Members	29008	-	29008	0.08%	187075	-	187075	0.53%	0.45%
Trusts	-	-	-	-	3000	-	3000	0.01%	0.01%
<b>Sub-total (B)(2):-</b>	<b>13960243</b>	<b>26216</b>	<b>13986459</b>	<b>39.39%</b>	<b>14045439</b>	<b>25716</b>	<b>14071155</b>	<b>39.63%</b>	<b>0.24%</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>17363971</b>	<b>26216</b>	<b>17390187</b>	<b>48.98%</b>	<b>17364471</b>	<b>25716</b>	<b>17390187</b>	<b>48.98%</b>	<b>0.00%</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>35478634</b>	<b>26216</b>	<b>35504850</b>	<b>100%</b>	<b>35479134</b>	<b>25716</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 Pledge/ 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	51.02%	-	18114663	51.02%	-	0.00%
	<b>TOTAL</b>	18114663	51.02%	-	18114663	51.02%	-	0.00%

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

Sr. No. I - 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	51.02%	18114663	51.02%
Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/ transfer/bonus/sweat equity etc.)	No Change		No Change	
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	MUKESH TIRTHDAS LULLA* (Appointed as Director of the Company w.e.f. 4/2/16)	01-04-15		2618773	7.38	2618773	7.38
		04-02-16				2618773	7.38
		31-03-16		2618773	7.38		
2	SBI FUNDS MANAGEMENT	01-04-15		2407112	6.78	2407112	6.78
		15-05-15	21001			2428113	6.84
		22-05-15	5911			2434024	6.86
		22-05-15	-20000			2414024	6.80
		05-06-15	520			2414544	6.80
		12-06-15	38773			2453317	6.91
		19-06-15	32405			2485722	7.00
		17-07-15	-146654			2339068	6.59
		24-07-15	-101398			2237670	6.30
		14-08-15	-22335			2215335	6.24
		18-09-15	-39324			2176011	6.13
		25-09-15	-22345			2153666	6.07
		30-09-15	-9632			2144034	6.04
		02-10-15	-17902			2126132	5.99
		09-10-15	-42965			2083167	5.87
		16-10-15	-5034			2078133	5.85
		23-10-15	-4464			2073669	5.84
		31-03-16		2073669	5.84		

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
3	KOTAK MAHINDRA MUTUAL FUND	01-04-15		892556	2.51	892556	2.51
		10-04-15	166			892722	2.51
		01-05-15	33780			926502	2.61
		15-05-15	7002			933504	2.63
		22-05-15	5808			939312	2.65
		05-06-15	24697			964009	2.72
		12-06-15	31			964040	2.72
		10-07-15	1471			965511	2.72
		28-08-15	25491			991002	2.79
		18-09-15	3801			994803	2.80
		18-09-15	-3203			991600	2.79
		09-10-15	25000			1016600	2.86
		27-11-15	32512			1049112	2.95
		04-12-15	25013			1074125	3.03
		11-12-15	16194			1090319	3.07
		18-12-15	8046			1098365	3.09
		25-12-15	320			1098685	3.09
		01-01-16	11024			1109709	3.13
		08-01-16	6207			1115916	3.14
		15-01-16	16356			1132272	3.19
		22-01-16	26213			1158485	3.26
		05-02-16	6324			1164809	3.28
		12-02-16	22500			1187309	3.34
		19-02-16	12252			1199561	3.38
		18-03-16	15000			1214561	3.42
		31-03-16	20000			1234561	3.48
		31-03-16		1234561	3.48		
4	TEJAS B. TRIVEDI*	01-04-15		502623	1.42	502623	1.42
		28-08-15	-20000			482623	1.36
		06-11-15	-33754			448869	1.26
		13-11-15	-33827			415042	1.17
		20-11-15	-1759			413283	1.16
		05-02-16	-13283			400000	1.13
		26-02-16	-18855			381145	1.07
		04-03-16	-347450			33695	0.09
		31-03-16	-33695			0	0.00
		31-03-16		0	0.00		
5	SHIVANI T. TRIVEDI*	01-04-15		300953	0.85	300953	0.85
		23-10-15	-70577			230376	0.65
		06-11-15	-230376			0	0.00
		31-03-16		0	0.00		
6	KONDAPANENI PRASANNA KUMAR	01-04-15		261930	0.74	261930	0.74
		31-03-16		261930	0.74		



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
7	KOTAK MAHINDRA INVESTMENTS LTD*	01-04-15		226513	0.64	226513	0.64
		08-05-15	-12455			214058	0.60
		15-05-15	-4958			209100	0.59
		22-05-15	-209000			100	0.00
		29-05-15	-100			0	0.00
		31-03-16		0	0.00		
8	ARCADIA SHARE & STOCK BROKERS PVT LTD*	01-04-15		142782	0.40	142782	0.40
		10-04-15	100			142882	0.40
		10-04-15	-591			142291	0.40
		17-04-15	-105			142186	0.40
		24-04-15	-50			142136	0.40
		01-05-15	-12			142124	0.40
		08-05-15	281			142405	0.40
		08-05-15	-281			142124	0.40
		22-05-15	88			142212	0.40
		22-05-15	-2888			139324	0.39
		29-05-15	200			139524	0.39
		29-05-15	-10777			128747	0.36
		05-06-15	-57254			71493	0.20
		12-06-15	-2767			68726	0.19
		19-06-15	-5142			63584	0.18
		26-06-15	50			63634	0.18
		26-06-15	-4362			59272	0.17
		30-06-15	-1348			57924	0.16
		03-07-15	100			58024	0.16
		10-07-15	-5773			52251	0.15
		17-07-15	100			52351	0.15
		17-07-15	-9500			42851	0.12
		24-07-15	2065			44916	0.13
		24-07-15	-376			44540	0.13
		31-07-15	-500			44040	0.12
		07-08-15	-400			43640	0.12
		14-08-15	900			44540	0.13
		14-08-15	-2924			41616	0.12
		21-08-15	1370			42986	0.12
		21-08-15	-1370			41616	0.12
		28-08-15	300			41916	0.12
		04-09-15	270			42186	0.12
		04-09-15	-220			41966	0.12
		11-09-15	-25			41941	0.12
		18-09-15	50			41991	0.12
		25-09-15	200			42191	0.12
		30-09-15	-200			41991	0.12
		02-10-15	-30			41961	0.12
		09-10-15	-6987			34974	0.10

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
		16-10-15	400			35374	0.10
		23-10-15	800			36174	0.10
		30-10-15	2391			38565	0.11
		30-10-15	-350			38215	0.11
		06-11-15	2408			40623	0.11
		06-11-15	-2735			37888	0.11
		13-11-15	298			38186	0.11
		13-11-15	-598			37588	0.11
		20-11-15	-44			37544	0.11
		27-11-15	5			37549	0.11
		27-11-15	-4608			32941	0.09
		04-12-15	100			33041	0.09
		04-12-15	-1758			31283	0.09
		11-12-15	100			31383	0.09
		11-12-15	-500			30883	0.09
		18-12-15	101			30984	0.09
		18-12-15	-75			30909	0.09
		25-12-15	100			31009	0.09
		25-12-15	-9900			21109	0.06
		31-12-15	-5255			15854	0.04
		08-01-16	403			16257	0.05
		08-01-16	-10203			6054	0.02
		15-01-16	5			6059	0.02
		22-01-16	606			6665	0.02
		22-01-16	-600			6065	0.02
		29-01-16	50			6115	0.02
		05-02-16	100			6215	0.02
		12-02-16	100			6315	0.02
		19-02-16	360			6675	0.02
		19-02-16	-312			6363	0.02
		26-02-16	-5098			1265	0.00
		04-03-16	200			1465	0.00
		11-03-16	-171			1294	0.00
		18-03-16	325			1619	0.00
		31-03-16	-344			1275	0.00
		31-03-16		1275	0.00		
9	ARCADIA BROKERS PVT LTD*	01-04-15		113220	0.32	113220	0.32
		08-05-15	-10000			103220	0.29
		22-05-15	5000			108220	0.30
		29-05-15	5250			113470	0.32
		10-07-15	-34304			79166	0.22
		17-07-15	-37224			41942	0.12
		24-07-15	-8709			33233	0.09
		31-07-15	-8312			24921	0.07
		07-08-15	-5076			19845	0.06
		21-08-15	-620			19225	0.05

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
		04-12-15	-13			19212	0.05
		25-12-15	-4174			15038	0.04
		31-12-15	-855			14183	0.04
		22-01-16	-1400			12783	0.04
		29-01-16	-12783			0	0.00
		31-03-16		0	0.00		
10	KAUSHIK SHAH SHARES AND SEC PVT LTD*	01-04-15		90000	0.25	90000	0.25
		17-07-15	-15000			75000	0.21
		07-08-15	-1426			73574	0.21
		14-08-15	1426			75000	0.21
		30-09-15	-157			74843	0.21
		02-10-15	157			75000	0.21
		16-10-15	-500			74500	0.21
		23-10-15	500			75000	0.21
		11-12-15	15000			90000	0.25
		18-12-15	-20491			69509	0.20
		25-12-15	491			70000	0.20
		01-01-16	-155			69845	0.20
		08-01-16	155			70000	0.20
		31-03-16	20000			90000	0.25
		31-03-16		90000	0.25		
11	VINAI KOLLI	01-04-15		2514525	7.08	2514525	7.08
		25-03-16	-86000			2428525	6.84
		31-03-16	-174150			2254375	6.35
		31-03-16		2254375	6.35		
12	INDIA INFOLINE LIMITED	01-04-15		0	0	0	0
		25-03-16	290000	0.82		290000	0.82
		31-03-16		290000	0.82		
13	ACIRA CONSULTANCY PRIVATE LIMITED	01-04-15		0	0.00	0	0.00
		04-03-16	340000	0.96		340000	0.96
		11-03-16	-58364			281636	0.79
		31-03-16		281636	0.79		
14	SEEMA JAIN	01-04-15		6000	0.02	6000	0.02
		30-10-15	154431			160431	0.45
		15-01-16	315			160746	0.45
		22-01-16	50000			210746	0.59
		31-03-16		210746	0.59		
15	ASHIRWAD INVESTMENTS PRIVATE LIMITED	01-04-15		0	0	0	0
		22-05-15	200000			200000	0.56
		21-08-15	-5235			194765	0.55
		11-12-15	-31500			163265	0.46
		22-01-16	-24490			138775	0.39
		19-02-16	-5000			133775	0.38
		18-03-16	19142			152917	0.43

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
		31-03-16		152917	0.43		
16	QCAP SECURITIES PRIVATE LIMITED	01-04-15		168	0.00	168	0.00
		10-04-15	-100			68	0.00
		10-07-15	139000			139068	0.39
		07-08-15	-20000			119068	0.34
		25-09-15	81100			200168	0.56
		15-01-16	-100			200068	0.56
		12-02-16	-16676			183392	0.52
		19-02-16	-18802			164590	0.46
		26-02-16	-15358			149232	0.42
		31-03-16		149232	0.42		

\* The same is reflected above since the shareholder was one of the Top 10 shareholder as on April 1, 2015.

#### 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	01-04-15		-	-	-	-
		31-03-16		-	-	-	-
2	Mr. Tushar Sighat	01-04-15		16427	0.05	16427	0.05
		31-03-16		16427	0.05	16427	0.05
3	Mr. Rajaram Ajaonkar	01-04-15		-	-	-	-
		31-03-16		-	-	-	-
4	Mr. Satish Godbole @	01-04-15		50	0.00	50	0.00
		31-03-16		50	0.00	50	0.00
5	Mr. Anil Bakshi	01-04-15		-	-	-	-
		31-03-16		-	-	-	-
6	Ms. Sue-Fung Wang	01-04-15		-	-	-	-
		31-03-16		-	-	-	-
7	Mr. A. P. Chen*	01-04-15		50000	0.14	50000	0.14
		07-08-15		50000	0.14	50000	0.14
8	Mr. Vinai Kolli**	01-04-15		2514525	7.08	2514525	7.08
		06-11-15		2514525	7.08	2514525	7.08
9	Mr. Douglas Hsiao \$	01-04-15		-	-	-	-
		31-03-16		-	-	-	-
10	Mr. Mukesh Lulla %	01-04-15		2618773	7.38	2618773	7.38
		31-03-16		2618773	7.38	2618773	7.38
11	Mr. C. M. Gaonkar #	01-04-15		75881	0.25	75881	0.25
		31-03-16		75881	0.25	75881	0.25
12	Mr. Shrinivas Adikesar	01-04-15		545	0.00	545	0.00
		31-03-16	-45	500	0.00	500	0.00

@ 25 shares are held in joint shareholding with relative.

\* Resigned as Director and Chairman effective from August 7, 2015.

\*\* Resigned as Whole-time director effective November 6, 2015.

\$ Appointed as Additional Director effective from August 29, 2015.

% Appointed as Additional Director effective from February 4, 2016.

# 9,487 shares are held in joint shareholding with his relative.



## 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	22,742,889	-	-	22,742,889
<b>Change in Indebtedness during the financial year</b>				
Reduction	22,742,889	-	-	22,742,889
<b>Indebtedness at the end of the financial year</b>				
Principal Amount	-	-	-	-
<b>Total</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/MTD/Manager		Total Amount
		Gary Yang	Tushar Sighat	
1	Gross salary	3,096,809	21,002,923	24,099,732
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3,096,809	21,002,923	24,099,732
	(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)	3,096,809	21,002,923	24,099,732
	Ceiling as per the Act	10% of Net profit of the Company.		

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	Douglas Hsiao	Mukesh Lulla	
<b>1</b>	<b>Independent Directors</b>							
	Fee for attending board committee meetings	300,000	300,000	300,000	50,000	50,000	50,000	1,050,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	300,000	300,000	300,000	50,000	50,000	50,000	1,050,000
<b>2</b>	<b>Other Non-Executive Directors</b>							
	Fee for attending board committee meetings	325,000	325,000	325,000	-	-	-	975,000
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1 + 2)	625,000	625,000	625,000	50,000	50,000	50,000	2,025,000
	Total Managerial Remuneration							
	Overall Ceiling as per the Act	10% of Net profit of the Company						

### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTB

(in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Shrinivas Adikesar Company Secretary	C.M. Gaonkar CFO	
1	Gross salary	1,508,861	47,95,850	6,304,711
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,508,861	47,95,850	6,304,711
	(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	1,508,861	47,95,850	6,304,711

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

There were no Penalties/Punishment/Compounding of Offences during the year ended 31st March 2016.

For and on behalf of the Board of Directors

Mumbai, Dated: 30<sup>th</sup> May, 2016

Gary Yang  
Managing Director

Tushar Sighat  
Executive Director & CEO

# 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 2015-16 is as below;

Sr. No.	Name of the Director/KMP	Ratio of remuneration of director to the Median remuneration
1	Mr. Gary Yang (Managing Director)	6.25:1
2	Mr. Tushar Sighat (Executive Director & CEO)	42.38:1
3	Mr. Rajaram Ajgaonkar	Nil
4	Mr. Satish Godbole	Nil
5	Mr. Anil Bakshi	Nil
6	Ms. Sue-Fung Wang	Nil
7	Mr. Douglas Hsiao\$	Nil
8	Mr. Mukesh Lulla #	Nil
9	Mr. A. P. Chen*	Nil
10	Mr. Vinai Kolli @	Nil
11	Mr. C. M. Gaonkar (Chief Financial Officer)	9.68:1
12	Mr. Shrinivas Adikesar (Company Secretary)	3.04:1

\$ Appointed as Additional Director effective from August 29, 2015.

# Appointed as Additional Director effective from February 4, 2016.

\* Resigned as Director and Chairman effective from August 7, 2015.

@ Resigned as Whole-time director effective November 6, 2015.

- 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 2015-16;

- There is no increase in % of remuneration paid in the current year as compared to previous financial year.
- The percentage is not comparable since during the previous financial year remuneration was higher on account of;
  - i) Ex-gratia paid for the financial year 2014-15 and 2013-14 to all the employees across the company;
  - ii) Includes Payment of Performance bonus pertaining to the financial year 2013-14 and 2014-15; and
  - iii) Leave Encashment paid on account of change in leave policy reducing the maximum leave accumulation per employee from 45 days to 10 days.

c)	The percentage increase in the median remuneration of employees (excluding resigned and employed part of the year) in the financial year 2015-16	18%
d)	the number of permanent employees on the rolls of company as on March 31, 2016	278 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 2015-16 as compared to the financial year 2014-15 was 13.7% (% excludes employees resigned and employed part of the year). The turnover of the Company increased by 12% & Profit Before tax increased by 2.42%.
f)	comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	The remuneration of KMPs is 0.43% of the total revenue.

**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;

	<b>2015-16</b>	<b>2014-15</b>	<b>Increase</b>
	<b>Rs.</b>	<b>Rs.</b>	<b>%</b>
Price Earnings Ratio in (Cr)	19.44	27.07	(28.19)
Market Capitalisation*	4,182,471,330	5,920,433,738	(29.36)
<i>* NSE closing share price as on 31st March is considered</i>			

- 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**

	<b>Increase % ^</b>
Average salary of all employees (other than Key Managerial Personnel)	13.67
Key Managerial Personnel	
MD & Executive Director & CEO	No Increase
CFO & CS	No Increase

^ The % is not comparable since during the previous financial year remuneration was higher on account of;

i) Ex-gratia paid for the financial year 2014-15 and 2013-14 to all the employees across the company;

ii) Includes Payment of Performance bonus pertaining to the financial year 2013-14 and 2014-15 ; and

iii) Leave Encashment paid on account of change in leave policy reducing the maximum leave accumulation per employee from 45 days to 10 days .

**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 the 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

a) Persons employed for the full year ended March 31, 2016 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	21,002,923	B. E. in Electronics & Telecommunications	25 Years	1-Jul-2011	46 years	Elite Core Technologies Pvt. Ltd Sr. V.P Operations

b) Persons employed for part of the year ended March 31, 2016 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					

For and on behalf of the Board of Directors

Mumbai, Dated: 30<sup>th</sup> May, 2016

**Gary Yang**  
Managing Director

**Tushar Sighat**  
Executive Director & CEO



## 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	1 <sup>st</sup> April, 2015 to 31 <sup>st</sup> March, 2016
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	45,454,201
6	Total assets	70,390,364
7	Total Liabilities	24,831,163
8	Investments	-
9	Turnover	205,868,637
10	Profit before taxation	43,056,183
11	Provision for taxation	14,291,484
12	Profit after taxation	28,764,699
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	

Note:

- 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: 30<sup>th</sup> May, 2016

## Form MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016

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

To,

The Members,

**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 31<sup>st</sup> March, 2016 ( 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 31<sup>st</sup> March, 2016 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;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not applicable to the Company during the audit period);
  - 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 law and Regulation 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.
- ii. The Listing Agreements entered into by the Company with Stock Exchanges read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has 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.

**Shivaram Bhat**

Place : Panaji, Goa

Date : 28<sup>th</sup> May, 2016

**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 : 28<sup>th</sup> May, 2016

**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.	All the transactions are in the ordinary course of business and at arm's length considering that transactions are entered into as per transfer pricing arms length norms.	The transactions are entered in the ordinary course of business and are at arms length basis. The same are approved by the Board and Audit Committee on 19 <sup>th</sup> May, 2015.	NA

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

Mumbai, dated: 30<sup>th</sup> May, 2016

**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
Mr. Anil Bakshi	Chairman
Mr. Gary Yang	Member
Mr. Tushar Sighat	Member
Mr. Rajaram Ajgaonkar	Member
Mr. Satish Godbole	Member

3. Average net profit of the company for last three financial years (Rs. in Million)

Particulars	31st March, 2015	31st March, 2014	31st March, 2013
Net Profit (or Loss) for the year [Before tax] for the purpose of section 135	338.52	204.48	187.89
Average			243.63

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

CSR for FY 31 March 2016 (2% of above)	Rs. 4.87 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. 4.87 million.
- b) Amount unspent, if any - Rs. 8.07 Million. However, the Company spent Rs. 1.6 million subsequent to the financial year.
- 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: Direct or through implementing agency
1	Medical aid in BCJ Hospital, St. Cruz, Mumbai	Promoting Healthcare	Operational area of Corporate Office.	1.6 Million	1.6 Million (Direct)	1.6 Million	Direct

\* The Company spent Rs. 1.6 million subsequent to the financial year.

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: 30<sup>th</sup> May, 2016



# Management Discussion and Analysis Report

## INDUSTRY OVERVIEW

### Global Economic Scenario

The global economy including both developed and emerging countries has been experiencing multiple headwinds. Major macroeconomic realignments are affecting prospects differentially across countries and regions. These include the slowdown and rebalancing in China; a further decline in commodity prices, especially of oil, with sizable redistributive consequences across sectors and countries; a related slowdown in investment and trade; and declining capital flows to emerging markets and developing economies.

These realignments, together with a host of non economic factors, including geopolitical tensions and political discord, are generating substantial uncertainty. On the whole, they are consistent with a subdued outlook for the world economy - but risks of much weaker global growth have also risen.

Economic growth has stagnated, commodity prices have declined, turbulence in currency and equity markets continues, global terrorism has spiked and unemployment haunts many countries. Uncertainty and pessimism have dominated the economic and business news in the recent times. These undercurrents of economic uncertainty are driving organizations to tighten their belts, and IT spending has been one of the casualties. At the same time, the need to invest into IT to support digital business is more urgent than ever. These challenges provide opportunities for the global technology industry.

Worldwide IT spending is forecast to total \$3.54 trillion dollars in CY 2016, just a 0.6 percent increase over 2015 spending of \$3.52 trillion dollars. CY 2015 saw the largest U.S. dollar drop in IT spending \$216 billion dollars less was spent on IT in 2015 than in 2014 and 2014 spending levels won't be surpassed until 2019 according to Gartner, Inc.

This was the weak macroeconomic backdrop against which large global corporations sought to become efficient even as they used technology to fend off business model challenges, establish competitive differentiation, show revenue and earnings growth and stay compliant in a shifting regulatory landscape.

### INDUSTRY OUTLOOK IN INDIA

India remains on a strong recovery path, with GDP growth reaching 7.3 per cent in 2015. India's growth is projected to strengthen to 7.5 per cent in 2016 and 2017. Further, India will remain the world's fastest growing information technology (IT) market in 2016 as it is expected to spend more than \$72 billion on IT services, products and hardware, up by 7.2% from the current year, according to research firm Gartner Inc. The growth will come on the back of the digitization wave catching up with Indian companies and the growing number of connected devices that form the Internet of Things (IoT). IoT, usually defined as a network of things that can communicate and exchange information over the Internet. Spending on IoT hardware is likely to exceed \$2.5 million per minute in 2016.

India is the world's largest sourcing destination for the information technology (IT) industry, accounting for a US\$ 124-130 billion market. The industry employs a workforce of about 10 million. More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy. India is also gaining prominence in terms of intellectual capital with several global IT firms setting up their innovation centres in India.

The IT industry has also created significant demand in the Indian education sector, especially for engineering and computer science. The Indian IT and ITeS industry is divided into four major segments - IT Services, Business Process Management (BPM), Software Products and Engineering Services, and Hardware.

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 growing market have accelerated the networking market in the country.

The networking industry will continue to grow at a robust pace on the back of higher enterprise spending, a further roll out of 3G/4G networks and increasing broadband penetration. With strong parental support from D-Link Taiwan, in terms of a pipeline of the latest and innovative products, D-Link India is ideally placed to take advantage of the impending boom in networking and internet products.

The growing IT spending and increasing government initiatives would fuel growth of the India enterprise networking market over the coming quarters. 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.

Gartner predicts high rates of spending on cloud services in India to continue through 2019 when the market is expected to reach \$1.9 billion. The forecast for cloud services vary based on local factors, including supply and demand within the local markets, country-specific economic conditions, currency exchange rates, and other global market factors. The explosive growth of Software as a service (SaaS) and infrastructure as a service (IaaS) in the India market is an indication that enterprises in India are moving away from building their own on premises infrastructure, as well as migrating from the traditional software licensing model, to a SaaS model served up by cloud providers. Accordingly, in the latest survey by Gartner, 61 percent of respondents in India indicated that they are currently using cloud services, and additional 31 percent plan to use cloud services in the future. The increased internet penetration and rise of ecommerce are the main reasons for continued growth of the data centre colocation and hosting market.

The Indian networking market continues to post a healthy year-on-year growth. According to International Data Corporation (IDC), the Ethernet Switch market witnessed a year-on-year growth of 6.8 percent (in vendor revenue) and stood at USD 108.2 Million. The Router market witnessed a significant year-on-year growth

## Management Discussion and Analysis Report

of 32 percent and stood at USD 72.4 Million in terms of vendor revenue.

The telecom 4G rollouts and government projects comprising of various e-governance, surveillance and digital initiatives are expected to contribute to the growth in the coming years.

The Indian LAN market is expected to grow in single digit in terms of Compound Annual Growth Rate (CAGR) for 2015-2020. Telecom and Banking would remain as the key contributors but incremental growth is expected from Education, Government, e-Commerce, Healthcare and Hospitality verticals in the near future. The WLAN market is also expected to grow in single digit in terms of compound annual growth rate (CAGR) for 2015-2020. Uptake from SMB and Wi-Fi hotspot demand from various cities would drive incremental growth in the near future.

The government's initiatives to improve the financial inclusion, reduce the digital divide and build smart cities, are expected to contribute largely to the networking market in the near future. For the telcos' investment, strong competition, brand relocation, customer loyalty, and Government support will be the driving forces.

### OPPORTUNITIES AND THREATS

Traditionally, Indian companies have been slow to adopt technology. However, now enterprises across sectors are expressing interest in going 'digital'. This trend has been further encouraged by the Government's 'Digital India' programme. Digitization efforts from government and businesses are driving the IT networking and storage markets in India.

For technology companies, Digital India opens up a plethora of opportunities such as building the broadband infrastructure; creating identity solutions, payment systems, web or mobile based delivery structures, etc. Cybersecurity is another key area of focus. It is imperative that organizations of all sizes invest significantly in securing their products and services. Healthcare is undergoing its own digital transformation globally, and in a country like India, telemedicine and remote health are likely to play a huge role in driving universal accessibility to quality healthcare.

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 (India) Limited is a principal player in the Enterprise segment, primarily as an application service provider closely aligned with System Integrators. In parallel, the company also targets other key verticals, including Government, Education, BFSI and Manufacturing, among others.

The surveillance segment is also rapidly gaining importance and in many organizations, migrating from administration to IT functions. This logical new generation surveillance systems have to be effectively integrated into the company's overall network infrastructure. In such a scenario, D-Link India enjoys significant competitive advantage with products and capabilities to provide solutions spanning the entire networking infrastructure.

The opportunities observed are based on the trends noticed in past couple of years, which continues to be relevant. The domestic market will get a big boost from the Government focus on "Digital India" and "Make in India".

Increasing penetration of Internet in India with the rapid expansion of broadband spectrum availability is enabling businesses to look at Tier II/Tier III cities not only for addressing newer markets but also for IT companies to look for 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 driving rapid growth with unprecedented levels of funding. This will bring in opportunities for IT services and associated opportunities for provision of skilling services.

### OPERATIONAL REVIEW

D-Link is focused to provide world-class customer services and has worked towards enhancing its existing support infrastructure PAN India. Today, there are 11 D-Link Direct Service Centres, 49 Partner Service centre and 156 Courier Collection points across the country. With this now D-Link India has coverage for 128 Locations with 216 Service Points for Customer Support and thereby ensure complete customer peace of mind. Further customers can also interact with the technical experts present at the centres and have hands-on product experience with live demos. We proud to say that, our TCE (Total Customer Experience) Score is above 95% consistently.

The Company expects robust growth during FY16-18 with strong parental support in terms of pipeline of the latest and innovative products as well as working capital cycle management. The pan-India distribution network of over 18 branch offices, 90 business distributors (National/Regional/ Business Distributors all across India + in the SAARC), 500 dealers and 5000 re-sellers allows it to reach every nook and corner of India.

### Product-wise performance

In India, D-Link has sustained its growth momentum in various categories. In the switches segment, D-Link's market share continues to grow and has reached the leadership position at nearly in FY15 against the backdrop of a virtually flat market.

In the wireless segment, D-Link ranked second with a 49% market share in JFM 2016. In the Switch domain, D-Link retained its numero uno position with 42% of the market while in the emerging domain of IP surveillance.

**Network Switching:-** 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

## Management Discussion and Analysis Report

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. Built on the strength of these D-Link Network Switches, specific network solutions can help small and medium-size businesses, hospitals, schools, universities and government agencies meet the challenge of growing demands and shrinking resources.

From enabling physical security to managing an end-to-end wireless infrastructure or protecting and storing sensitive data, D-Link Network Switches provide the basis for secure and reliable business networks. It includes from the core of your network to its edge, D-Link's comprehensive sections of switches includes 10Gigabit, Gigabit, Fast Ethernet and PoE that range from entry level to full managed, more sophisticated solutions. Product under this category includes Unmanaged, Smart, Managed, xStack, Chassis and Unified Wireless

**Surveillance solutions:-** D-Link surveillance products are 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 Standalone Network Cameras, Pan Tilt Zoom Cameras, Dome Cameras (Day & Night), Box Cameras and Outdoor Cameras.

**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 49% market share. Its product portfolio includes Business Class Access Points, Unified Switching Solutions, and Long Distance Wireless etc. Further in consumer space, the boom in smartphone segment enabled us to position our complementing product line like net-generation 11AC standard products & 3G effectively. All D-Link Wireless AC routers support dual-band wireless, operating on both the 2.4 GHz and the 5GHz wireless bands. This allows you to browse the web, chat and e-mail using the 2.4 GHz band on your smartphone and computer, while simultaneously streaming stream HD. D-Link offers unified wireless networking solutions that enable small and medium-sized businesses to create highly mobile, highly productive work environments at a low total cost of ownership.

With products that provide excellent value across a wide range of scenarios, D-Link wireless networks are scalable, easy to deploy and manage – delivering reliable, secure connectivity, in a self-healing solution. D-Link's free bespoke web-based Wi-Fi network management software – Central WiFiManager – allows setup, management and control of an entire network from one central location from any Internet-connected device

**Passive Products:-** Structured Cabling is another segment that we at D-Link are extensively focusing on. D-Link's wide product range combined with premium quality & excellent brand re-call has resulted in good confidence amongst partners and customers towards our cabling solutions. We are currently focusing on Copper

& Fiber cabling solutions. D-Link has an entire range of high end copper and fiber range which can be positioned in the high end applications like data centers and server farms etc

Over the years, D-Link has witnessed remarkable growth in the Structured Cabling product category, 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. Moving ahead the Company is confident to continue to deliver technological excellence and complete customer satisfaction.

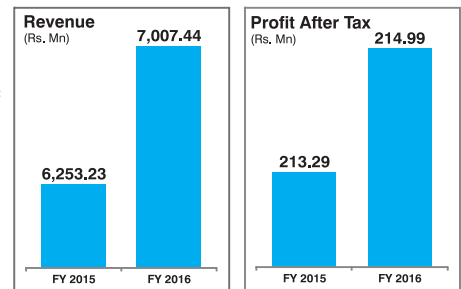
**Introduction of IOT Range:-** D-Link had introduced new product category under IoT with range of Smart home solutions and firm believes that homes will move from being interconnected to information- and smart-enabled - an integrated services environment

D-Link launched a series of products to make Smart Home a reality,

- Smart Plug - Control your devices and appliances from anywhere.
- Audio Extender - Stream all your music from your device to any connected speaker.
- Wireless Sensors - Always know when something's moving at home.
- Home Monitors - The simplest way to keep an eye on your home, kids, pets, or business.

## Financial Review

The Company earned a total income from sales and services of Rs. 7,007.44 million during the financial year 2015-16 compared to Rs. 6,253.23 million during the financial year 2014-15 registering a growth of 12 % during the year. Yet another year Company witnessed the highest yearly turnover since the inception of D-Link in India.



During the year under review, the company posted Profit before Depreciation and Tax of Rs. 346.59 million as compared to Rs. 341.09 Million in the previous year. Depreciation for the year stood at Rs. 14.68 million. Profit Before Tax for the year stood at Rs. 331.91 million while Net Profit for the year stood at Rs. 214.99 million.

## Human Resource Development

At D-Link, employees form the key focus of business management and development to establish future growth and stability. As a company, our investment in employees' career path can be clearly

## Management Discussion and Analysis Report

defined in the initiatives taken towards Talent Acquisition, Talent Management, Talent Development and Talent Engagement.

The Company believes that it is the quality and dynamism of its human resource that enables it to make a significant contribution to enhancing stakeholder value.

HR is integrated within the business framework to provide foundation for building the skill sets required. At D-Link, employees are given opportunities to develop their competence towards challenging roles by leveraging on the exposure and responsibilities entrusted to them. D-Link's dedicated and talented workforce of more than 278 people across India has assisted in driving our achievements and success.

### Risks And Concerns

#### Technology Risk

Digitalization is emerging as a disruptive force for customers, buyers and technology. This disruption coupled with changes in delivery models and consumer spending patterns could be a threat to the growth in traditional IT spends and technology obsolescence. D-Link operates in an ever evolving and dynamic technological environment and it is of utmost importance that the Company continuously reviews and upgrades its technology, resources and processes lest it faces technology obsolescence. 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

The IT services industry is highly competitive with competition arising from local IT companies and MNC IT hardware companies having sizable presence in low cost technologies. The competition can lead to pressure on pricing, vendor consolidation and hence can impact Company growth and profitability. New competitors are emerging from adjacent markets and distant geographies. To remain competitive, the Company 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 to based on their needs. The Company has deep domain knowledge, skilled workforce, delivery capabilities and efficient sales force to help retain its competitive positioning amongst peers.

#### Currency risks

In FY16, the rupee has depreciated against most major currencies. The currency movements were driven by lower growth prospects. 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 will continue to remain volatile. This trend is

expected to continue during the year too. D-Link has a well-established hedging policy which has been followed consistently over the past years. Hedging is undertaken to protect the Company from unfavourable currency movements and the Company does not undertake any speculative hedging.

### Internal Control Systems and their Adequacy

The Company has aligned its current systems of Internal Financial Control with the requirement of Companies Act 2013. 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 Audits 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.

The Company has appointed reputed firms of Chartered Accountants to oversee and carry out Internal Audits. The Audit is based on an Internal Audit Plan, which is reviewed each year in consultation with the Audit Committee. In line with International practice, the conduct of Internal Audit is oriented towards the review of Internal Controls.

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 MD&A should be read in conjunction with the Company's financial statements included herein and the notes thereto. Information provided in this MD&A pertain to D-Link (India) Limited unless otherwise stated.

For and on behalf of the Board

**Gary Yang**

Managing Director

Mumbai dated: 30<sup>th</sup> May, 2016



# Report on Corporate Governance

The detailed report on Corporate Governance as per the format prescribed by Securities Exchange Board of India vide SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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, 2016. The Company at present has eight Directors on its Board, comprising of two Executive Directors and six 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. Douglas Hsiao <sup>#</sup>	Non-Executive Director and Chairman
Mr. Yao Chuan Yang (Mr. Gary Yang)	Executive Director (Managing Director)
Mr. Tushar Sighat	Executive Director and Chief Executive Officer
Mr. Rajaram Ajgaonkar	Non-Executive and Independent
Mr. Satish Godbole	Non-Executive and Independent
Mr. Anil Bakshi	Non-Executive and Independent
Ms. Sue-Fung Wang	Non-Executive and Independent
Mr. Mukesh Lulla <sup>\$</sup>	Non-Executive Director
Mr. A. P. Chen <sup>@</sup>	Non-Executive Director and Chairman
Mr. Vinai Kolli <sup>*</sup>	Executive Director

<sup>#</sup> Mr. Douglas Hsiao was appointed as Additional Director and Chairman of the Company with effect from August 29, 2015.

<sup>\$</sup> Mr. Mukesh Lulla was appointed as Additional Director on the Board with effect from February 4, 2016.

<sup>@</sup> Mr. A. P. Chen has ceased to be Non-Executive Director and Chairman of the Company effective August 7, 2015.

<sup>\*</sup> Mr. Vinai Kolli has ceased to be Executive Director of the Company effective November 6, 2015.

### 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. Douglas Hsiao <sup>#</sup>	5	1	NA
Mr. Gary Yang	5	5	Present
Mr. Tushar Sighat	5	5	Present
Mr. Rajaram Ajgaonkar	5	5	Present
Mr. Satish Godbole	5	5	Present
Mr. Anil Bakshi	5	5	Present
Ms. Sue-Fung Wang	5	1	Present
Mr. Mukesh Lulla <sup>\$</sup>	5	1	NA
Mr. A. P. Chen <sup>@</sup>	5	0	NA
Mr. Vinai Kolli	5	3	Absent

<sup>#</sup> Mr. Hsiao has attended one board meeting held after his appointment as director.

<sup>\$</sup> Mr. Lulla has attended one board meeting held after his appointment as director.

<sup>@</sup> Mr. Chen had sought leave of absence from the board meetings held during his tenure as director.



## Report on Corporate Governance

### 2.3 Number of other Directorship and Chairmanship/ Membership of Committees of each Director in other Companies and shareholding as at March 31, 2016

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. Douglas Hsiao	Nil	Nil	Nil
Mr. Gary Yang	Nil	Nil	Nil
Mr. Tushar Sighat	Nil	Nil	Nil
Mr. Rajaram Ajgaonkar	Nil	Nil	Nil
Mr. Satish Godbole	Nil	Nil	Nil
Mr. Anil Bakshi	Nil	Nil	Nil
Ms. Sue-Fung Wang	Nil	Nil	Nil
Mr. Mukesh Lulla	Nil	Nil	Nil
Mr. A. P. Chen	Nil	Nil	Nil
Mr. Vinai Kolli	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. Five Board Meetings were held during the Financial Year 2015-16 on the following dates:

May 19, 2015	November 6, 2015
August 7, 2015	February 4, 2016
August 28, 2015 <sup>a</sup>	

a. The Board Meeting was originally held on August 28, 2015 and concluded on August 29, 2015.

During the year, one meeting of the Independent Directors was held on March 19, 2016. The Independent Directors, inter-alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

### 2.5 Disclosure of relationships between directors inter-se

None of the Directors are inter-se related to each other and there is no pecuniary or business relationship between the Non-Executive/Independent Directors and the Company, except for the payment of sitting fees for attending Board and Committee Meetings in accordance with the applicable laws.

### 2.6 Number of shares held by Non-Executive Directors:

Name of the Non-Executive Director	Number of Shares held
Mr. Mukesh Lulla <sup>\$</sup>	2,618,773
Mr. A. P. Chen <sup>@</sup>	50,000
Mr. Satish Godbole	50

<sup>\$</sup> Mr. Mukesh Lulla was appointed as Additional Director on the Board with effect from February 4, 2016.

<sup>@</sup> Mr. A. P. Chen has ceased to be Non-Executive Director and Chairman of the Company effective August 7, 2015.

### 2.7 Details of Familiarisation programme for Independent Directors:

Pursuant to Regulation 25 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 their duties and responsibilities effectively.

The details of familiarisation programme has been displayed on website at <http://www.dlink.co.in/pdf/Independent%20Directors%20Familiarisation%20Program.pdf>

## 3. Audit Committee

### 3.1 Composition

The Board has constituted audit committee with majority of them are independent directors including chairman and all the members of the committee are non-executive directors. The composition of the Audit Committee is as under:

## Report on Corporate Governance

Name of the Director/Member	Category
Mr. Rajaram Ajgaonkar	Chairman (Independent Director)
Mr. Satish Godbole	Member (Independent Director)
Mr. Anil Bakshi	Member (Independent Director)
Mr. Douglas Hsiao <sup>#</sup>	Member (Non-Independent Director)
Mr. A. P. Chen <sup>@</sup>	Member (Non-Independent Director)

<sup>#</sup> Mr. Douglas Hsiao has been nominated as member of the Committee with effect from August 29, 2015.

<sup>@</sup> Mr. A. P. Chen has ceased to be member of the Committee effective August 7, 2015.

The Committee's composition meets with requirements of Section 177(2) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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, 2015, August 7, 2015, November 6, 2015 and February 4, 2016 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. Satish Godbole	4	4
Mr. Anil Bakshi	4	4
Mr. Douglas Hsiao	4	0
Mr. A. P. Chen	4	0

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 29, 2015.

### 3.3 Brief description of terms of reference:

#### a) Terms of Reference

The terms of reference stipulated by the Board to the Audit Committee and as contained under 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.

#### b) 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) Modified opinion(s) in the draft audit report
- 5) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

## Report on Corporate Governance

- 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) Reviewing and monitoring 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 Chief Financial Officer 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 & Remuneration Committee of the Board of Directors meets the criteria laid down under Section 178 of the Companies Act, 2013, read with of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 <sup>@</sup>	Member (Non Independent Director)
Mr. Rajaram Ajgaonkar	Member (Independent Director)
Mr. Anil Bakshi	Member (Independent Director)
Mr. Douglas Hsiao <sup>#</sup>	Member (Non-Independent Director)

<sup>@</sup> Mr. A. P. Chen has ceased to be member of the Committee effective August 7, 2015.

<sup>#</sup> Mr. Douglas Hsiao has been nominated as member of the Committee with effect from August 29, 2015.

### 4.2 Brief Description of Terms of Reference

Following are terms of reference of the Nomination and Remuneration Committee as contained under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- 1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- 3) Devising a policy on diversity of Board of Directors;
- 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 of Directors their appointment and removal.
- 5) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

## Report on Corporate Governance

### 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, 2015, August 28, 2015 and February 4, 2016. 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. Rajaram Ajgaonkar	3	3
Mr. Anil Bakshi	3	3
Mr. Douglas Hsiao	3	0
Mr. A. P. Chen	3	0

### 4.4 Performance Evaluation criteria for Independent Directors

Pursuant to Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 2015-16 and the Company would like to continue the existing term of appointment of each Independent Director.

### 4.5 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 recommendations 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.

## 5. Remuneration Paid to the Directors

### 5.1 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	Amount of Dividend Paid during the year 2015-2016 (Amt in Rs.)
Mr. Mukesh Lulla <sup>\$</sup>	1,833,141/-
Mr. A. P. Chen <sup>@</sup>	35,000/-
Mr. Satish Godbole	35/-

<sup>\$</sup> Mr. Mukesh Lulla was appointed as Additional Director on the Board with effect from February 4, 2016 and the dividend paid on September 3, 2015 prior to becoming director.

<sup>@</sup> Mr. A. P. Chen has ceased to be Non-Executive Director and Chairman of the Company effective August 7, 2015.

### 5.2 Criteria of making payments to Non-Executive Directors (as decided by 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. 50,000/- for attending each meeting of the Board, Rs. 50,000/- for attending each meeting of the Audit Committee, Rs. 25,000/- for each of the meetings of Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and other board committees.

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

Directors	Sitting Fees
Mr. Rajaram Ajgaonkar	Rs.625,000/-
Mr. Satish Godbole	Rs.625,000/-
Mr. Anil Bakshi	Rs.625,000/-
Ms. Sue-Fung Wang	Rs.50,000/-
Mr. Douglas Hsiao	Rs.50,000/-
Mr. Mukesh Lulla	Rs.50,000/-

### 5.3 Disclosures with respect to remuneration:

#### • Executive Directors:

Executive Directors	Remuneration
Mr. Gary Yang	Rs. 3,096,809/-
Mr. Tushar Sighat	Rs. 21,002,923/-

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. Gary Yang	Mr. Tushar Sighat
<b>Basic Salary</b>	In the scale of Rs.50,000/-to Rs.200,000/- per month as the Board may decide from time to time.	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.
<b>Special/Other Allowances</b>	In the scale of Rs.75,000/-to Rs.300,000/- per month as the Board may decide from time to time.	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.
<b>Performance linked variable pay and / or any other compensation</b>	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.	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.
<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.
<b>Perquisites</b>	a) Use of telephone and Company's car for official use. b) Reimbursement of all Medical expenses upto maximum of Rs.50,000/- pa. c) Provident Fund and Gratuity as per the applicable laws and rules. d) Earned Leave as per the rules of the Company. 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. 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. 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.	a) Use of Company's telephone and car for official duties. b) Reimbursement of all Medical expenses upto maximum of Rs.25 lakhs p.a. c) Provident Fund and Gratuity as per the applicable laws and rules. d) Earned Leave encashment as per the rules of the Company. 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 evaluated at actual cost. 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 & 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 Section 197 of the Companies Act, 2013.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.
<b>Terms of appointment</b>	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.
<b>Notice Period</b>	Three months notice in advance by either party.	Three months notice in advance by either party.
<b>Severance fees</b>	Three months salary in lieu of notice.	Three months salary in lieu of notice.



## Report on Corporate Governance

### 6. Stakeholders' Relationship Committee

#### 6.1 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 Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

#### 6.2 Terms of Reference of the Stakeholders' Relationship Committee are as follows

- 1) Oversee and review all matters connected with the transfer of the Company's securities.
- 2) Monitor redressal of investors' / shareholders' / security holders' grievances.
- 3) Oversee the performance of the Company's Registrar and Transfer Agents.
- 4) Recommend methods to upgrade the standard of services to investors.
- 5) 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.

#### 6.3 Meetings and Attendance during the year:

During the year under review, one meeting of Stakeholders' Relationship Committee was held on February 4, 2016.

Name of the Director	Meetings held	Meetings attended
Mr. Satish Godbole	1	1
Mr. Gary Yang	1	1
Mr. Rajaram Ajgaonkar	1	1
Mr. Anil Bakshi	1	1

During the year, the Company had received 45 complaints from the shareholders and the same were attended and resolved to the satisfaction of the shareholders. As on March 31, 2016, 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 29, 2015.

### 7. Corporate Social Responsibility Committee ('CSR Committee')

#### 7.1 Composition of CSR Committee

Pursuant to Section 135 of the Companies Act 2013 the Board 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	Member ( Executive Director)

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.

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

During the year under review, the Company held one CSR Committee meeting on November 6, 2015. The attendance of each member at these Committee Meetings 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. Tushar Sighat	1	1

### 8. General Body Meetings

#### 8.1 Location and time, where last three AGMs were held

Location	Date	Time
Kesarval Gardens, Verna, Salcette, Goa - 403722	August 29, 2015	11.00 a.m.
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.

## Report on Corporate Governance

### 8.2 Special Resolutions passed in the Annual General Meetings/Extra Ordinary General Meetings held during last three financial years

Financial Year	Date of AGM/EGM	Particulars of Special Resolution
2014-15	August 29, 2015	1) Adoption of new set of Articles of Association of the Company pursuant to provisions of the Companies Act, 2013; 2) Variation in the terms of payment of remuneration to Mr Gary Yang - Managing Director; 3) Approval of Material Related Party Transactions of the Company.
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.

### 8.3 Details of Special resolutions passed through Postal Ballot during the last year

During the year under review, the Company did not conduct postal ballot process for passing any resolution, whether ordinary or special.

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

## 9. Means of communication

Particulars	
- Quarterly Results	- Published in Newspapers
- Newspapers wherein results normally published	- In English : The Financial Express, The Navhind Times- In Marathi: Pudhari
- Any website, where displayed	<a href="http://www.dlink.co.in">www.dlink.co.in</a>
- Whether it also displays Official News releases	None
- The presentations made to Institutional Investors or to the Analysts	None

## 10. General Shareholder Information

### 10.1 Annual General Meeting

Date : Friday, August 26, 2016

Time : 05.00 p.m.

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

### 10.2 Financial Year 2016-17

For the year ending March 31, 2017, the results will be announced as per the tentative schedules below:

Particulars	Date
First Quarter Results	On or before August 14, 2016
Third Quarter Results	On or before November 14, 2016
Third Quarter Results	On or before February 14, 2017
Audited Annual Results	On or before May 30, 2017

### 10.3 Dates of Book Closure

The Register of Members and the Share Transfer Register will remain closed for a period of 7 days from Saturday, July 23, 2016 to Friday, July 29, 2016 (both days inclusive).

### 10.4 Dividend Payment Date

The Dividend will be paid to all shareholders on or after August 31, 2016.

### 10.5 Listing on Stock Exchanges

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

## 10.6 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

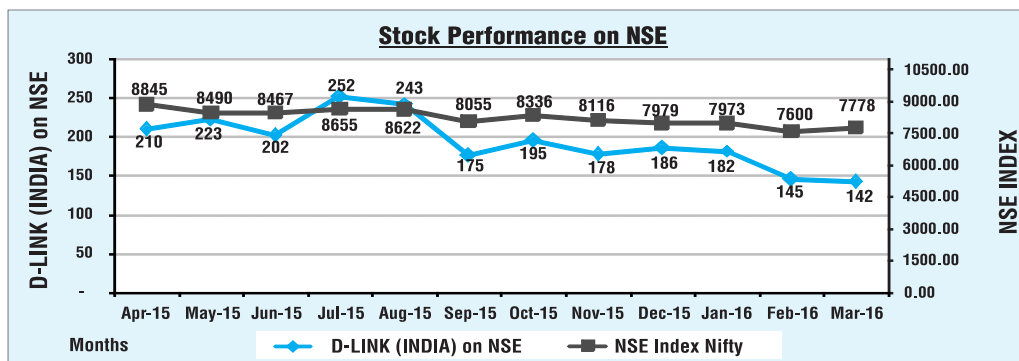
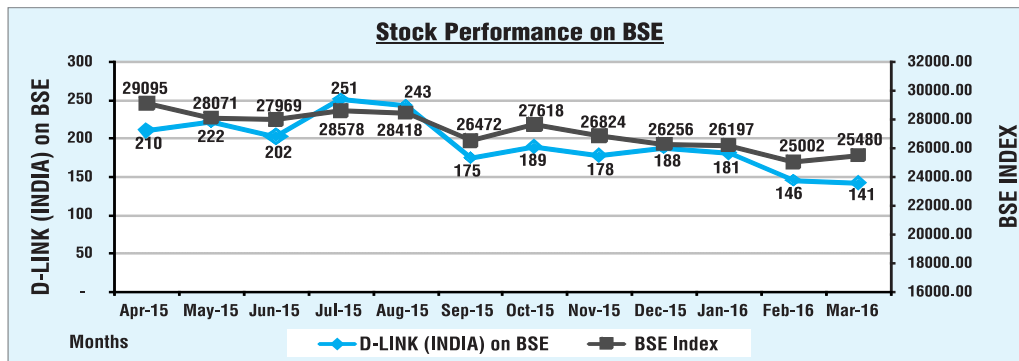
Depositories	ISIN
CDSL and NSDL	INE250K01012

**Corporate Identity Number (CIN):** L72900GA2008PLC005775

## 10.7 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-15	209.80	162.00	29094.61	26897.54	209.70	162.20	8844.80	8144.75
May-15	222.00	167.00	28071.16	26423.99	222.70	167.20	8489.55	7997.15
Jun-15	202.40	166.10	27968.75	26307.07	202.00	166.00	8467.15	7940.30
Jul-15	251.40	195.10	28578.33	27416.39	251.80	195.30	8654.75	8315.40
Aug-15	243.40	140.20	28417.59	25298.42	242.80	140.00	8621.55	7667.25
Sep-15	175.00	148.70	26471.82	24833.54	175.35	149.00	8055.00	7539.50
Oct-15	189.00	164.40	27618.14	26168.71	195.00	165.00	8336.30	7930.65
Nov-15	177.60	142.20	26824.30	25451.42	178.00	142.00	8116.10	7714.15
Dec-15	188.00	151.00	26256.42	24867.73	185.90	151.50	7979.30	7551.05
Jan-16	181.00	113.00	26197.27	23839.76	181.60	114.00	7972.55	7241.50
Feb-16	145.50	107.60	25002.32	22494.61	144.90	107.10	7600.45	6825.80
Mar-16	141.00	115.20	25479.62	23133.18	141.60	115.55	7777.60	7035.10



## Report on Corporate Governance

### 10.8 In case the securities are suspended from trading, the directors report shall explain the reason thereof

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

### 10.9 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

### 10.10 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.

### 10.11 Distribution of Shareholding

Distribution of Shareholding as on March 31, 2016

Sr. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 500	17,394	89.38	2,185,730	6.16
2	501 - 1000	1,054	5.42	867,722	2.44
3	1001 - 2000	476	2.45	729,944	2.06
4	2001 - 3000	167	0.86	426,754	1.20
5	3001 - 4000	85	0.44	299,636	0.84
6	4001 - 5000	79	0.40	375,189	1.06
7	5001 - 10000	110	0.56	802,256	2.26
8	10001 and above	95	0.49	29,817,619	83.98
	<b>TOTAL:</b>	<b>19,460</b>	<b>100.00</b>	<b>35,504,850</b>	<b>100.00</b>

Sl. No.	Category	No. of Cases	Holding	% To Equity
1	Promoters	1	18,114,663	51.02%
2	Resident individuals	18,283	8,406,137	23.68%
3	Bodies corporate	399	2,004,002	5.64%
4	HUF	436	278,823	0.79%
5	Non-resident Indians	225	426,991	1.20%
6	Directors	4	2,635,250	7.42%
7	Employees	43	79,840	0.22%
8	Financial Institutions/Banks	4	10,802	0.03%
9	Foreign nationals	1	50,000	0.14%
10	Clearing members	56	187,075	0.53%
11	Trusts	3	3,000	0.01%
12	Mutual Funds	4	3,308,230	9.32%
13	NBFC	1	37	0.00%
	<b>Total</b>	<b>19,460</b>	<b>35,504,850</b>	<b>100.00%</b>

## Report on Corporate Governance

### 10.12 Dematerialization of Shares and Liquidity

The total number of shares held in dematerialized form as on March 31, 2016 is 35,479,134 equity shares representing 99.93% of the total number of shares of the Company.

### 10.13 Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity: NA

### 10.14 Commodity price risk or foreign exchange risk and hedging activities:

Please refer Management Discussion Analysis Report for the same.

### 10.15 Plant Locations: NOT APPLICABLE

### 10.16 Address for Correspondence

Shareholders Correspondence should be addressed to:

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

Registrars & 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

## 11. Other Disclosures:

### 11.1 Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity 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. Transactions with related parties, as per requirements of Accounting Standard 18, are disclosed in notes to accounts annexed to the financial statements. There are no materially significant transactions with the related parties viz. Promoters, Directors or the Management, or their relatives or Subsidiaries that had potential conflict with the Company's interest.

### 11.2 Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years

- None

### 11.3 Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with the rules made thereunder and SEBI Listing Regulations 2015, 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.

## Report on Corporate Governance

### 11.4 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all mandatory requirements as stated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11.5 The policy determining 'material' subsidiaries of the Company is disclosed at <http://www.dlink.co.in/pdf/Material%20Subsidiary%20Policy.pdf>

11.6 The policy on dealing with related party transactions has been detailed in the Board of Directors Report.

### 11.7 Disclosure of commodity price risks and commodity hedging activities.

The Company has managed the Foreign Exchange risk with appropriate hedging activities in accordance with the policies of the Company. The Company used Forward Exchange Contracts to hedge against its Foreign Currency exposures relating to firm commitments. Details of foreign currency exposure and hedging are disclosed in notes to the financial statements (Note 30).

11.8 The Company is in compliance with the requirements stipulated under clause 49 of the listing agreements and regulation 17 to 27 read with schedule v and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance.

## 12. 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**

Mumbai.  
Dated: 30<sup>th</sup> May, 2016

**Gary Yang**  
Managing Director



# Independent Auditor's Certificate on 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 31<sup>st</sup> March, 2016, as stipulated in:

- Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from 1<sup>st</sup> April, 2015 to 30<sup>th</sup> November, 2015.
  - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from 1<sup>st</sup> April, 2015 to 1<sup>st</sup> September, 2015.
  - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for the period from 2<sup>nd</sup> September, 2015 to 31<sup>st</sup> March, 2016 and
  - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from 1<sup>st</sup> December, 2015 to 31<sup>st</sup> March, 2016.
1. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
  2. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
  3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended 31<sup>st</sup> March, 2016.
  4. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**Rakesh Sharma**

Partner

(Membership No. 102042)

Place: Mumbai

Date: 30<sup>th</sup> May, 2016

## 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 31<sup>st</sup> March, 2016, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**Tushar Sighat**

Executive Director & CEO

Mumbai, dated: 30<sup>th</sup> May, 2016

# 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, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## 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 prescribed under Section 133 of the Act, as applicable. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements 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 standalone financial statements are free from material misstatement.

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. 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 prescribed under Section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 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.

2. As required by the Companies (Auditor's Report) Order 2016 ("the order"), issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Rakesh Sharma**  
 Partner  
 (Membership no: 102042)

Place: Mumbai  
 Date : 30th May, 2016

# Annexure “A” to the Independent Auditors’ Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ Section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **D-Link (India) Limited** (“the Company”) as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management’s Responsibility for Internal Financial Controls

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

## Auditor’s Responsibility

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

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

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

Place: Mumbai

Date: 30<sup>th</sup> May, 2016

## Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

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

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

**Rakesh Sharma**  
 Partner  
 (Membership No. 102042)

# Annexure “B” to the Independent Auditors’ Report

(Referred to in paragraph 2 under “Report on Other Legal and Regulatory Requirements” Section 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 fixed assets.
  - 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 explanation given to us, no material discrepancies were noticed on such verification.
  - The Company does not have any immovable properties of freehold or leasehold land. According to the information and explanations given to us and the records examined by us and based on the examination of the registered agreement for sale provided to us, we report that the title deed of the office premises is held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) During the year, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Act in respect of making investments. The Company has not granted any loans or provided guarantees or security in connection with any loan and therefore the relevant provisions of section 185 and 186 of the Act are not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year in terms of the provisions of sections 73 to 76 or any other relevant provisions of the Act.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Act.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales 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, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
  - Details of dues of Duty of Excise, Value Added Taxes and Central Sales Taxes which have not been deposited as on 31st March, 2016 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 unpaid (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
Goa Value Added Tax Act, 2005	V.A.T Interest	Commercial Tax Officer	2012-13	740,593 409,533
Central Sales Tax Act, 1956	C.S.T. Interest	Commercial Tax Officer	2012-13	698,180 291,315

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans to banks. The Company has not taken any loans or borrowings from financial institutions and government and has not issued any debentures.
- (ix) During the year, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) 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 by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

Place: Mumbai  
Date : 30<sup>th</sup> May, 2016

**Rakesh Sharma**  
Partner  
(Membership no: 102042)

# Balance Sheet

Sl. No.	Particulars	Note No.		As at 31st March, 2016	As at 31st March, 2015
			Rupees	Rupees	Rupees
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
	(a) Share capital	3	71,009,700		71,009,700
	(b) Reserves and surplus	4	1,458,803,708		1,273,727,635
				1,529,813,408	1,344,737,335
<b>(2) Non-current liabilities</b>					
	(a) Other long-term liabilities	6	530,282		452,641
	(b) Long-term provisions	7	10,611,028		5,038,843
				11,141,310	5,491,484
<b>(3) Current Liabilities</b>					
	(a) Short-term borrowings	8	-		22,742,889
	(b) Trade payables				
	i) Total outstanding dues of Micro enterprises and small enterprises	9	61,184,406		32,999,535
	ii) Total outstanding dues of Creditors other than Micro enterprises and small enterprises		1,573,913,257		1,112,216,428
	(c) Other current liabilities	10	48,040,777		31,259,289
	(d) Short-term provisions	11	45,992,096		54,030,031
				1,729,130,536	1,253,248,172
	<b>Total</b>			<b>3,270,085,254</b>	<b>2,603,476,991</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
	(a) Fixed assets				
	(i) Tangible assets	12A	182,373,001		193,409,269
	(ii) Intangible assets	12B	1,176,082		1,569,466
				183,549,083	194,978,735
	(b) Non-current Investments	13		165,000,000	165,000,000
	(c) Deferred tax assets (net)	5		34,716,100	15,914,300
	(d) Long-term loans and advances	14		18,534,727	25,923,580
<b>(2) Current assets</b>					
	(a) Current investments	15	50,000,000		-
	(b) Inventories	16	997,005,743		781,218,460
	(c) Trade receivables	17	1,709,230,310		1,408,165,178
	(d) Cash and cash equivalents	18	68,161,550		1,723,240
	(e) Short-term loans and advances	19	39,854,908		10,513,120
	(f) Other current assets	20	4,032,833		40,378
				2,868,285,344	2,201,660,376
	<b>Total</b>			<b>3,270,085,254</b>	<b>2,603,476,991</b>

See accompanying notes forming part of the financial statements.

In terms of our report attached

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

**Rakesh Sharma**  
Partner

Mumbai, dated: 30th May, 2016

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

**Gary Yang**  
Managing Director

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

Mumbai, dated: 30th May, 2016

**Tushar Sighat**  
Executive Director & CEO

**Shrinivas Adikesar**  
Company Secretary

# Statement of Profit and Loss

Sl. No.	Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
			<b>Rupees</b>	<b>Rupees</b>
1	Revenue from operations	21	7,008,427,162	6,253,232,422
	Less: Excise Duty		983,230	-
	<b>Revenue from operations (net)</b>		<b>7,007,443,932</b>	<b>6,253,232,422</b>
2	Other income	22	13,890,956	15,623,907
3	<b>Total Revenue (1+2)</b>		<b>7,021,334,888</b>	<b>6,268,856,329</b>
4	<b>Expenses</b>			
	Cost of raw material consumed	23	7,595,976	-
	Purchases of traded goods		6,037,377,846	5,256,589,721
	Changes in inventories of traded goods	24	(179,472,271)	(149,482,802)
	Employee benefits expense	25	310,802,750	302,545,002
	Finance cost	26	3,620,843	4,642,694
	Depreciation and amortisation expenses	12	14,683,925	17,015,740
	Other expenses	27	494,819,930	513,476,883
	<b>Total Expenses</b>		<b>6,689,428,999</b>	<b>5,944,787,238</b>
5	<b>Profit before tax (3-4)</b>		<b>331,905,889</b>	<b>324,069,091</b>
6	<b>Tax expenses</b>			
-	Current tax		133,886,702	133,563,527
-	Deferred tax		(18,801,800)	(22,483,922)
-	Short / (Excess) provision for tax in respect of earlier years.		1,831,953	(302,869)
			116,916,855	110,776,736
7	<b>Profit for the year (5-6)</b>		<b>214,989,034</b>	<b>213,292,355</b>
	<b>Earnings per share (Face value of Rs. 2/- per share)</b>			
	<b>Basic</b>		<b>6.06</b>	<b>6.16</b>
	<b>Diluted</b>		<b>6.06</b>	<b>6.16</b>
	(Refer Note 37)			
	See accompanying notes forming part of the financial statements.			

In terms of our report attached

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

**Rakesh Sharma**  
Partner

Mumbai, dated: 30th May, 2016

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

**Gary Yang**  
Managing Director

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

Mumbai, dated: 30th May, 2016

**Tushar Sighat**  
Executive Director & CEO

**Shrinivas Adikesar**  
Company Secretary



# Cash Flow Statement

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Rupees	Rupees
<b>A. Cash flows from operating activities</b>		
Profit before tax	331,905,889	324,069,091
Adjustments for:		
Depreciation / Amortisation	14,683,925	17,015,740
Profit on sale of fixed assets	(37,331)	(10,997)
Assets written off	-	132,579
Profit on sale of current investments (non-trade)	(6,533,343)	(1,013,163)
Bad debts / Advances written off	1,329,541	770,928
Unrealised exchange differences	(21,423,435)	(2,474,200)
Sundry balances written back	(104,090)	(80,066)
Provision for doubtful debts written back	(5,584,041)	-
Provision for doubtful debts	-	14,454,849
Interest and finance charges	3,620,843	4,642,694
Interest on delayed payments by customers	(1,571,481)	(4,025,698)
Interest on Income-tax refund	-	(1,367,812)
Interest on others	(60,102)	(280,504)
Dividend income on current investments	-	(892,127)
<b>Operating profit before working capital changes</b>	<b>316,226,375</b>	<b>350,941,314</b>
Increase in Trade receivables	(298,341,080)	(477,570,945)
Increase in inventories	(215,787,283)	(149,482,802)
(Increase) / Decrease in loans and advances	(29,336,566)	27,574,363
Increase in Other current assets	(3,992,455)	(40,378)
Increase in trade payables, other liabilities and provisions	535,370,467	358,387,953
<b>Cash generated from Operations</b>	<b>304,139,458</b>	<b>109,809,505</b>
Direct taxes paid	(137,170,421)	(99,551,092)
<b>Net cash generated from operating activities</b>	<b>166,969,037</b>	<b>10,258,413</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(4,308,346)	(14,440,939)
Purchase of current investments	(2,265,999,995)	(1,322,392,125)
Sale of current investments	2,222,533,338	1,323,405,288
Movement in Bank balances (in unpaid dividend accounts)	(98,333)	(196,982)
Sale of fixed Assets	1,091,404	79,099
Dividend received on current investments,	-	892,127
Interest received	1,631,583	5,674,014
<b>Net cash used in investing activities</b>	<b>(45,150,349)</b>	<b>(6,979,518)</b>
<b>C. Cash flows from financing activities</b>		
Short-term borrowings (cash credit account) (net)	(22,742,889)	(12,334,178)
Dividend paid (including Corporate Dividend tax)	(29,815,827)	(21,062,505)
Interest paid	(2,919,995)	392,412
<b>Net cash used in financing activities</b>	<b>(55,478,711)</b>	<b>(33,004,271)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>66,339,977</b>	<b>(29,725,376)</b>
Cash and cash equivalents at the beginning of the year	950,092	30,675,468
Cash and cash equivalents at the end of the year	<b>67,290,069</b>	<b>950,092</b>
<b>Note:</b>		
<b>Reconciliation of Cash and cash equivalents :</b>		
Cash and cash equivalents (Refer note 18)	68,161,550	1,723,240
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	871,481	773,148
<b>Net cash and cash equivalents as defined in AS 3 on 'Cash Flow Statements'.</b>	<b>67,290,069</b>	<b>950,092</b>

In terms of our report attached

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

**Rakesh Sharma**  
Partner

Mumbai, dated: 30th May, 2016

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

**Gary Yang**  
Managing Director

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

Mumbai, dated: 30th May, 2016

**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 and has in the current year started to manufacture set top boxes and allied products. 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 prescribed under section 133 the Companies Act, 2013 ("the Act") and the relevant provisions of 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 estimated useful life as 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. 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

Items of inventory are valued at lower of cost and net realisable value; on the following basis.

i) Raw material - on weighted average basis.

ii) Finished goods - on the basis of absorption costing comprising of direct costs and overheads.

iii) Traded goods - 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.

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

Interest income is accounted on accrual basis.

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

### 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 on the basis of actuarial valuation being carried out at each balance sheet date using the Projected Unit Credit Method. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period of occurrence of such gains and losses.

## Notes forming part of the financial statements

### 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 the employee renders services.

### j Foreign currency transactions

Transactions in foreign currencies are recorded at the rates of exchange in force at the time the transactions are effected. In case of forward exchange contracts, 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 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 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

Income taxes are accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the taxation authorities, using the applicable tax rates and tax laws.

The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations.

The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realised.

Tax on distributed profits payable in accordance with the provisions of Section 115-O of the Income-Tax Act, 1961, is in accordance with the Guidance Note on Accounting for Corporate Dividend Tax, regarded as a tax on distribution on profits and is not considered in determination of the profits of the Company.

### 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, 2016	As at 31st March, 2015
	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 Equity Shares of Rs.2/- each, fully paid-up.	71,009,700	71,009,700

### 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 repayment of capital.

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

	As at 31st March, 2016		As at 31st March, 2015	
	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, 2016		As at 31st March, 2015	
	Number	Rupees	Number	Rupees
Opening Balance	35,504,850	71,009,700	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	35,504,850	71,009,700

During the previous year, the Company 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 became a wholly owned subsidiary of the Company with effect from 29th May, 2014. The shares were issued at Rs. 30/- per Equity Share (including a premium of Rs. 28/- per Equity share).

## 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, 2016		As at 31st March, 2015	
	Number	% holding	Number	% holding
D-Link Holding Mauritius Inc., holding company	18,114,663	51.02%	18,114,663	51.02%
Mukesh Tirthdas Lulla	2,618,773	7.38%	2,618,773	7.38%
Vinai Kolli	2,254,375	6.35%	2,514,525	7.08%
SBI Funds Management Pvt. Ltd	2,073,669	5.84%	2,407,112	6.78%

### g Equity Shares allotted without payment being received in cash

	As at 31st March, 2016	As at 31st March, 2015
Equity shares issued on preferential allotment basis (under share swap agreement). Refer 3e above.	-	5,500,000

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
<b>Note 4: Reserves and surplus</b>		
<b>Securities Premium Account</b>		
As per last Balance sheet	359,134,440	205,134,440
Add: Premium on Equity shares allotted (Refer note 3e)	-	154,000,000
	<u>359,134,440</u>	<u>359,134,440</u>
<b>General Reserve</b>		
Opening balance	77,280,563	52,280,563
Add: Transferred from surplus in Statement of Profit and Loss	25,000,000	25,000,000
Closing Balance	<u>102,280,563</u>	<u>77,280,563</u>
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	837,312,632	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 40)	-	620,828
	<u>837,312,632</u>	<u>678,933,238</u>
Add : Profit for the year	214,989,034	213,292,355
Less : Proposed dividend (Re.0.70 per share [Previous year : Re. 0.70])	24,853,395	24,853,395
Tax on dividend	5,059,566	5,059,566
Transferred to General reserve	25,000,000	25,000,000
Sub Total	<u>54,912,961</u>	<u>54,912,961</u>
Closing balance	<u>997,388,705</u>	<u>837,312,632</u>
<b>Total</b>	<b><u>1,458,803,708</u></b>	<b><u>1,273,727,635</u></b>

### Note 5: Deferred Tax Assets (net)

Deferred Tax Liability		
Depreciation	(15,198,084)	(13,512,424)
	<u>(15,198,084)</u>	<u>(13,512,424)</u>
Deferred Tax Asset		
Provision for doubtful debts / advances	5,598,234	7,530,759
Disallowances under section 43B of the income tax act	2,911,833	2,638,004
Provision for gratuity	3,912,775	1,714,604
Under section 40 (a)(ia) of the income tax act	14,607,419	9,334,871
Provision for inventory obsolescence	22,883,923	8,208,486
	<u>49,914,184</u>	<u>29,426,724</u>
<b>Deferred Tax Assets (net)</b>	<b><u>34,716,100</u></b>	<b><u>15,914,300</u></b>

### Note 6 : Other long-term liabilities

Security deposits received	530,282	452,641
<b>Total</b>	<b><u>530,282</u></b>	<b><u>452,641</u></b>

## Notes forming part of the financial statements

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
<b>Note 7: Long-term provisions</b>		
Provision for employee benefits		
- Provision for gratuity	6,305,984	-
- Provision for leave encashment	4,305,044	5,038,843
<b>Total</b>	<b>10,611,028</b>	<b>5,038,843</b>
<b>Note 8: Short-term borrowings</b>		
Balances with banks		
- In cash credit accounts ( Refer note 39 )	-	22,742,889
<b>Total</b>	<b>-</b>	<b>22,742,889</b>
<b>Note 9: Total outstanding dues of Micro enterprises and small enterprises</b>	<b>61,184,406</b>	<b>32,999,535</b>
<u>Note:</u> 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 which has been relied upon by the auditors and is as under:		
Particulars	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
	Rupees	Rupees
Outstanding principal Amount and Interest as on 31st March 2016		
- Principal Amount	61,184,406	32,999,535
- Interest due thereon	-	-
Amount of interest paid along with the amounts of payment made beyond the appointed day	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
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	-	-
	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
<b>Note 10: Other current liabilities</b>		
Unpaid dividends	868,652	771,518
Statutory dues	21,452,998	19,304,576
Disputed demand of V.A.T./ C.S.T. authorities (Refer note 29)	7,905,469	5,765,848
Provision for gratuity	5,000,000	4,954,356
Advances from customers	4,338,658	133,817
Others	8,475,000	329,174
<b>Total</b>	<b>48,040,777</b>	<b>31,259,289</b>
<b>Note 11: Short-term provisions</b>		
Provision for employee benefits		
- Provision for leave encashment	3,381,147	2,583,685
	3,381,147	2,583,685
Other provisions		
- Income-tax (net of advance tax)	12,697,988	21,533,385
- Proposed dividend	24,853,395	24,853,395
- Corporate dividend tax	5,059,566	5,059,566
	42,610,949	51,446,346
<b>Total</b>	<b>45,992,096</b>	<b>54,030,031</b>



**Note 12: Fixed Assets**

Nature of assets	Gross block			Depreciation/Amortisation					(Rupees) Net block	
	As at 1 <sup>st</sup> April, 2015	Additions	Deletions/ Adjustments	As at 31 <sup>st</sup> March, 2016	Upto 31 <sup>st</sup> March, 2015	For the year	Deletions	Adjustments (Refer Note 40)	Upto 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2016
<b>A. Tangible assets</b>										
Office Premises	190,343,442 (190,343,442)	- (-)	- (-)	190,343,442 (190,343,442)	33,725,023 (30,898,216)	2,834,553 (2,826,807)	- (-)	- (-)	36,559,576 (33,725,023)	153,783,866 (156,618,419)
Equipments	5,126,409 (3,721,018)	117,150 (1,405,391)	- (-)	5,243,559 (5,126,409)	1,818,391 (1,458,787)	343,343 (359,604)	- (-)	- (-)	2,161,734 (1,818,391)	3,081,825 (3,308,018)
Electrical installations	2,435,364 (2,435,364)	- (-)	- (-)	2,435,364 (2,435,364)	688,588 (389,743)	299,666 (298,845)	- (-)	- (-)	988,254 (688,588)	1,447,110 (1,746,776)
Furniture and Fixtures	24,025,394 (20,556,992)	1,079,757 (3,538,219)	- (69,817)	25,105,151 (24,025,394)	8,613,832 (5,482,229)	2,567,987 (3,151,733)	- (20,130)	- (-)	11,181,819 (8,613,832)	13,923,332 (15,411,562)
Office equipment	36,451,366 (33,203,518)	2,988,498 (5,567,691)	3,237,986 (2,319,843)	36,201,878 (36,451,366)	22,973,971 (14,932,506)	7,780,447 (9,269,808)	3,237,986 (2,168,849)	- (940,506)	27,516,432 (22,973,971)	8,685,446 (13,477,395)
Vehicles	4,960,749 (1,943,142)	- (3,017,607)	1,250,000 (-)	3,710,749 (4,960,749)	2,113,650 (1,787,851)	341,604 (325,799)	195,927 (-)	- (-)	2,259,327 (2,113,650)	1,451,422 (2,847,099)
<b>B. Intangible assets</b>										
Computer Software	263,342,724 (252,203,476)	4,185,405 (13,528,908)	4,487,986 (2,389,660)	263,040,143 (263,342,724)	69,933,455 (54,949,332)	14,167,600 (16,232,596)	3,433,913 (2,188,979)	- (940,506)	80,667,142 (69,933,455)	182,373,001 (193,409,269)
	7,357,631 (6,549,893)	122,941 (912,031)	16,885 (104,293)	7,463,687 (7,357,631)	5,788,165 (5,109,314)	516,325 (783,144)	16,885 (104,293)	- (-)	6,287,605 (5,788,165)	1,176,082 (1,569,466)
	7,357,631 (6,549,893)	122,941 (912,031)	16,885 (104,293)	7,463,687 (7,357,631)	5,788,165 (5,109,314)	516,325 (783,144)	16,885 (104,293)	- (-)	6,287,605 (5,788,165)	1,176,082 (1,569,466)
<b>Grand Total (A+B)</b>	270,700,355 (258,753,369)	4,308,346 (14,440,939)	4,504,871 (2,493,953)	270,503,830 (270,700,355)	75,721,620 (60,058,646)	14,683,925 (17,015,740)	3,450,798 (2,293,272)	- (940,506)	86,954,747 (75,721,620)	183,549,083 (194,978,735)
Previous year										

Figures in brackets are those of previous year.

## Notes forming part of the financial statements

	As at 31st March, 2016	As at 31st March, 2015
	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	165,000,000
<b>Total</b>	<b>165,000,000</b>	<b>165,000,000</b>
<b>Note 14: Long-term loans and advances (unsecured)</b>		
(a) Considered good:		
Security deposits	11,677,391	11,682,613
Advance payment of taxes (net of provision)	39,175	7,422,806
Customs duties recoverable	6,543,161	6,543,161
Capital Advances	275,000	275,000
	18,534,727	25,923,580
(b) Considered doubtful:		
Customs duties recoverable	5,696,262	5,696,262
Less: Provision	5,696,262	5,696,262
	-	-
<b>Total</b>	<b>18,534,727</b>	<b>25,923,580</b>
<b>Note 15: Current Investments (at lower of cost and fair value)</b>		
<b>Investment in mutual fund (unquoted)</b>		
33,986.9380 units of Indiabulls Liquid Fund - Existing Plan Growth	50,000,000	-
	<b>50,000,000</b>	-
Aggregate value of investments		
At cost	50,000,000	-
Repurchase value	50,047,975	-
<b>Note 16: Inventories (valued at lower of cost and net realisable value)</b>		
Raw materials	36,315,012	-
Traded goods [including Goods-in-transit Rs. 236,713,355/- (Previous year Rs. 289,947,340/-)]	960,690,731	781,218,460
<b>Total</b>	<b>997,005,743</b>	<b>781,218,460</b>
<b>Note 17: Trade receivables (Unsecured)</b>		
a Debts outstanding for a period exceeding six months from the due date		
Considered good	-	516,388
Considered doubtful	7,090,724	14,928,324
	7,090,724	15,444,712
Less: Provision	(7,090,724)	(14,928,324)
	-	516,388
b Other Trade receivables		
Considered good	1,709,230,310	1,407,648,790
Considered doubtful	3,389,143	1,135,584
	1,712,619,453	1,408,784,374
Less: Provision	(3,389,143)	(1,135,584)
	1,709,230,310	1,407,648,790
<b>Total</b>	<b>1,709,230,310</b>	<b>1,408,165,178</b>
<b>Note 18 : Cash and Cash equivalents</b>		
Cash on hand	49,781	14,075
Balances with banks		
- In current accounts	67,240,288	936,017
- In earmarked accounts		
- Unpaid dividend accounts	871,481	773,148
	68,111,769	1,709,165
<b>Total</b>	<b>68,161,550</b>	<b>1,723,240</b>

## Notes forming part of the financial statements

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
<b>Note 19: Short-term loans and advances (Unsecured, considered good)</b>		
Customs and other duties recoverable	12,115,162	3,599,826
Prepaid expenses	10,128,411	3,393,407
Service tax receivable	6,836	-
Advances to suppliers	16,387,310	2,645,298
Advances to employees	1,217,189	874,589
<b>Total</b>	<b>39,854,908</b>	<b>10,513,120</b>
<b>Note 20: Other Current Assets</b>		
Deferred premium on foreign exchange forward contracts	4,032,833	-
Others	-	40,378
	<b>4,032,833</b>	<b>40,378</b>

	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
	Rupees	Rupees
<b>Note 21: Revenue from operations</b>		
Sale of products (Refer Note (i) below)	6,987,384,233	6,231,236,872
Sale of services	8,789,711	8,351,654
Other operating revenues (Refer Note (ii) below)	12,253,218	13,643,896
	<b>7,008,427,162</b>	<b>6,253,232,422</b>
<b>Notes:</b>		
(i) Sale of products comprises of		
<u>Finished goods</u>		
- Electronic products	8,874,675	-
<u>Traded goods</u>		
- Networking products	6,978,509,558	6,231,236,872
	<b>6,987,384,233</b>	<b>6,231,236,872</b>
(ii) Other operating revenues		
- Duty drawback	8,558,072	11,719,788
- DEPB licence income	-	158,740
- Commission Income	3,695,146	1,765,368
	<b>12,253,218</b>	<b>13,643,896</b>
<b>Note 22: Other income</b>		
<b>Interest</b>		
- On delayed payments by customers.	1,571,481	4,025,698
- On Income-tax refund	-	1,367,812
- On others	60,102	280,504
	<b>1,631,583</b>	<b>5,674,014</b>
Dividend on current investments (non-trade)	-	892,127
Profit on sale of current investments (non-trade) (net)	6,533,343	1,013,163
Sundry balances written back	104,090	80,066
Profit on sale of fixed Assets	37,331	10,997
Provision for doubtful debts written back	5,584,041	-
Exchange gain (net)	-	7,945,163
Miscellaneous income	568	8,377
<b>Total</b>	<b>13,890,956</b>	<b>15,623,907</b>

## Notes forming part of the financial statements

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	<b>Rupees</b>	<b>Rupees</b>
<b>Note 23: Cost of raw materials consumed</b>	<b>7,595,976</b>	<b>-</b>
<b>Raw material consumed comprises of:</b>		
Integrated circuits	3,155,470	-
Power Adaptor	846,266	-
Smartcard	797,823	-
Remote	390,902	-
PCB	323,529	-
Others	2,081,986	-
<b>Note 24: Changes in inventories of traded goods</b>		
<u>Closing Stock</u>		
Traded goods	960,690,731	781,218,460
	960,690,731	781,218,460
<u>Less: Opening Stock</u>		
Traded goods	781,218,460	631,735,658
	781,218,460	631,735,658
<b>Increase</b>	<b>(179,472,271)</b>	<b>(149,482,802)</b>
<b>Note 25: Employee benefits expense</b>		
Salaries, wages and bonus	290,196,551	275,516,771
Contribution to provident and other funds	12,239,121	18,704,352
Staff welfare expenses	8,367,078	8,323,879
<b>Total</b>	<b>310,802,750</b>	<b>302,545,002</b>
<b>Note 26: Finance Cost</b>		
Interest		
- On cash credit accounts	2,058,004	3,025,101
- On delayed payments of Income-tax / service tax	1,562,839	1,617,593
<b>Total</b>	<b>3,620,843</b>	<b>4,642,694</b>
<b>Note 27: Other Expenses</b>		
Sales and customer support services	5,889,177	6,089,980
Power	6,187,817	6,201,346
Rent including lease rentals	33,451,121	30,964,350
Rates and taxes	3,154,437	3,847,159
Insurance	10,534,923	8,615,107
<u>Repairs and maintenance:</u>		
- Office premises	2,359,874	3,071,672
- Others	3,127,907	5,605,402
	5,487,781	8,677,074
Travelling and conveyance expenses	31,991,647	34,743,438
Communication expenses	8,849,140	9,443,468
Advertisement and sales development expenses	133,831,570	151,059,182
Commission on sales	126,641,770	116,125,100
Servicing expenses	44,843,019	60,823,017
Provision for doubtful debts (net of amounts written back)	-	14,454,849
Exchange loss (net)	20,231,968	-
Legal and professional fees	33,975,174	33,800,656
Bad debts / Advances written off	1,329,541	770,928
Miscellaneous expenses	28,420,845	27,861,229
<b>Total</b>	<b>494,819,930</b>	<b>513,476,883</b>

## Notes forming part of the financial statements

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Rupees	Rupees
<b>Note 28: 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 before the Additional Commissioner of Commercial Taxes, Panaji- Goa requesting for Stay of the recovery of disputed amount of tax pertaining to non submission of C-Forms, demanded for the Assessment Year 2009-10. The Company is awaiting personal hearing from the Additional Commissioner of Commercial Taxes.		

**Note 29:** 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. 5,676,097/- (Previous year Rs.4,237,323/-), including interest aggregating Rs. 2,229,372/- (Previous year Rs. 1,528,525/-). 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.

### Note 30:

- 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 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	10,000,000 (550,797)	671,075,000 (34,938,871)	Buy Sell

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, 2016		As at 31st March, 2015	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Receivables	USD 767,676	50,858,527	USD 24,790	1,508,020

Amount payable in foreign currency on account of the following:

	As at 31st March, 2016		As at 31st March, 2015	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Payables	USD 7,583,383	502,474,967	USD 8,822,720	551,420,026

	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
	Rupees	Rupees
<b>Note 31: Payment to Auditors (exclusive of service tax)</b>		
As Auditors		
For Statutory Audit	1,600,000	800,000
For Limited Review	600,000	180,000
For Audit of financial information for the calendar year end	300,000	250,000
Others		
For Taxation matters	300,000	300,000
For Other services - certification etc.	1,500,000	115,000
For Reimbursement of expenses	67,654	-
<b>Total</b>	<b>4,367,654</b>	<b>1,645,000</b>



## Notes forming part of the financial statements

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Rupees	Rupees
<b>Note 32:</b>		
<b>(a) Details of purchases</b>		
Raw materials	43,910,988	-
Traded goods - Networking products	6,037,377,846	5,256,589,721
<b>(b) Details of inventory</b>		
Raw materials	36,315,012	-
Traded goods - Networking products	960,690,731	781,218,460
<b>Note 33:</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, 2016</b>	<b>As at 31st March, 2015</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	24,792,595	9,394,012
Current Service Cost	5,642,962	6,573,433
Interest Cost	1,913,537	857,308
Actuarial (gain) / loss	107,241	8,098,466
Benefits paid	(330,701)	(130,624)
Defined Benefit obligation at the end of the year	32,125,634	24,792,595
<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	19,838,239	8,654,772
Expected return on plan assets	1,573,956	929,683
Actuarial gain / (loss)	(272,995)	83,182
Employer contribution	11,151	10,301,226
Benefits paid	(330,701)	(130,624)
Fair value of plan assets at year end	20,819,650	19,838,239
<b>III Reconciliation of fair value of assets and obligations</b>		
Present value of obligation as at 31st March, 2016 / 31st March, 2015	32,125,634	24,792,595
Fair value of plan assets as at 31st March, 2016 / 31st March, 2015	20,819,650	19,838,239
Amount recognized in Balance Sheet	(11,305,984)	(4,954,356)
<b>IV Expense recognized during the year</b>		
(Under the head employee benefits expenses - Refer Note 25)		
Current Service Cost	5,642,962	6,573,433
Interest Cost	1,913,537	857,308
Expected return on plan assets	(1,573,956)	(929,683)
Actuarial (gain) / loss	380,236	8,015,284
<b>Net Cost</b>	<b>6,362,779</b>	<b>14,516,342</b>
<b>V Actuarial assumptions</b>		
Discount rate (per annum)	7.46%	7.77%
Expected rate of return on plan assets (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	17.00%	17.00%
Employee Attrition Rate	5.00%	5.00%

## Notes forming part of the financial statements

**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, 2016	As at 31st March, 2015	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012
<b>Experience Adjustment</b>					
a. due to change in Actuarial assumption	1,478,886	12,023,791	(1,542,521)	3,164,764	(217,675)
b. Experience (Gain) / Loss on obligation	(1,371,645)	(3,925,325)	(27,947)	(1,064,297)	(214,904)
c. Actuarial gain / (loss) on plan assets	(272,995)	83,182	(370,931)	(94,280)	(99,760)
Present value of benefit obligation	32,125,634	24,792,595	9,394,012	8,353,876	3,932,459
Fair value of plan assets	20,819,650	19,838,239	8,654,772	5,057,004	4,179,353
Excess of (obligation over plan assets) / plan assets over obligation	(11,305,984)	(4,954,356)	(739,240)	(3,296,872)	246,894

**VII** The contributions expected to be made by the Company during the financial year 2016-17 is Rs 5,000,000/-.

The plan assets are managed by the Gratuity trust formed by the Company. 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 :

- Contribution to provident fund Rs. 5,887,493/- (Previous year Rs.4,192,714/-)

### Note 34: 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. 33,451,121/- (Previous year Rs. 30,964,350/-)

### Note 35: 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

<i>Name of the related parties</i>	<i>Nature of relationship</i>
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 Company Ltd.	Fellow Subsidiary
D-Link Brazil LTDA	Fellow Subsidiary
D-Link Australia Pty Limited	Fellow Subsidiary
D-Link Systems Inc.	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)

## Notes forming part of the financial statements

### (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)			5,052,976 (14,652,972)		5,052,976 (14,652,972)
D-Link International Pte. Ltd.			3,301,249,510 (3,120,138,236)		3,301,249,510 (3,120,138,236)
D-Link Corporation	1,024,201 (2,226,682)				1,024,201 (2,226,682)
Others			39,370,115 (69,384,857)		39,370,115 (69,384,857)
<b>Sale of traded goods</b>					
D-Link International (Singapore)			75,162 (2,590,473)		75,162 (2,590,473)
D-Link Middle East-FZCO			339,488 (13,061,036)		339,488 (13,061,036)
D-Link Latin America Company Ltd.			993,624 (3,313,916)		993,624 (3,313,916)
D-Link Japan K.K.			559,564 (247,709)		559,564 (247,709)
TeamF1 Networks Private Limited		134,210 (-)			134,210 (-)
<b>Professional fees paid</b>					
D-Link Corporation	15,695,941 (13,202,438)				15,695,941 (13,202,438)
<b>Reimbursement of expenditure</b>					
D-Link Corporation	304,454 (1,844,537)				304,454 (1,844,537)
D-Link Middle East-FZCO			- (209,141)		- (209,141)
D-Link International Pte. Ltd.			359,061 (301,147)		359,061 (301,147)
D-Link International (Singapore)			552,355 (-)		552,355 (-)
D-Link Systems Inc.			6,383 (-)		6,383 (-)
<b>Reimbursement of expenditure (Income)</b>					
D-Link International Pte. Ltd			97,302 (7,306,088)		97,302 (7,306,088)
D-Link Holding Mauritius Inc.	193,426 (40,017)				193,426 (40,017)
D-Link Middle East-FZCO			45,061 (-)		45,061 (-)
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)	- (1,675,310)
Mr. Yao Chuan Yang (Gary Yang)				3,096,809 (3,877,960)	3,096,809 (3,877,960)
Mr. Tushar Sighat				21,002,923 (19,190,065)	21,002,923 (19,190,065)

## 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>Dividend paid</b>					
D-Link Holding Mauritius Inc.	12,680,264 (10,868,798)				12,680,264 (10,868,798)
Mr. Chandrashekar M. Gaonkar				- (45,528)	- (45,528)
<b>As at the year end</b>					
<b>Amount due to</b>					
D-Link International Pte. Ltd			1,048,634,285 (771,905,701)		1,048,634,285 (771,905,701)
D-Link International (Singapore)			1,916,074 (745,606)		1,916,074 (745,606)
D-Link Corporation	13,988,125 (12,183,591)				13,988,125 (12,183,591)
Others			26,836,494 (2,527,166)		26,836,494 (2,527,166)
<b>Amount due from</b>					
D-Link International Pte. Ltd			- (620,665)		- (620,665)
D-Link Middle East-FZCO			- (824,868)		- (824,868)
Other			- (254,594)		- (254,594)

Figures in brackets pertain to previous year.

### Note 36: Segment information

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

The Company is primarily engaged in marketing and distribution of D-Link branded Networking products. The reporting segment for the Company, therefore, is the business segment, viz. networking products.

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

The Company's operations are mainly confined within India and as such there are no reportable geographical segments.

### Note 37:

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, 2016	Year ended 31st March, 2015
Profit attributable to equity shareholders (Rupees)	214,989,034	213,292,355
Weighted average number of Equity Shares outstanding during the year	35,504,850	34,615,809
Basic and diluted earnings per share (Rupees)	6.06	6.16
Nominal value per share (Rupees)	2.00	2.00

### Note 38: Other disclosures

	Current year		Previous year	
	Rs.	% age to total consumption	Rs.	% age to total consumption
a) Raw material consumed				
imported	5,164,967	68.00	-	-
indigenous	2,431,009	32.00	-	-
	7,595,976	100.00	-	-

## Notes forming part of the financial statements

### Note 38: Other disclosures (contd.)

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Rupees	Rupees
b) <u>C.I.F. value of goods imported</u>		
Raw material	37,088,172	-
Traded goods	3,792,187,602	3,541,952,817
c) <u>Expenditure in foreign currency</u>		
Travelling expenses	390,735	816,496
Professional Fees	15,695,941	13,202,438
Others	6,975,935	17,985,500
d) <u>Earnings in foreign exchange</u>		
F.O.B. value of exports	223,099,494	234,297,415
e) <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	2014-15	2013-14
Amount of dividend remitted in Rupees	12,750,264	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 39:** 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 40:** During the previous 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 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 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 previous year is lower by Rs. 1,246,504/- and profit for the previous year is higher by the like amount consequent to the change in the useful life.

**Note 41:** As per the provisions of section 135 of the Companies Act, 2013, the company is required to spend Rs. 4,872,636/- (Previous year 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 42:** During the previous year, the Company 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 was a reduction in the amount of provision required for leave encashment as at the previous year end. Accordingly, employee benefits expense for the previous year ended 31st March 2015 was lower by Rs. 13,763,156/- and the profit before tax for the previous year was higher by a like amount.

**Note 43:** 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

Figures in brackets pertain to previous year.

**Note 44:** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification.

#### Signatures to Notes 1 to 44

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: 30<sup>th</sup> May, 2016

## Consolidated Financial Statements



# 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 (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### 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 prescribed under Section 133 of the Act, as applicable. 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. 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, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

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

1. 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 and the reports of the other auditors.
  - 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 prescribed under Section 133 of the Act, as applicable.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 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 is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' report of the Holding company and its subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's / subsidiary company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and 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.
    - 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)

**Rakesh Sharma**  
Partner  
(Membership no: 102042)

Place: Mumbai  
Date : 30<sup>th</sup> May, 2016

# Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

## Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of **D-LINK (INDIA) LIMITED** (hereinafter referred to as “the Holding Company”) and its subsidiary company, which is a company incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

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

### Auditor’s Responsibility

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

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

We believe that the audit evidence we have obtained, including the audit evidence pertaining to the subsidiary company, which is a company incorporated in India, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Opinion

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

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

Place : Mumbai  
 Date : 30<sup>th</sup> May, 2016

**Rakesh Sharma**  
 Partner  
 (Membership no: 102042)

# Consolidated Balance Sheet

Sl. No.	Particulars	Note No.		As at 31st March, 2016	As at 31st March, 2015
			Rupees	Rupees	Rupees
<b>I. EQUITY AND LIABILITIES</b>					
(1) Shareholders' funds					
(a) Share capital	3		71,009,700		71,009,700
(b) Reserves and surplus	4		1,492,855,021		1,279,016,988
				1,563,864,721	1,350,026,688
(2) Minority Interest			4,348		1,609
				4,348	1,609
(3) Non-current liabilities					
(a) Other long-term liabilities	6		530,282		452,641
(b) Long-term provisions	7		20,919,109		17,569,428
				21,449,391	18,022,069
(4) Current Liabilities					
(a) Short-term borrowings	8		-		22,742,889
(b) Trade payables					
i) Total outstanding dues of micro enterprises and small enterprises	9		61,184,406		32,999,535
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			1,583,010,167		1,117,677,959
(c) Other current liabilities	10		51,320,713		34,418,711
(d) Short-term provisions	11		48,138,332		55,024,290
				1,743,653,618	1,262,863,384
<b>Total</b>				<b>3,328,972,078</b>	<b>2,630,913,750</b>
<b>II. ASSETS</b>					
(1) Non-current assets					
(a) Fixed assets					
(i) Tangible assets	12A		190,617,791		196,417,087
(ii) Intangible assets	12B		1,664,082		2,301,466
				192,281,873	198,718,553
(b) Goodwill on consolidation	13			153,496,461	153,496,461
(c) Deferred tax Asset (net)	5			37,937,770	20,668,620
(d) Long-term loans and advances	14			29,481,258	30,922,283
(2) Current assets					
(a) Current Investments	15		50,000,000		-
(b) Inventories	16		997,005,743		781,218,460
(c) Trade receivables	17		1,717,047,955		1,420,352,622
(d) Cash and cash equivalents	18		92,245,963		8,792,901
(e) Short-term loans and advances	19		55,216,680		16,694,842
(f) Other current assets	20		4,258,375		49,008
				2,915,774,716	2,227,107,833
<b>Total</b>				<b>3,328,972,078</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

**Rakesh Sharma**  
Partner

Mumbai, dated: 30th May, 2016

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

**Gary Yang**  
Managing Director

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

Mumbai, dated: 30th May, 2016

**Tushar Sighat**  
Executive Director & CEO

**Shrinivas Adikesar**  
Company Secretary

# Consolidated Statement of Profit and Loss

Sl. No.	Particulars	Note No.	For the year ended 31st March, 2016	For the year ended 31st March, 2015
			<b>Rupees</b>	<b>Rupees</b>
1	Revenue from operations	21	7,214,295,799	6,408,236,831
	Less: Excise Duty		983,230	-
	Revenue from operations (net)		7,213,312,569	6,408,236,831
2	Other income	22	14,851,790	15,288,928
3	<b>Total Revenue (1+2)</b>		<b>7,228,164,359</b>	<b>6,423,525,759</b>
4	<b>Expenses</b>			
	Cost of raw material consumed	23	7,595,976	-
	Purchases of traded goods		6,037,377,846	5,256,589,721
	Changes in inventories of traded goods	24	(179,472,271)	(149,482,802)
	Employee benefits expense	25	434,238,085	417,760,839
	Finance cost	26	3,802,504	4,642,704
	Depreciation and amortisation expenses	12	16,806,235	17,888,548
	Other expenses	27	532,853,912	545,050,314
	<b>Total Expenses</b>		<b>6,853,202,287</b>	<b>6,092,449,324</b>
5	<b>Profit before tax (3-4)</b>		<b>374,962,072</b>	<b>331,076,435</b>
6	<b>Tax expenses</b>			
-	Current tax		146,645,536	140,244,689
-	Deferred tax		(17,269,150)	(27,389,411)
-	Short / (Excess) provision for tax in respect of earlier years.		1,831,953	(361,064)
			131,208,339	112,494,214
7	<b>Profit after tax (5-6)</b>		<b>243,753,733</b>	<b>218,582,221</b>
	Minority Interest		(2,739)	(513)
	Profit for the year		243,750,994	218,581,708
	<b>Earnings per share (Face value of Rs. 2/- per share)</b>			
	<b>Basic</b>		<b>6.87</b>	<b>6.31</b>
	<b>Diluted</b>		<b>6.87</b>	<b>6.31</b>
	(Refer Note 37 )			
	See accompanying notes forming part of the financial statements.			

In terms of our report attached

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

**Rakesh Sharma**  
Partner

Mumbai, dated: 30th May, 2016

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

**Gary Yang**  
Managing Director

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

Mumbai, dated: 30th May, 2016

**Tushar Sighat**  
Executive Director & CEO

**Shrinivas Adikesar**  
Company Secretary

# Consolidated Cash Flow Statement

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Rupees	Rupees
<b>A. Cash flows from operating activities</b>		
Profit before tax	374,962,072	331,076,435
Adjustments for:		
Depreciation / Amortisation	16,806,235	17,888,548
Profit on sale / discard of fixed assets	(37,331)	(10,997)
Assets written off	30,206	336,024
Profit on sale of current investments (non-trade)	(6,533,343)	(1,013,163)
Bad debts / Advances written off	1,329,541	770,928
Unrealised exchange differences	22,968,108	(2,255,943)
Sundry balances written back	(246,650)	(80,066)
Provision for doubtful debts written back	(5,482,917)	-
Provision for doubtful debts and advances	-	14,454,849
Interest and finance charges	3,802,504	4,642,704
Interest income on fixed deposits	(919,398)	(99,497)
Interest on delayed payments by customers	(1,571,481)	(4,025,698)
Interest on Income-tax refund	-	(1,367,812)
Interest on others	(60,102)	-
Dividend income on current investments	-	(892,127)
<b>Operating profit before working capital changes</b>	<b>405,047,444</b>	<b>359,424,185</b>
Increase in Trade receivables	(292,556,182)	(489,216,858)
Increase in inventories	(215,787,283)	(149,482,802)
(Increase) / Decrease in loans and advances	(45,255,095)	25,932,087
Increase in other current assets	(3,992,455)	(49,008)
Increase in trade payables, other liabilities and provisions	490,314,862	379,304,399
<b>Cash generated from Operations</b>	<b>337,771,291</b>	<b>125,912,003</b>
Direct taxes paid	(147,065,705)	(106,936,043)
<b>Net cash generated from operating activities</b>	<b>190,705,586</b>	<b>18,975,960</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(11,453,834)	(16,828,884)
Purchase of current investments	(2,265,999,995)	(1,322,392,125)
Sale of current investments	2,222,533,338	1,323,405,288
Movement in Bank balances (in unpaid dividend accounts)	(98,333)	(196,982)
Sale of fixed assets	1,091,404	79,099
Dividend received on current investments	-	892,127
Interest received	2,334,069	5,493,007
<b>Net cash used in investing activities</b>	<b>(51,593,351)</b>	<b>(9,548,470)</b>
<b>C. Cash flows from financing activities</b>		
Short-term borrowings (cash credit account) (net)	(22,742,889)	(12,334,178)
Dividend paid (including Corporate Dividend tax)	(29,912,961)	(21,062,505)
Interest paid	(3,101,656)	392,402
<b>Net cash used in financing activities</b>	<b>(55,757,506)</b>	<b>(33,004,281)</b>
<b>Net Increase / (Decrease) in cash and cash equivalents</b>	<b>83,354,729</b>	<b>(23,576,791)</b>
Cash and cash equivalents at the beginning of the year	8,019,753	31,596,544
Cash and cash equivalents at the end of the year	91,374,482	8,019,753
Note:		
<b>Reconciliation of Cash and cash equivalents :</b>		
Cash and cash equivalents (Refer note 18)	92,245,963	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	871,481	773,148
<b>Net cash and cash equivalents as defined in AS 3 on 'Cash Flow Statements'.</b>	<b>91,374,482</b>	<b>8,019,753</b>

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Rakesh Sharma  
Partner

Mumbai, dated: 30th May, 2016

For and on behalf of the Board of Directors

Gary Yang  
Managing Director

C. M. Gaonkar  
Chief Financial Officer

Mumbai, dated: 30th May, 2016

Tushar Sighat  
Executive Director & CEO

Shrinivas Adikesar  
Company Secretary

# 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'.

TeamF1 Networks Private Limited is in the business of providing services in relation to the Network Security Software 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 consolidated financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards prescribed under section 133 of the Companies Act, 2013 ("the Act") and the relevant provisions of the Companies Act, 2013.

### b Principles of Consolidation:

The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statements of the subsidiary used in consolidation is drawn upto the same reporting date as that of the Parent Company i.e. year ended 31st March, 2016 and are audited
- The Financial Statements of the Parent Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, incomes and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- The excess of cost to the Group of its investments in the subsidiary company over its share of equity of the subsidiary company at the date on which the investments was made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements and is tested for impairment.
- Minority Interest in the net assets of the consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the date on which Investments in the subsidiary company was made and further movements in their share in the equity, subsequent to the date of Investment. Net profit for the year of the subsidiary attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.
- The following Subsidiary Company (incorporated in India) has been considered in the preparation of Consolidated Financial Statements:

Name	% holding as at 31st March 2016	% holding as at 31st March 2015
TeamF1 Networks Private Limited	99%	99%

### c Use of estimates

The preparation of the consolidated 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 the consolidated 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.

### d 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.

### e Depreciation and amortisation

#### i) Tangible assets

Depreciation is provided on the straight-line method as per the estimated useful life as 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.

### f 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 Consolidated Statement of Profit and Loss in the period in which an asset is identified as impaired. The impairment loss recognised in the prior accounting periods is reversed if there has been a change in the estimate of recoverable amount.

### g 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.

### h Inventories

Items of inventory are valued at lower of cost and net realisable value; on the following basis.

- Raw material - on weighted average basis.
- Finished goods - on the basis of absorption costing comprising of direct costs and overheads.
- Traded goods - on weighted average basis.



## Notes forming part of the consolidated financial statements

### i 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 on the basis of the terms of Contract and Project Work Orders, when the services are rendered.

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

Interest income is accounted on accrual basis.

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

### j 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 Consolidated 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

Group liabilities towards defined benefit plans and other long term benefits viz. gratuity and compensated absences are determined on the basis of actuarial valuation being carried out at each balance sheet date using the Projected Unit Credit Method. Actuarial gains and losses are recognised in the Consolidated Statement of Profit and Loss in the period of occurrence of such gains and losses.

#### 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 the employee renders services.

### k Foreign currency transactions

Transactions in foreign currencies are recorded at the rates of exchange in force at the time the transactions are effected. In case of forward exchange contracts, 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 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 are accounted as income or expenses in the relevant year.

### l 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.

### m Taxes on income

Income taxes are accounted for in accordance with Accounting Standard 22 on Accounting for Taxes on Income. Taxes comprise both current and deferred tax.

Current tax is measured at the amount expected to be paid to / recovered from the taxation authorities, using the applicable tax rates and tax laws. The tax effect of the timing differences that result between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations.

The carrying amount of deferred tax assets at each balance sheet date is reduced to the extent that it is no longer reasonably certain that sufficient future taxable income will be available against which the deferred tax asset can be realised.

Tax on distributed profits payable in accordance with the provisions of Section 115-O of the Income-Tax Act, 1961, is in accordance with the Guidance Note on Accounting for Corporate Dividend Tax, regarded as a tax on distribution on profits and is not considered in determination of the profits of the Group.

### n 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 Consolidated financial statements.

## Note 3: Share Capital

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
<b>a. <u>Authorised share capital</u></b>		
70,000,000 Equity Shares of Rs.2/- each	140,000,000	140,000,000
<b>b. <u>Issued, subscribed and paid up</u></b>		
35,504,850 Equity Shares of Rs.2/- each, fully paid-up.	71,009,700	71,009,700
<b>c. <u>Rights, preferences and restrictions attached to each class of shares</u></b>		
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 repayment of capital.		
<b>d. <u>Details of shares held by the Holding Company</u></b>		

	As at 31st March, 2016		As at 31st March, 2015	
	Number	Rupees	Number	Rupees
D-Link Holding Mauritius Inc.	18,114,663	36,229,326	18,114,663	36,229,326

## Notes forming part of the consolidated financial statements

### e Reconciliation of the number of Shares and amount outstanding

	As at 31st March, 2016		As at 31st March, 2015	
	Number	Rupees	Number	Rupees
Opening Balance	35,504,850	71,009,700	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	35,504,850	71,009,700

During the previous year, the Parent Company had 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 became a wholly owned subsidiary of the Company with effect from 29th May, 2014. The shares were issued at Rs. 30/- per Equity Share (including a premium of Rs. 28/- per Equity share).

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

Name of the Shareholders	As at 31st March, 2016		As at 31st March, 2015	
	Number	% holding	Number	% holding
D-Link Holding Mauritius Inc., holding company	18,114,663	51.02%	18,114,663	51.02%
Mukesh Tirthdas Lulla	2,618,773	7.38%	2,618,773	7.38%
Vinai Kolli	2,254,375	6.35%	2,514,525	7.08%
SBI Funds Management Pvt. Ltd	2,073,669	5.84%	2,407,112	6.78%

### g Equity Shares allotted without payment being received in cash

	As at 31st March, 2016	As at 31st March, 2015
Equity shares issued on preferential allotment basis (under share swap agreement). Refer 3e above.	-	5,500,000

## Note 4: Reserves and surplus

### Securities Premium Account

As per last Balance sheet	359,134,440	205,134,440
Add: Premium on Equity shares allotted (Refer note 3e)	-	154,000,000
	<u>359,134,440</u>	<u>359,134,440</u>

### General Reserve

Opening balance	77,280,563	52,280,563
Add: Transferred from surplus in the Consolidated Statement of Profit and Loss	25,000,000	25,000,000
Closing Balance	<u>102,280,563</u>	<u>77,280,563</u>

### Surplus in the Consolidated Statement of Profit and Loss

Opening balance	842,601,985	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 40)	-	620,828
	<u>842,601,985</u>	<u>678,933,238</u>
Add : Profit for the year	243,750,994	218,581,708
Less : Proposed dividend (Re. 0.70 per share [Previous year : Re. 0.70])	24,853,395	24,853,395
Tax on dividend	5,059,566	5,059,566
Transferred to General reserve	25,000,000	25,000,000
Sub Total	<u>54,912,961</u>	<u>54,912,961</u>
Closing balance	<u>1,031,440,018</u>	<u>842,601,985</u>
<b>Total</b>	<b>1,492,855,021</b>	<b>1,279,016,988</b>

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

Deferred Tax Liability		
Depreciation	(16,200,098)	(13,889,915)
	<u>(16,200,098)</u>	<u>(13,889,915)</u>
Deferred Tax Asset		
Provision for doubtful debts / advances	5,728,249	7,625,534
Disallowances under section 43B of the income tax act	5,442,317	6,305,228
Provision for gratuity	5,475,960	3,084,416
Under section 40 (a) (ia) of the income tax act	14,607,419	9,334,871
Provision for inventory obsolescence	22,883,923	8,208,486
	<u>54,137,868</u>	<u>34,558,535</u>
<b>Deferred tax Assets / (Liabilities) (net)</b>	<b>37,937,770</b>	<b>20,668,620</b>

## Notes forming part of the consolidated financial statements

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
<b>Note 6 : Other long-term liabilities</b>		
Security deposits received	530,282	452,641
	<b>530,282</b>	<b>452,641</b>
<b>Note 7: Long-term provisions</b>		
Provision for employee benefits		
- Provision for gratuity	9,033,881	2,221,951
- Provision for leave encashment	11,885,228	15,347,477
<b>Total</b>	<b>20,919,109</b>	<b>17,569,428</b>
<b>Note 8: Short-term borrowings</b>		
Balances with banks		
- In cash credit accounts (Refer note 39)	-	22,742,889
<b>Total</b>	<b>-</b>	<b>22,742,889</b>
<b>Note 9: Total outstanding dues of Micro enterprises and small enterprises</b>	<b>61,184,406</b>	<b>32,999,535</b>
<b>Note:</b> 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 which has been relied upon by the auditors and is as under:		
Particulars	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
	Rupees	Rupees
Outstanding principal Amount and Interest as on 31st March 2016		
- Principal Amount	61,184,406	32,999,535
- Interest due thereon	-	-
Amount of interest paid along with the amounts of payment made beyond the appointed day	-	-
Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
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	-	-
	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
<b>Note 10: Other current liabilities</b>		
Unpaid dividends	868,652	771,518
Statutory dues	21,452,998	19,346,496
Disputed demand of V.A.T. / C.S.T. authorities (Refer note 29)	7,905,469	5,765,848
Provision for gratuity	7,000,000	6,954,356
Payables for purchase of fixed assets	-	1,024,650
Advances from customers	5,618,594	226,669
Others	8,475,000	329,174
<b>Total</b>	<b>51,320,713</b>	<b>34,418,711</b>
<b>Note 11: Short-term provisions</b>		
Provision for employee benefits		
- Provision for leave encashment	3,454,484	3,577,944
	<b>3,454,484</b>	<b>3,577,944</b>
Other provisions		
- Income-tax (net of advance tax)	14,770,887	21,533,385
- Proposed dividend	24,853,395	24,853,395
- Corporate dividend tax	5,059,566	5,059,566
	<b>44,683,848</b>	<b>51,446,346</b>
<b>Total</b>	<b>48,138,332</b>	<b>55,024,290</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, 2015	Pursuant to acquisition of subsidiary	Additions	Deletions / Adjustments	As at 31 March, 2016	Upto 31 March, 2015	Pursuant to acquisition of subsidiary	For the year	Deletions	Adjustments (refer note no 40)	Upto 31 March, 2016	As at 31 March, 2016
<b>A. <u>Tangible assets</u></b>												
Office Premises	190,343,442 (190,343,442)	- (-)	- (-)	- (-)	190,343,442 (190,343,442)	33,725,023 (30,898,216)	- (-)	2,834,553 (2,826,807)	- (-)	- (-)	36,559,576 (33,725,023)	153,783,866 (156,618,419)
Equipments	5,126,409 (3,721,018)	- (-)	117,150 (1,405,391)	- (-)	5,243,559 (5,126,409)	1,818,391 (1,458,787)	- (-)	343,343 (359,604)	- (-)	- (-)	2,161,734 (1,818,391)	3,081,825 (3,308,018)
Electrical installations	2,435,364 (2,435,364)	- (-)	- (-)	- (-)	2,435,364 (2,435,364)	688,588 (389,743)	- (-)	299,666 (298,845)	- (-)	- (-)	988,254 (688,588)	1,447,110 (1,746,776)
Furniture and Fixtures	24,056,894 (20,556,992)	- (-)	1,079,757 (3,569,719)	- (69,817)	25,136,651 (24,056,894)	8,614,816 (5,482,229)	- (-)	2,571,137 (3,152,717)	- (20,130)	- (-)	11,185,953 (8,614,816)	13,950,698 (15,442,078)
Office equipment	40,902,442 (33,203,518)	- (2,254,611)	10,133,986 (7,924,136)	3,337,036 (2,479,823)	47,699,392 (40,902,442)	24,447,745 (14,932,506)	- (863,573)	9,655,607 (9,938,299)	3,306,830 (2,227,139)	- (940,506)	30,796,522 (24,447,745)	16,902,870 (16,454,697)
Vehicles	4,960,749 (1,943,142)	- (-)	- (3,017,607)	1,250,000 (-)	3,710,749 (4,960,749)	2,113,650 (1,787,851)	- (-)	341,604 (325,799)	195,927 (-)	- (-)	2,259,327 (2,113,650)	1,451,422 (2,847,099)
<b>B. <u>Intangible assets</u></b>												
Computer Software	267,825,300 (252,203,476)	- (2,254,611)	11,330,893 (15,916,853)	4,587,036 (2,549,640)	274,569,157 (267,825,300)	71,408,213 (54,949,332)	- (863,573)	16,045,910 (16,902,071)	3,502,757 (2,247,269)	- (940,506)	83,951,366 (71,408,213)	190,617,791 (196,417,087)
	8,577,631 (6,549,893)	- (1,220,000)	122,941 (912,031)	16,885 (104,293)	8,683,687 (8,577,631)	6,276,165 (5,109,314)	- (284,667)	760,325 (986,477)	16,885 (104,293)	- (-)	7,019,605 (6,276,165)	1,664,082 (2,301,466)
	8,577,631 (6,549,893)	- (1,220,000)	122,941 (912,031)	16,885 (104,293)	8,683,687 (8,577,631)	6,276,165 (5,109,314)	- (284,667)	760,325 (986,477)	16,885 (104,293)	- (-)	7,019,605 (6,276,165)	1,664,082 (2,301,466)
<b>Grand Total A + B</b>	276,402,931	-	11,453,834	4,603,921	283,252,844	77,684,378	-	16,806,235	3,519,642	-	90,970,971	192,281,873
Previous year	(258,753,369)	(3,474,611)	(16,828,884)	(2,653,933)	(276,402,931)	(60,058,646)	(1,148,240)	(17,888,548)	(2,351,562)	(940,506)	(77,684,378)	(198,718,553)

Figures in brackets pertain to the previous year.

## Notes forming part of the consolidated financial statements

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
<b>Note 13: Goodwill on consolidation</b>		
Opening Balance	153,496,461	-
Add: On acquisition of a subsidiary	-	153,496,461
<b>Total</b>	<b>153,496,461</b>	<b>153,496,461</b>
<b>Note 14: Long-term loans and advances (unsecured)</b>		
(a) Considered good:		
Security deposits	15,885,443	15,890,665
Service tax input credit receivable	6,738,479	-
Advance payment of taxes (net of provision)	39,175	8,213,457
Customs duties recoverable	6,543,161	6,543,161
Capital Advances	275,000	275,000
	29,481,258	30,922,283
(b) Considered doubtful:		
Customs duties recoverable	5,696,262	5,696,262
Less: Provision	5,696,262	5,696,262
	-	-
<b>Total</b>	<b>29,481,258</b>	<b>30,922,283</b>
<b>Note 15: Current Investments (at lower of cost and fair value)</b>		
<b>Investment in mutual fund (unquoted)</b>		
33,986.9380 units of Indiabulls Liquid Fund - Existing Plan Growth	50,000,000	-
	<b>50,000,000</b>	<b>-</b>
Aggregate value of investments		
At cost	50,000,000	-
Repurchase value	50,047,975	-
<b>Note 16: Inventories (valued at lower of cost and net realisable value)</b>		
Raw materials	36,315,012	-
Traded goods [including Goods-in-transit Rs. 236,713,355/- (previous year Rs. 289,947,340/-)]	960,690,731	781,218,460
<b>Total</b>	<b>997,005,743</b>	<b>781,218,460</b>
<b>Note 17: Trade receivables (Unsecured)</b>		
a Debts outstanding for a period exceeding six months from the due date		
Considered good	342,000	858,388
Considered doubtful	7,191,848	14,928,324
	7,533,848	15,786,712
Less: Provision	(7,191,848)	(14,928,324)
	342,000	858,388
b Other Trade receivables		
Considered good	1,716,705,955	1,419,494,234
Considered doubtful	3,389,143	1,135,584
	1,720,095,098	1,420,629,818
Less: Provision	(3,389,143)	(1,135,584)
	1,716,705,955	1,419,494,234
<b>Total</b>	<b>1,717,047,955</b>	<b>1,420,352,622</b>
<b>Note 18: Cash and Cash equivalents</b>		
Cash on hand	51,017	22,800
Balances with banks		
- In current accounts	70,031,394	2,996,953
- In deposit accounts	21,292,071	5,000,000
- In earmarked accounts	-	-
- Unpaid dividend accounts	871,481	773,148
	92,194,946	8,770,101
<b>Total</b>	<b>92,245,963</b>	<b>8,792,901</b>

## Notes forming part of the consolidated financial statements

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
<b>Note 19 : Short-term loans and advances (Unsecured)</b>		
a) Considered good :		
Service tax input credit receivable	1,082,741	5,535,211
Customs and other duties recoverable	12,115,162	3,599,826
Prepaid expenses	10,911,600	4,039,918
Advances to suppliers	16,387,310	2,645,298
Excess remuneration paid to erstwhile Managing Director of the subsidiary Company (refer note 45)	13,300,838	-
Advances to employees	1,419,029	874,589
	<u>55,216,680</u>	<u>16,694,842</u>
b) Considered doubtful:		
Security Deposits	292,110	292,110
Less: Provision	<u>(292,110)</u>	<u>(292,110)</u>
	-	-
<b>Total</b>	<b><u>55,216,680</u></b>	<b><u>16,694,842</u></b>
<b>Note 20 : Other Current Assets</b>		
Deferred premium on foreign exchange forward contracts	4,032,833	-
Interest accrued on deposits	225,542	8,630
Others	-	40,378
<b>Total</b>	<b><u>4,258,375</u></b>	<b><u>49,008</u></b>
	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
	Rupees	Rupees
<b>Note 21: Revenue from operations</b>		
Sale of products (Refer Note (i) below)	6,987,384,233	6,231,236,872
Sale of services (Refer Note (ii) below)	214,658,348	163,356,063
Other operating revenues (Refer Note (iii) below)	12,253,218	13,643,896
<b>Total</b>	<b><u>7,214,295,799</u></b>	<b><u>6,408,236,831</u></b>
Notes:		
(i) Sale of products comprises of		
<u>Finished goods</u>		
- Electronic products	8,874,675	-
<u>Traded goods</u>		
- Networking products	<u>6,978,509,558</u>	<u>6,231,236,872</u>
	6,987,384,233	6,231,236,872
(ii) Sale of services comprises of		
- Export Services relating to network security software	198,242,637	151,254,409
- Domestic Services relating to network security software	7,626,000	3,750,000
- Others	<u>8,789,711</u>	<u>8,351,654</u>
	214,658,348	163,356,063
(iii) Other operating revenues		
- Duty drawback	8,558,072	11,719,788
- DEPB licence income	-	158,740
- Commission Income	<u>3,695,146</u>	<u>1,765,368</u>
	<u>12,253,218</u>	<u>13,643,896</u>
<b>Note 22: Other income</b>		
<u>Interest</u>		
- On fixed deposits with banks	919,398	99,497
- On delayed payments by customers	1,571,481	4,025,698
- On Income-tax refund	-	1,367,812
- On others	<u>60,102</u>	<u>-</u>
	<u>2,550,981</u>	<u>5,493,007</u>



## Notes forming part of the consolidated financial statements

	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
	Rupees	Rupees
<b>Note 22: Other income (contd.)</b>		
Dividend on current investments (non-trade)	-	892,127
Profit on sale of current investments (non-trade) (net)	6,533,343	1,013,163
Sundry balances written back	246,650	80,066
Profit on sale of fixed Assets	37,331	10,997
Provision for doubtful debts written back (net)	5,482,917	-
Exchange gain (net)	-	7,791,191
Miscellaneous income	568	8,377
<b>Total</b>	<b>14,851,790</b>	<b>15,288,928</b>
<b>Note 23: Cost of raw materials consumed</b>	<b>7,595,976</b>	<b>-</b>
<b>Raw material consumed comprises of:</b>		
Integrated circuits	3,155,470	-
Power Adaptor	846,266	-
Smartcard	797,823	-
Remote	390,902	-
PCB	323,529	-
Others	2,081,986	-
<b>Note 24: Changes in inventories of traded goods</b>		
<u>Closing Stock</u>		
Traded goods	960,690,731	781,218,460
	960,690,731	781,218,460
<u>Less: Opening Stock</u>		
Traded goods	781,218,460	631,735,658
	781,218,460	631,735,658
<b>Increase</b>	<b>(179,472,271)</b>	<b>(149,482,802)</b>
<b>Note 25: Employee benefits expense</b>		
Salaries, wages and bonus	406,462,503	382,331,219
Contribution to provident and other funds	16,372,707	25,175,278
Staff welfare expenses	11,402,875	10,254,342
<b>Total</b>	<b>434,238,085</b>	<b>417,760,839</b>
<b>Note 26: Finance Cost</b>		
Interest		
- On cash credit accounts	2,058,004	3,025,101
- On delayed payments of Income-tax / service tax	1,744,500	1,617,603
<b>Total</b>	<b>3,802,504</b>	<b>4,642,704</b>
<b>Note 27: Other Expenses</b>		
Sales and customer support services	5,889,177	6,089,980
Power	11,105,216	10,180,818
Rent including lease rentals	45,453,594	41,139,577
Rates and taxes	3,169,637	3,874,059
Insurance	10,534,923	8,615,107
<u>Repairs and maintenance:</u>		
- Office premises	4,597,310	4,936,202
- Others	4,728,508	6,124,698
	9,325,818	11,060,900
Travelling and conveyance expenses	31,991,647	37,561,291
Communication expenses	10,479,991	10,538,065

## Notes forming part of the consolidated financial statements

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Rupees	Rupees
<b>Note 27: Other Expenses (contd.)</b>		
Advertisement and sales development expenses	133,831,570	151,059,182
Commission on sales	127,321,270	116,125,100
Servicing expenses	44,843,019	60,823,017
Fixed assets Written off	30,206	-
Software License Support Fee	-	1,016,666
Provision for doubtful debts and advances (net of amounts written back)	-	14,454,849
Exchange loss (net)	19,288,171	-
Legal and professional fees	46,107,000	40,625,288
Bad debts / Advances written off	1,329,541	770,928
Miscellaneous expenses	32,153,132	31,115,487
<b>Total</b>	<b>532,853,912</b>	<b>545,050,314</b>

### Note 28: 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. 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)

The Parent Company had filed appeal against the assessment order before the Additional Commissioner of Commercial Taxes, Panaji- Goa requesting for Stay of the recovery of disputed amount of tax pertaining to non submission of C-Forms, demanded for the Assessment Year 2009-10. The Parent Company is awaiting personal hearing from the Additional Commissioner of Commercial Taxes.

**Note 29:** 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. 5,676,097/- (Previous year Rs.4,237,323/- ), including interest aggregating Rs. 2,229,372/- (Previous year Rs. 1,528,525/-). The 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 30:

- 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 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	10,000,000	671,075,000	Buy
	(550,797)	(34,938,871)	Sell

Figures in brackets pertains to the 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, 2016		As at 31st March, 2015	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Receivables	USD 796,676	52,779,777	USD 216,243	13,261,340

Amount payable in foreign currency on account of the following:

	As at 31st March, 2016		As at 31st March, 2015	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Payables	USD 7,602,700	503,743,244	USD 8,824,182	551,512,878

## Notes forming part of the consolidated financial statements

	For the Year Ended 31st March, 2016	For the Year Ended 31st March, 2015
	Rupees	Rupees
<b>Note 31: Payment to Auditors (exclusive of service tax)</b>		
<u>As Auditors</u>		
For Statutory Audit	2,500,000	1,500,000
For Limited Review	600,000	180,000
For Audit of financial information for the calendar year end	300,000	250,000
<u>Others</u>		
For Taxation matters	300,000	300,000
For Other services - certification etc.	1,540,000	115,000
For Reimbursement of expenses	67,654	-
<b>Total</b>	<b>5,307,654</b>	<b>2,345,000</b>
<b>Note 32</b>		
<b>(a) Details of purchases</b>		
Raw materials	43,910,988	-
Traded goods - Networking products	6,037,377,846	5,256,589,721
<b>(b) Details of inventory</b>		
Raw materials	36,315,012	-
Traded goods - Networking products	960,690,731	781,218,460
	As at 31st March, 2016	As at 31st March, 2015
<b>Note 33:</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>		
Defined Benefit obligation at the beginning of the year	31,460,346	9,394,012
Current Service Cost	8,785,319	9,790,833
Interest Cost	2,431,621	857,308
Actuarial (gain) / loss	(814,532)	11,561,972
Benefits paid	(330,701)	(143,779)
Defined Benefit obligation at the end of the year	41,532,053	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	22,263,004	8,654,772
Opening Adjustment	-	1,066,614
Expected return on plan assets	1,808,702	1,023,817
Actuarial (loss) / gain	(253,984)	60,461
Employer contribution	2,011,151	11,601,119
Benefits paid	(330,701)	(143,779)
Fair value of plan assets at year end	25,498,172	22,263,004
<b>III Reconciliation of fair value of assets and obligations</b>		
Present value of obligation as at 31st March, 2016.	41,532,053	31,460,346
Fair value of plan assets as at 31st March, 2016.	25,498,172	22,263,004
Amount recognized in Balance Sheet	(16,033,881)	(9,197,342)
<b>IV Expense recognized during the year</b>		
(Under the head employee benefits expenses - Refer Note 25)		
Current Service Cost	8,785,319	9,790,833
Interest Cost	2,431,621	857,308
Expected return on plan assets	(1,808,702)	(1,023,817)
Opening Adjustment	-	(1,066,614)
Actuarial (gain) / loss	(560,548)	11,501,511
<b>Net Cost</b>	<b>8,847,690</b>	<b>20,059,221</b>

## Notes forming part of the consolidated financial statements

	As at 31st March, 2016	As at 31st March, 2015
	Rupees	Rupees
<b>V Actuarial assumptions</b>		
Discount rate (per annum)	7.46%	7.77%
Expected rate of return on plan assets (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	17-21%	17-21%
Employee Attrition Rate	5-15%	5-15%
<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	1,742,841	12,023,791
b. Experience (Gain) / Loss on obligation	(2,557,373)	(461,819)
c. Actuarial gain / (loss) on plan assets	(253,984)	60,461
Present value of benefit obligation	41,532,053	31,460,346
Fair value of plan assets	25,498,172	22,263,004
Excess of (obligation over plan assets) / plan assets over obligation	(16,033,881)	(9,197,342)

**VII** The contributions expected to be made by the Group during the financial year 2016-17 is Rs 7,000,000/-.

The plan assets are managed by the Gratuity trust formed by the respective company. The funds of Parent Company are invested in "Bajaj Allianz group debt fund" managed by Bajaj Allianz Life Insurance Company and that of the Subsidiary Company in "Employee Group Gratuity Scheme" managed by Life Insurance Corporation of India.

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

i) Contribution to provident fund Rs. 7,515,133/- (Previous year Rs 5,234,416/-)

### Note 34: 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. 45,453,594/- (Previous year Rs. 41,139,577/-)

### Note 35: 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

#### 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 Company Ltd.	Fellow Subsidiary
D-Link Brazil LTDA	Fellow Subsidiary
D-Link Australia Pty Limited	Fellow Subsidiary
D-Link Systems Inc.	Fellow Subsidiary
D-Link Latin America - DLABR	Fellow Subsidiary
TeamF1 Inc., USA	Entity on which Key Management Person of the Subsidiary exercised significant influence
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
Mrs. Annapurna K Kolli	Spouse of Mr. Vinai Kolli [in employment upto 4th February, 2016]
Mr. Ramalingeswara Rao Kolli	Key management person [upto 29th 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 / Relative of Key management person	Entity on which Key Management Person exercised significant influence	Total
<b>Purchase of traded goods</b>					
D-Link International (Singapore)		5,052,976 (14,652,972)			5,052,976 (14,652,972)
D-Link International Pte. Ltd.		3,301,249,510 (3,120,138,236)			3,301,249,510 (3,120,138,236)
D-Link Corporation	1,024,201 (2,226,682)				1,024,201 (2,226,682)
Others		39,370,115 (69,384,857)			39,370,115 (69,384,857)
<b>Sale of products</b>					
D-Link International (Singapore)		75,162 (2,590,473)			75,162 (2,590,473)
D-Link Middle East-FZCO		339,488 (13,061,036)			339,488 (13,061,036)
D-Link Latin America		993,624 (3,313,916)			993,624 (3,313,916)
D-Link Japan K K		559,564 (247,709)			559,564 (247,709)
<b>Sale of Software Services</b>					
D-Link International (Singapore)		192,149,953 (111,517,021)			192,149,953 (111,517,021)
TeamF1 Inc., USA				6,092,684 (39,737,388)	6,092,684 (39,737,388)
<b>Purchase of fixed Assets</b>					
TeamF1 Inc., USA				132,405 (-)	132,405 (-)
<b>Professional fees paid</b>					
D-Link Corporation	15,695,941 (13,202,438)				15,695,941 (13,202,438)
<b>Reimbursement of expenditure</b>					
D-Link Corporation	304,454 (1,844,537)				304,454 (1,844,537)
D-Link Middle East-FZCO		- (209,141)			- (209,141)
D-Link International Pte. Ltd.		359,061 (301,147)			359,061 (301,147)
D-Link International (Singapore)		552,355 (-)			552,355 (-)
D-Link Systems Inc		6,383 (-)			6,383 (-)
<b>Reimbursement of expenditure (Income)</b>					
D-Link International Pte. Ltd		97,302 (7,306,088)			97,302 (7,306,088)
D-Link Holding Mauritius Inc.	193,426 (40,017)				193,426 (40,017)
D-Link Middle East-FZCO		45,061 (-)			45,061 (-)
TeamF1 Inc., USA				277,514 (-)	277,514 (-)

## Notes forming part of the consolidated financial statements

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

Nature of transactions	Ultimate Holding Company / Holding Company	Fellow Subsidiary	Key management person / Relative of Key management person	Entity on which Key Management Person exercised significant influence	Total
<b>Managerial Remuneration</b>					
Mr. Chandrashekhar M. Gaonkar			-		-
			(1,675,310)		(1,675,310)
Mr. Yao Chuan Yang (Gary Yang)			<b>3,096,809</b>		<b>3,096,809</b>
			(3,877,960)		(3,877,960)
Mr. Tushar Sighat			<b>21,002,923</b>		<b>21,002,923</b>
			(19,190,065)		(19,190,065)
Mr. Vinai Kolli (K.M.P. of Subsidiary)			<b>12,000,000</b>		<b>12,000,000</b>
			(9,751,667)		(9,751,667)
Mr. Ramalingeswara Rao Kolli (K.M.P. of Subsidiary)			-		-
			(50,000)		(50,000)
<b>Salaries</b>					
Mrs. Annapurna K Kolli - HR Technical			<b>383,826</b>		<b>383,826</b>
			(364,000)		(364,000)
<b>Dividend paid</b>					
D-Link Holding Mauritius Inc.	<b>12,680,264</b>				<b>12,680,264</b>
	(10,868,798)				(10,868,798)
Mr. C.M. Gaonkar			-		-
			(45,528)		(45,528)
<b>As at the year end</b>					
Amount due to					
D-Link International Pte. Ltd		<b>1,048,634,285</b>			<b>1,048,634,285</b>
		(771,905,701)			(771,905,701)
D-Link International (Singapore)		<b>1,916,074</b>			<b>1,916,074</b>
		(745,606)			(745,606)
D-Link Corporation	<b>13,988,125</b>				<b>13,988,125</b>
	(12,183,591)				(12,183,591)
TeamF1 Inc., USA				<b>1,268,277</b>	<b>1,268,277</b>
				(-)	(-)
Others		<b>26,836,494</b>			<b>26,836,494</b>
		(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)		<b>1,921,250</b>			<b>1,921,250</b>
		(11,753,320)			(11,753,320)
Other		-			-
		(254,594)			(254,594)
<b>Minority Interest</b>					
D-Link Holding Mauritius Inc.	<b>4,348</b>				<b>4,348</b>
	(1,609)				(1,609)

Figures in brackets pertain to previous year.

### Note 36: Segment Information

The Group is primarily engaged in the business of providing Networking products and related services which is the only reportable segment.



## Notes forming part of the consolidated financial statements

### Note 37:

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, 2016	Year ended 31st March, 2015
Profit attributable to equity shareholders (Rupees)	243,750,994	218,581,708
Weighted average number of Equity Shares outstanding during the year	35,504,850	34,615,809
Basic / diluted earnings per share (Rupees)	6.87	6.31
Nominal value per share (Rupees)	2.00	2.00

### Note 38: Other disclosures

	Current year		Previous year	
	Rs.	% age to total consumption	Rs.	% age to total consumption
a) <u>Raw material consumed</u>				
imported	5,164,967	68.00	-	-
indigenous	2,431,009	32.00	-	-
	7,595,976	100.00	-	-

	For the year ended 31st March, 2016	For the year ended 31st March, 2015
	Rupees	Rupees
b) <u>C.I.F. value of goods imported</u>		
Raw material	37,088,172	-
Traded goods	3,792,187,602	3,541,952,817
Capital goods	132,405	-
c) <u>Expenditure in foreign currency</u>		
Travelling expenses	1,071,681	968,588
Professional Fees	14,046,926	13,202,438
Others	6,975,935	18,232,001
d) <u>Earnings in foreign exchange</u>		
F.O.B. value of exports	223,099,494	216,287,230
Export Services	198,242,637	169,264,594
e) <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	2014-15	2013-14
Amount of dividend remitted in Rupees	12,750,264	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 39:

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 40:

During the previous 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 had 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 adjusted an amount of Rs. 620,828/- (net of deferred tax of Rs. 319,678/-) against the opening Surplus balance in the Consolidated Statement of Profit and Loss. The depreciation expense in the Consolidated Statement of Profit and Loss for the previous year was lower by Rs. 1,246,504/- and Consolidated profit for the previous year was higher by the like amount consequent to the change in the useful life.

## Notes forming part of the consolidated financial statements

### Note 41:

During the year there has been a change in the sick leave policy of the subsidiary company whereby unutilised and accumulated sick leave is not allowed to be carried forward. Consequent to this change an amount of Rs. 4,862,107/- representing provision for sick leave as on 31st March 2015 has been reversed, and accordingly the provision for sick leave is lower by Rs. 4,862,107/- and the Consolidated profit for the year is higher by the same amount.

### Note 42:

As per the provisions of section 135 of the Companies Act, 2013, the parent company is required to spend Rs. 4,872,636/- (Previous year 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.

### Note 43:

During the previous year, the Parent Company 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 was a reduction in the amount of provision required for leave encashment as at the previous year end. Accordingly, employee benefits expense for the previous year ended 31st March 2015 was lower by Rs. 13,763,156/- and the Consolidated profit before tax for the previous year was higher by a like amount.

### Note 44:

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	2.91% (1.24%)	45,559,201 (16,794,502)	11.80% (2.26%)	28,761,960 (5,289,866)

### Note 45:

The remuneration to Mr. Vinai Kolli (erstwhile Managing Director of the subsidiary company) for the period from 29th May, 2014 to 31st March, 2015 was in excess of the limits specified in Schedule V of the Companies Act, 2013 by Rs. 9,053,856/-. The application made by the subsidiary company for approval of the excess remuneration paid was rejected on 21st August, 2015 by the Central Government.

Similarly his remuneration for the period from 1st April, 2015 to 31st August, 2015 was also in excess of the proportionate limits specified in Schedule V by Rs. 4,246,982/- and was also subject to approval by Central Government. The subsidiary company has filed a fresh application on 3rd March, 2016 for waiver of the recovery of excess remuneration for the entire period from 29th May, 2014 to 31st August, 2015, the approval for which is awaited.

Meanwhile, the Subsidiary Company is in the process of recovering this amount from the erstwhile Managing Director and the amount aggregating Rs. 13,300,838/- has been included under short term loans and advances.

### Note 46:

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

#### Signatures to Notes 1 to 46

##### 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: 30th May, 2016

[illegible]

## ATTENDANCE SLIP

(To be filled in and presented at the entrance of the meeting venue)

I hereby record my presence at the Eighth Annual General Meeting of the Company on Friday, 26<sup>th</sup> August, 2016 at 5:00 p. 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 8th Annual General Meeting of the Company, to be held on Friday, 26<sup>th</sup> August, 2016 at 5:00 p.m. at the Kesarval Gardens, Verna, Salcette, Goa - 403722 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of Resolution	Optional*	
		For	Against
ORDINARY BUSINESS			
1	To consider and adopt the Audited Standalone Financial Statements of the Company for the year ended 31st March, 2016 together with the reports of Directors and Auditors thereon.		
2	To consider and adopt the Consolidated Financial Statements of the Company for the year ended 31st March, 2016 together with the reports of Auditors thereon.		
3	To consider declaration of Dividend for the year ended 31 <sup>st</sup> March, 2016.		
4	To consider appointment of Mr. Tushar Sighat, who retires by rotation, as Director of the Company.		
5	To approve ratification of Appointment of M/s Deloitte Haskins & Sells LLP, Chartered Accountants, as Auditors of the Company.		
SPECIAL BUSINESS			
6	To consider appointment of Mr. Douglas Hsiao as Director of the Company, liable to retire by rotation.		
7	To consider appointment of Mr. Mukesh Lulla as Director of the Company, liable to retire by rotation.		
8	To consider and approve Material Related Party Transactions.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2016

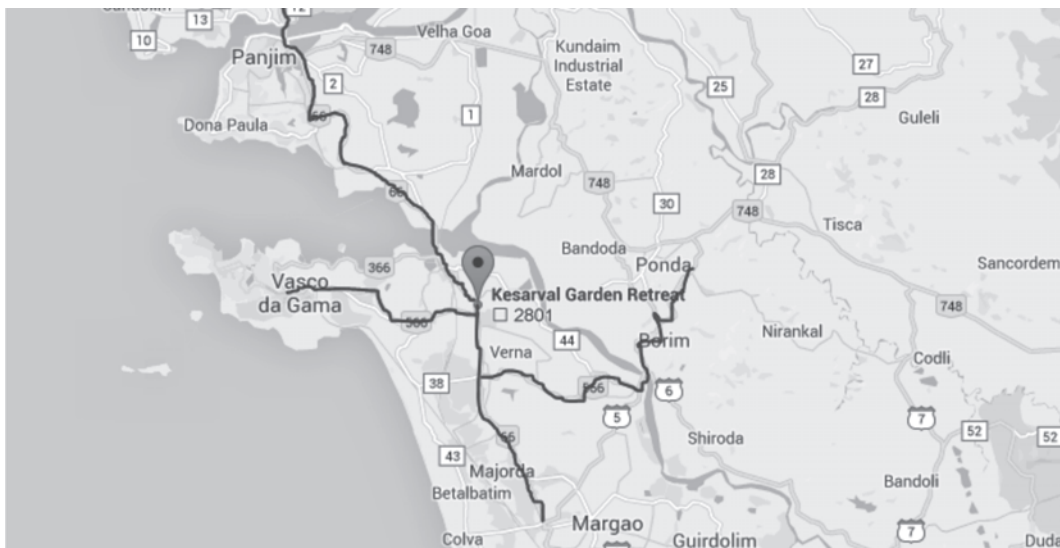
\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of First Proxy holder

\_\_\_\_\_  
Signature of Second Proxy holder

\_\_\_\_\_  
Signature of Third Proxy holder

Affix  
Revenue  
Stamp



- CUT HERE -

#### Notes:

1. This form of proxy, in order to be effective should be duly signed and completed and must be 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 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member
3. Appointing a proxy does not prevent a Member from attending the meeting in person if he so wishes.
4. In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
5. Please complete all details including details of members mentioned above before submission.
6. \* 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.

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**D-Link (India) Limited**

CIN: L72900GA2008PLC005775

*Registered office:*

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Verna, Goa – 403722, India

Tel: 0832-2885800 Fax: 0832-2885823

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

*Corporate Office:*

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Andheri East, Mumbai - 400059, India  
Tel: 022-29215700 Fax: 022-28301901