

July 21, 2014

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 March 31, 2014 under  
Clause 31 of the Listing Agreement:**  
**Script Code: BSE -533146, NSE - DLINKINDIA**

Dear Sir,

This is to inform you that, the Sixth Annual General Meeting of the Company will be held on Saturday, the August 23, 2014 at 11.00 a.m., at Kesarval Gardens, Verna, Salcette, Goa - 403722.

Pursuant to Clause 31 of the Listing Agreement, please find enclosed herewith six copies of the Annual Report for the year ended March 31, 2014 together with Form A and notice convening the Annual General Meeting.

Kindly acknowledge the receipt.

Thanking You,

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



**SHRINIVAS ADIKESAR  
COMPANY SECRETARY**

Encl.:- As Above.

# Annual Report 2013-14



Innovation

Execution

Heritage

# 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 Chairman



**A.P. Chen**  
Chairman

“ We will continue to invest in refining our core technologies, continue to respond to, and even anticipate, the dictates of the marketplace, continue to respect our relationships with our customers and associates, and continue in our quest for efficiency and productivity in our operations. ”

## Dear Fellow Stakeholders,

Last year, I spoke to you of the 'light at the end of the tunnel', that is, the strong likelihood that we were all in the end stages of the global economic downturn. The year just past has borne out my optimism. Worldwide IT spending shows every sign that rapid growth has commenced, especially in networking products, and in the devices market - which itself is dependent on the networking infrastructure.

Here in India, which is one of the most cherished markets in D-Link's global spread, domestic IT services are expected to grow as much as 12% in the year ahead. The economy is moving towards a higher gear. Industrial production is reviving, service industries are growing, and inflation is poised to ease. Enterprises of every variety, from the modest home businesses to the mightiest conglomerates, are beginning to invest in setting up or strengthening their networking foundations. At the same time, the government is actively promoting the spread of broadband availability, and that too is boosting the need for networking hardware. And it's not just a quantum increase in networking power, but growing sophistication too, in terms of complex applications, mobility in operation, intricate interconnectivity among all kinds of devices, the increasingly pervasive presence of the 'Cloud' - all the conveniences that the present generation of youth takes for granted.

Who could be better placed than D-Link to feed these growing appetites? We already have a dominant presence in networking products for the Enterprise segment, and are more than equipped for a full-scale onslaught in Government, Education, Banking, Financial Services and Insurance (BFSI), Manufacturing, Customer Premise Equipment and other segments that are in the forefront of demand today, or will be tomorrow. We have best in class IPv6 compliant Switches, Routers, 3G & 4G WiFi Products with next generation 11AC wireless standards, storage devices, IP Surveillance, Structured Cabling solutions and Lifestyle range of products suitable for any business or consumer domain.

D-Link is a leading player in this market and has led in market share in unit terms in WLAN, and port shipment in switches, right through all four quarters of 2013-14.

Obviously, the promise of growth is bound to draw more competition, more intensely from more players. It would not be out of place of me to say that we at D-Link feel secure in taking them all on. We have formed strategic alliances to beef up our arsenal of sophisticated offerings, for segments ranging from small enterprises to giant data centres and multilocational corporates. Our service capability is a model of accessibility and responsiveness. And we command the respect and well-earned loyalty of System Integrators up and down the country, the best possible evangelists for the D-Link brand.

We will continue to invest in refining our core technologies, continue to respond to, and even anticipate, the dictates of the marketplace, continue to respect our relationships with our customers and associates, and continue in our quest for efficiency and productivity in our operations. In other words, we will continue to do all the things that helped us achieve leadership in our chosen domains, and that will keep us there no matter what challenges the future may bring.

In closing, I would like to offer heartfelt thanks to our shareholders, partners and business associates for the support that is always forthcoming from them. We at D-Link may be helping shape the future for all of us... but it's you to whom that future belongs.

Thank you.

Sincerely,

**A. P. Chen**  
Chairman

# Globalization through localization



## About D-Link Corporation

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

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

Confident in the resources of D-Link headquarters to develop and deliver state-of-the-art networking products, each local business unit - regardless of its location around the world - attacks its market aggressively. The Company's innovative technology products provide solutions for home and business, built with standards-based reliability. D-Link has become a trusted international brand that connects people to their lives, their work, and to each other.

## LOCAL MARKET UNDERSTANDING, INTERNATIONAL PRESENCE

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

Confident in the resources of D-Link headquarters to develop and deliver state-of-the-art networking products, each local business – regardless of its location around the world – effectively penetrates the market. D-Link's innovative products provide solutions for home and business, each built with standards-based reliability. D-Link has become a trusted international brand that connects people to their lives, their work, and to each other.





# Message from Managing Director



**Gary Yang**  
Managing Director

“ We will move ahead, with greater vigour to tap into the enormous opportunities presented by the Indian market, execute our plans seamlessly and sustain the growth momentum. ”

## Dear Stakeholders,

In the year just past, we have seen the very early signs of unmistakable economic recovery in most geographies, including here in India. We expect the growth momentum to gather steam in India, especially with a new government at the helm, elected by a thumping majority on its plank of development.

Globally, IT spending will amount to 3.2% more than in the previous year, according to the latest forecast by Gartner Inc. It's a forecast which mirrors the outlook here in India.

In India, we find that domestic IT services business, after some years of stagnancy, is expected to grow by 9-12% in fiscal 2014-15, according to NASSCOM. Indian networking in particular is being transformed with the advent of new technologies, higher bandwidth, and more sophisticated connectivity, especially in the wireless segment. And then there is the growing population of PCs, tablets, smartphones and other devices that feed on networks, especially of the wireless variety. It's going to be a lively market indeed, subject to constant innovation and change.

D-Link is very advantageously placed to serve this market as one of the leaders in networking products. We have a commanding market share in several segments and remain the top-of-mind name in this arena.

However, we must not forget that the market is in constant flux. Every new brainwave in technology can transform customer expectations overnight. So we have to stay on our toes. We have to remain steady and reliable and we have to be responsive to trends with far-reaching potential.

In preparation for the growth years ahead, we have also established a clear differentiator for D-Link vis-a-vis its competition. That edge lies in our mydlink Cloud Services, an added-value offering that is much appreciated. We have also taken a strong integrated position from one end of networking to the other, in our 5S package, that spans Switching, Structured Cabling, Surveillance & Storage, Security and Software.

Hidden in that package is the recognition that the line between hardware and software is becoming increasingly blurred. They used to be worlds apart, but are now being integrated, and offered together as solutions. Just as hand-held devices are inseparable from the Operating Systems (OSs) and Applications (Apps) that they run, so too are more and more hardware components offered with software capabilities built in.

We did not previously have the in-house capability to address this trend, but now we do. We have made the strategic acquisition of TeamF1, a Hyderabad-based software house known for its capabilities in the area of embedded systems. This gives us an in-house corps of exceptionally talented software designers; they can work with our hardware engineers as co-developers of new lines of intelligent solutions for the Indian as well as overseas markets. The possibilities are endless.

During the year, we pursued our business goals as well, with great success. Our Turnover was in excess of Rs.4,800 million, a leap upward from the previous year's figure of Rs.3,500 million - in fact, the highest annual turnover since we began operations in India. We have delivered consistent growth quarter after quarter. And we posted a Net Profit of Rs.135 million compared to about Rs.123 million in the previous year.

I am sure that the present year, and those to follow, will give you even more reason to rejoice. You expect great things of us, and we are committed to delivering them – with your good wishes and constant support, as always. To all our stakeholders, business partners and associates, I say thank you for being with us on every step of our journey.

Sincerely,

**Gary Yang**  
Managing Director

# Message from CEO



**Tushar Sighat**  
CEO

“Our success has been founded on the three pillars of *Focus, Teamwork* and *Speed* and we have now added a fourth pillar to drive our growth - *Innovation*. The acquisition of TeamF1 is in line with this strategy and will enable us to develop products for the Indian market with a global perspective.”

## Dear Stakeholders,

It has been another year of growth and progress for us. We are committed to the strategies worked out for the Indian market and our performance is a true validation of our growth initiatives.

### Financial Performance:

During the year, our Sales grew by nearly 38% to Rs.488 crores. Even though sharp fluctuations in the exchange rate put enormous pressure on margins (the rupee depreciated by 12.42%), our Net Profit increased by 10.2% to Rs. 13.58 crores. Almost all segments performed admirably well, and we improved our market share in most of them. As per tracking reports released by IDC, a premier global provider of market intelligence, we maintained leadership position in unit terms in WLAN category and in port shipments in Switch category in India; in Q4 2013; in fact, we dominated the WLAN segment with 40% market share and the Network Switch category with 30% market share.

While our performance during the year under review has been impressive, it has placed even greater responsibilities and challenges as we move onwards to better that. We have made several strategic moves in order to strengthen our position in the Indian market. Let me mention a few of these.

During the year, we acquired TeamF1, a high end embedded Software Company, which will add one more dimension to our activities. Our parent company has enormous hardware strengths and coupled with the software capabilities of TeamF1, the India operations will enter another level - from that of a marketing company to a product plus technology company.

Our success has been founded on the three pillars of *Focus*, *Teamwork* and *Speed* and we have now added a fourth pillar to drive our growth - *Innovation*. The acquisition of TeamF1 is in line with this strategy and will enable us to develop products for the Indian market with a global perspective.

As industrial production and services activity revive, the demand for networking can only accelerate. Enterprises will invest in making end-to-end networking an integral

part of their solutions delivery, as well as a way to sharpen their competitive edge. As the government continues its push towards more widespread broadband usage and growing 4G prevalence, the market will require more and better routers, switches, and products for storage and surveillance.

In order to support our growth, we are investing in our service capabilities, and plan to set up our RMA service centers throughout the country. No matter, where a D-Link customer is, he will have a service center nearby!

An ever growing range of sophisticated products and a rapidly increasing customer base has prompted us to invest in a Call Center which is already operational in Goa with 45 agents. We plan to scale up this facility to meet the needs of the Indian market initially and, over time, D-Link business units in other countries.

We are in a business characterized by rapid technological advancements. Today billions of people are connected with smart phones and we are now in the era of 'Internet of Everything'. Experts predict that over 50 billion devices would connect to the phone in the next few years. We would be riding the future with a whole new range of 'Smart' next generation products. These simple to use products would let users control a whole range of devices and equipment with your Smartphone.

It has been a rewarding year and with so much happening, the future hold exciting prospects. We have a great team that is passionate, committed and hungry to achieve new milestones of growth. I express my sincere appreciation for their efforts.

I wish to place on record my grateful thanks to the Board of Directors for their active participation and valuable guidance and our shareholders, bankers, business associates and the various government agencies for their co-operation and support at all times.

Sincerely,

**Tushar Sighat**  
CEO

# About D-Link (India) Limited

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

D-Link Holding Mauritius Inc., a 100% subsidiary of D-Link Corporation, holds 60.37% shareholding in D-Link (India) Limited. D-Link (India) Limited is listed on NSE and BSE.

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

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

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

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



# Compelling strategies to drive growth

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

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

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

As Small and Medium Business (SMB) and Enterprise markets are engaged in network infrastructure upgrade, D-Link will focus on wireless solution that offer compelling advantages like flexibility, scalability and powerful tools for deployment and management. In order to curtail costs, turning from managed switches to smart switches would offer the same benefit with greatly reduced complexity and with its excellent portfolio of these products, D-Link is placed to do extremely well.

Smart switches, have rapidly become the mainstream among small and medium businesses, which increasingly require the power and flexibility of managed switches without the complexity. D-Link's lineup of smart switches offers them the best of both worlds.

In the consumer market, the company is focusing on products like Cloud cameras which have already gained substantial recognition in the IP surveillance market and the portable or personal routers designed for mobile connectivity and indispensable to every consumer.

The possibilities for the portable router segment are extremely promising; as a personal device at the center of the individual's mobile life, a portable router is something that everybody needs. D-Link is charging ahead with new models and features never seen before, which promise to transform the way people connect, share and charge their devices on the go.

D-Link looks to expand its consumer base by growing its product line, providing a full range of solutions that deliver unbeatable value and performance. Diversified offerings and innovative technologies, including a portfolio of products unmatched in the industry, will reinforce D-Link's position as a leader in the Consumer and Digital Home segment.

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

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

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

# Consumer Solutions

As social and mobile trends transform the way that people utilize the internet, D-Link has responded with innovative products and Cloud Services that help customers connect to more, both at home and away.

People are increasingly connecting from mobile devices such as smartphones and tablets, leaving PCs behind. At the same time, online video streaming services and social networking have also surged in popularity. As a result, there is more demand for bandwidth, on more devices than ever. In recognition of this digital lifestyle trend, D-Link is meeting changing consumer needs with mydlink-enabled options for connectivity, monitoring and storage.

D-Link consumer products are known for industry-leading design and Cloud functionality that enables and empowers today's mobile lifestyle. These features, combined with a reputation for reliability, both fuel and fulfill a growing demand for networking at home and in the small office. Blazing the way forward with innovative offerings such as Cloud Cameras, Portable Routers, and Wireless AC Cloud Routers, D-Link is perfectly positioned to be the centre of the digital home.

D-Link launched a number of products to satisfy the rapidly evolving needs of the consumer market segment. The Company introduced an entirely new product category of portable or personal router that offers such features –

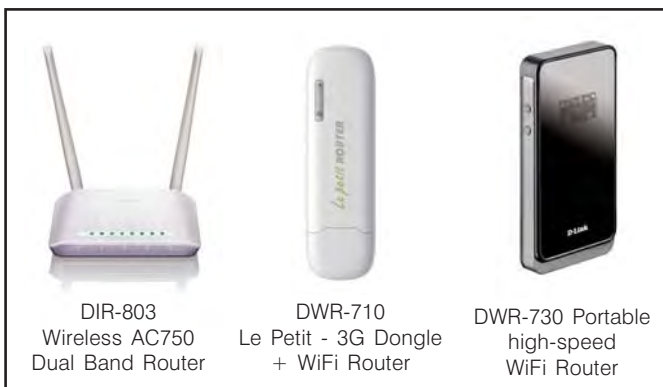
instant wifi connectivity, convenient file synchronizing between mobile devices via connected USB storage.

With the rise in broadband wireless internet usage, there is constant demand for internet devices offering high speed connectivity. These new 3G enabled devices are becoming increasingly popular in the consumer segment and designed to address the needs of frequent travelers, home users and people seeking wire free connectivity. Besides their primary functions as an adaptor and router, they are also loaded with value added features like built in MicroSD card.

D-Link's DWP-157 is a 21.6 Mbps portable 3G USB Adapter/ Dongle that allow users to connect to their notebook via mobile broadband service anywhere and transfer data, stream media and send sms messages on the go. This unlocked device is compatible with data SIM card from any operator.

Similarly, D-Link's DWM-730 is a business card sized portable 21.6 Mbps router that allows users to connect to notebook, tablet and smartphone to the internet anything using a 3G connection. Users can also share this connection with up to 8 users wirelessly. This battery-powered router is unlocked and is compatible with wide range of mobile service networks, making it ideal for people who are constantly on the go.

Yet another innovative product is D-Link's DSM-260, a wireless media streaming device that enables users to play movie, music, game, presentations etc. from a smartphone, tablet or laptop onto a big screen like TV, projector or home theatre. D-Link DSM-260 is the perfect sharing solution, as it easily allows users to stream content from any handheld device to a bigger screen with ease.



# Business Solutions

D-Link is committed to providing large enterprises, Small and Medium Enterprises (SMEs), Small and Medium Businesses (SMBs), and Small Office Home Office (SOHO) customers with powerful networking solutions that facilitate success in today's rapidly evolving environment.

D-Link's primary focus has been on solutions for small to medium businesses, a sector which needs stable connections, flexibility, and ease of use, along with outstanding price-performance.

D-Link's 5S Solutions offer the entire range of switching, structured cabling, surveillance and storage, security and software that form major components of secure, reliable and manageable networks.

When it comes to the business market, D-Link does more than just compete with other enterprise-class switch manufacturers - D-Link drives the industry. D-Link's unified wireless solutions provide superior wireless coverage and reliability, thereby increasing business productivity, flexibility, and cost efficiency.

**Switches:** D-Link's Switches are particularly suited for deployment in a mixed environment that includes both data and IP Surveillance traffic. D-Link smart switches, meanwhile, offer increased security and scalability, hitting the sweet spot between the simplicity of unmanaged switches and the power of managed ones.

**Structured Cabling:** D-Link has complete range of copper and fiber cables conforming to the highest international standards for every conceivable application.

**Surveillance & Storage:** In every vertical, from retail to residential, education to healthcare, hospitality to transportation, D-Link's integrated one-stop surveillance solution comprised of IP surveillance cameras, switches, storage, and software, offers unbeatable flexibility.

**Security:** D-Link's NetDefend Unified Threat Management firewalls offer powerful security solutions and protect business networks from a variety of threats.

**Software:** D-Link's D-View and D-ViewCam offers a graphical user interface that manages the network and IP surveillance infrastructure.

D-Link has always focused on product innovation to stay ahead of its competitors and the company constantly introduces products that incorporate cutting edge technology.

During the year, D-Link Introduced the DGS-1500 Series SmartPro Switch, designed for SMBs to facilitates functions like static routing and single IP management. The switches feature D-Link's green 3.0 technology thereby enabling significant power savings. These series of switches have advanced management and security functions, similar to those of a managed switch but less complex.



DGS-1500 Managed Switch Series



DGS-6608 Managed Chassis Series

D-Link also introduced DGS-6608 Series Switch which offers end-to-end connectivity and granular application control with two chassis supporting a wide range of port modules and is suitable for mission-critical network applications. The switch

ensures high performance, high port densities, excellent traffic management, bandwidth control and complete IPv6 support.



# Nationwide Service Infrastructure

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

Strong relationships with channel partners, system integrators and consumers have reinforced D-Link's reputation as a dependable company.

An important aspect of D-Link's popularity is the rapid response and high quality of its technical support service which is highly valued by end users.

D-Link ensures that its channel partners are fully trained on the latest products and are armed with all the knowledge required in order to be successful. The Company has a well structured training programme for employees, customers and channel partners

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.

D-Link India is expanding the number of service centers across the country. It has also set up its own Call Center in Goa with 45 agents, which will be expanded to provide 24x7 service support to D-Link customers in India and later to other D-Link units.

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



Gary Yang, MD and Tushar Sighat, CEO, alongwith the D-Link team during the lamp lighting ceremony to inaugurate the Company's Service Center in Mumbai.

# Awards & Accolades

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

D-Link strives for excellence in every facet of its operations: people, technology, products and service. This relentless quest has earned the Company many awards and accolades.

This year was no different. D-Link bagged many awards for outstanding and innovative products as well as for being the best networking switch company, the networking

manufacturer of the year and the home networking company of the year. D-Link also won an award for the Brand of Excellence in Networking and Wireless Technology.

In addition, Tushar Sighat, CEO of the Company, bagged two prestigious awards - 'Marketing Wizard of the Year' and 'Doyen of Networking Industry'.



Tushar Sighat, CEO, D-Link (India) receiving the 'Marketing Wizard' award from N Ravi Shanker, IAS, Addl. Secy DOT & Govt of India.



Tushar Sighat received 'Doyen of Networking Industry' award at the NCN Awards Nite.



Digit Annual Awards 2013:  
DIR-810L:  
'Digit Best Buy' Award



SME Channel Connect Awards:  
DIR-505: All-In-One Mobile Companion,  
'Innovative Product for SME' Award



Var India Star Nite Award:  
'Best Networking Switch  
Company' Award



Var India Star Nite Award:  
Tushar Sighat, CEO conferred with  
Marketing Wizard of the Year Award



Var India IT Forum 2014 Award:  
Brand of Excellence in  
Networking & Wireless Technology



Computer Active Awards 2014:  
Networking Manufacturer  
of the Year



NCN Awards Nite 2014:  
Tushar Sighat, CEO conferred with  
'Doyen of Networking Industry' Award



CRN Channel Champion Award 2014:  
'Home Networking' company  
of the Year

# D-Link Green Commitment

At D-Link, we believe that leadership in the networking industry also extends to environmental responsibility. We carefully consider human nature and habits to ensure that our products are both user-friendly and eco-friendly, emphasizing innovative applications. D-Link is concerned not only about energy conservation and material acquisition, but also about providing an appropriate set of functions in our products to reduce the number of devices required. One outstanding example is D-Link's industry-leading SharePort technology, which eliminates the need for a dedicated PC for media streaming or file sharing and thereby can dramatically reduce the power consumption of a home entertainment system.

D-Link has a long history of environmental commitment. As far back as 2007 we were among the first to market energy saving desktop switches, and shortly thereafter launched our first eco- friendly wireless routers. In 2009, we introduced our green technology into storage devices, power line communication adapters, and more wireless routers, as well as flagship managed switches. Around that time, environmentally friendly packaging with less plastic and printed soy ink was also developed. Then in 2010, D-Link became the first company to achieve ISO 14067 carbon footprint certification on Ethernet switches, and in 2011, D-Link was certified ISO 14064-1 compliant. Globally, more than 70% of D-Link's first tier suppliers now comply as well and the target for the year 2013-14 was for 80% of all new products to be D-Link Green certified.

To protect both our customers and the environment, we avoid hazardous materials, and we are committed to recycling and energy conservation. All D-Link products comply with the EU's RoHS and WEE standards. TUV Rheinland rated D-Link a five-star organization with best-in-class practices for environmental issues. D-Link was also the first networking company to become registered as an ENERGY STAR partner as part of a global initiative to reduce greenhouse-gas emissions, ensuring that our power adapters now comply with strict energy-efficiency guidelines (Level 5).

Product development at D-Link is guided by total "Life Cycle Awareness." This mentality helps us to continuously improve the environmental aspects of our products and processes in each phase of the product life cycle. This includes considerations all the way from conceptual design through raw material acquisition, until the product's end of life. All new D-Link products since 2008 have adhered to these guidelines.

Today, D-Link continues to strengthen its position as a market leader by developing the highest quality Green networking solutions for office and home. As part of D-Link's mission of "Building Networks for People" we embrace public responsibility. In conjunction with both new and ongoing environmental initiatives, D-Link strives to create environmentally-friendly solutions for a better future today.

# Board of Directors



**A.P. Chen**  
Chairman

A.P. Chen possesses a Bachelor's degree in Electronics Engg. and a Masters Degree in Business Administration from the National Chiao-Tung University in Taiwan. He has over 34 years of industry experience and has held a number of senior positions in Citi Bank, Bank of Boston's Taiwan Branch. Mr. A.P. Chen is presently Director & President of D-Link Corporation.



**Gary Yang**  
Managing Director

Gary Yang is in-charge of India, Middle East and African countries for D-Link. Mr. Yang has contributed 24 years to the IT field of which he has worked for 20 years with D-Link. He possesses Bachelors degree in Management from Cheng Kung University, Taiwan.



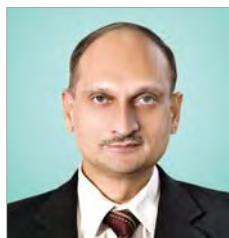
**C.M. Gaonkar**  
Executive Director & CFO

C.M. Gaonkar is a Chartered Accountant and has over 29 years of industry experience. He has been instrumental in the successful launch of IPO for erstwhile D-Link (India) Limited in 2001.



**Rajaram Ajgaonkar**  
Director

Rajaram Ajgaonkar is a Chartered Accountant in practice with 35 years of post qualification experience. He is also qualified as LLB (Gen) from Government Law College in Mumbai.



**Satish Godbole**  
Director

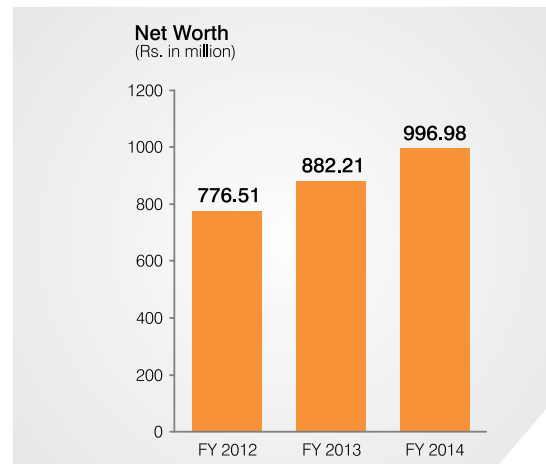
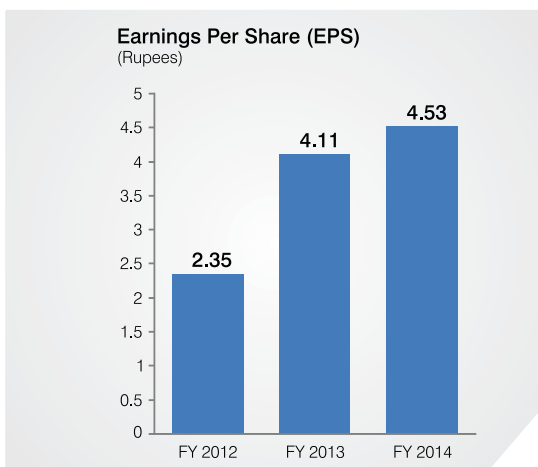
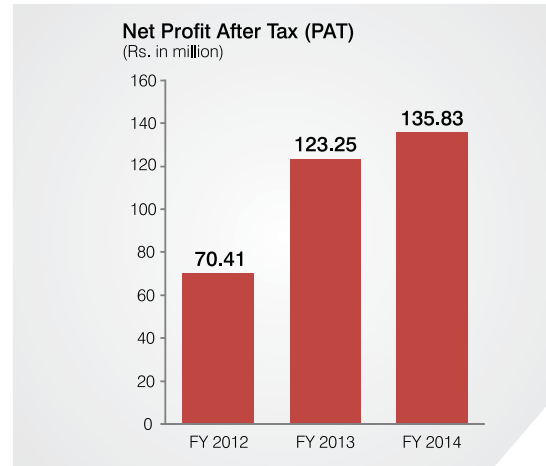
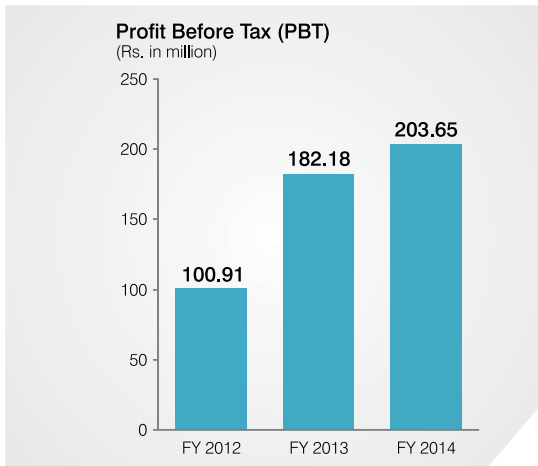
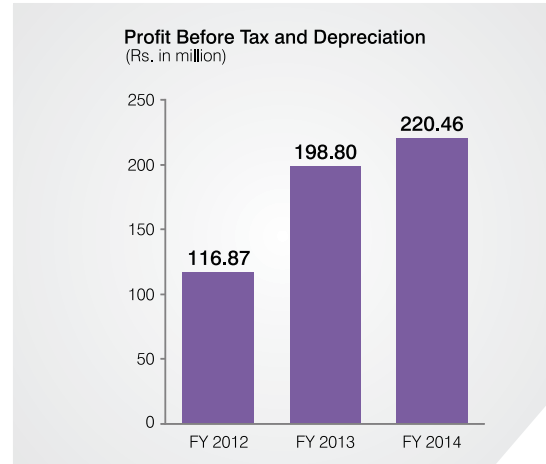
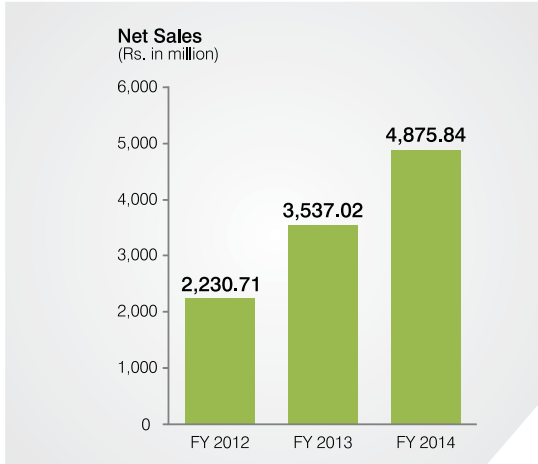
Satish Godbole is a Chartered Accountant in practice with 33 years of experience. He has specialized in Company Law, Mergers & Amalgamation and FEMA.



**Anil Bakshi**  
Director

Mr. Anil Bakshi is a Chartered Accountant and Company Secretary. He is an Industrialist and has over 29 years of experience in overall business management.

# Financial Performance



# Directors' Report

To the Members,

The Board of Directors of your Company takes pleasure in presenting the Sixth Annual Report together with Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2014.

## 1. Financial Results and Appropriation

(Rs. in million)

Particulars	F.Y. 2013-2014	F.Y. 2012-2013
Revenue from Operations	4,875.84	3,537.02
Profit Before Depreciation and Tax	220.46	198.80
Less: Depreciation for the year	16.81	16.62
Profit Before Tax (PBT)	203.65	182.18
Less: Provision for Tax		
a) Current Tax	65.06	60.47
b) Deferred Tax	2.76	(1.54)
Profit After Tax	135.83	123.25
Balance brought forward from previous year	578.38	485.03
Amount available for Appropriation	714.21	608.28
Transfer to General Reserve	13.60	12.35
Proposed Dividend	18.00	15.00
Tax on Dividend	3.06	2.55
Balance carried forward to Balance Sheet	679.55	578.38
Earnings per Share (Rs.)	4.53	4.11

## 2. Operating Results & Business Operations

In the financial year 2013-14, your Company's Turnover increased by 38% to Rs.4,875.84 million as compared to Rs.3,537.02 million in the previous year. The Net Profit stood at Rs.135.83 million as compared to Rs.123.25 million in the previous year.

Your Company is in the process of acquiring shares of TeamF1 Networks Private Limited from its shareholders and promoters for consideration other than cash by way of swap of shares.

TeamF1 Networks Private Limited, based out of Hyderabad, is in the business of embedded software engineering and has R&D capabilities with expertise in Networking and Security. The acquisition 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.

## 3. Dividend

Your Directors have recommended for your consideration the payment of dividend of Re.0.60/- per share for the year ended March 31, 2014, (i.e. @ 30% on the paid up equity capital) to be paid, if approved by members at the Sixth Annual General Meeting.

## 4. Composition of Board of Directors

As per the provisions of Companies Act 2013, Mr. A. P. Chen, Director of the Company will retire at the ensuing Annual General Meeting and being eligible, seek re-appointment.

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years and shall not be liable to retire by rotation. The Board recommended appointment of Mr. Rajaram Ajgaonkar, Mr. Satish Godbole, and Mr. Anil Bakshi as Independent Directors of the Company, not liable to retire by rotation for a period of five years subject to approval of the Members of the Company. Accordingly, resolutions proposing appointment of Independent Directors form part of the Notice of the Annual General Meeting.

During the year, the application for the approval of re-appointment of Mr. Gary Yang as Managing Director was rejected by the Ministry of Corporate Affairs on technical grounds. Subsequently, the Shareholders have approved the appointment of and payment of remuneration to Mr. Gary Yang as Managing Director effective from March 1, 2014 by passing the resolution through postal ballot. The members have accorded their approval to such appointment by way of postal ballot on May 7, 2014.

## 5. Fixed 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.

## 6. Management Discussion and Analysis

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

## 7. Corporate Governance

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

## 8. Auditors

The Auditors, M/s. Deloitte Haskins & Sells LLP, (Registration no. 117366W/W-100018) Chartered Accountants holds office up-to the conclusion of the Sixth Annual General Meeting. The Board recommends the appointment of M/s. Deloitte Haskins & Sells LLP, Chartered Accountants as the Auditors of the Company to hold office from the conclusion of Sixth Annual General Meeting until the conclusion of Tenth Annual General Meeting subject to the ratification of their appointment at every Annual General Meeting.

## 9. Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo

### a) Conservation of Energy, Research and Development and Technology Absorption

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

### b) Foreign Exchange Earnings and Outgo

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

## 10. Particulars of Employees

Particulars of Employees as required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with Company (Particulars of Employees) Rules, 1975 and as amended, forms

part of this report. However, in pursuance of Section 219 (1)(b)(iv) of the Companies Act, 1956, this report is being sent to all the members of the Company excluding the aforesaid information and the said particulars are made available at the registered office of the Company. The members desirous of obtaining such particulars may write to the Company Secretary at the registered office of the Company.

## 11. Director's Responsibility Statement

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 and, as amended, the Directors hereby state and confirm that;

- in the preparation of annual accounts, the applicable accounting standards have been followed;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and the profit of the Company for the year ending on March 31, 2014;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a 'going concern' basis.

## 12. 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

C. M. Gaonkar  
Executive Director & CFO

Mumbai, Dated: May 19, 2014

# Management Discussion and Analysis Report

## Industry Structure & Developments

### Global Scenario

With the global economy showing signs of a gradual recovery, worldwide IT spending is on pace to total \$3.8 trillion in 2014, a 3.2 percent increase from 2013 spending, according to the latest forecast by Gartner, Inc.

According to Gartner, "Globally, businesses are shaking off their malaise and returning to spending on IT to support the growth of their business", said Richard Gordon, managing vice president at Gartner. "Consumers will be purchasing many new devices in 2014; however, there is a greater substitution toward lower cost and more basic devices than we have seen in prior years".

The Gartner Worldwide IT Spending Forecast is the leading indicator of major technology trends across the hardware, software, IT services and telecom markets. For more than a decade, global IT and business executives have been using these highly anticipated quarterly reports to recognize market opportunities and challenges, and base their critical business decisions on proven methodologies rather than guesswork.

The devices market (including PCs, ultramobiles, mobile phones and tablets) is forecast to return to growth in 2014, with worldwide spending of \$689 billion, a 4.4 percent increase from 2013. However, in top-line spending, a shift in the product mix continues to be seen in the marketplace. Demand for highly priced premium phones is slowing, with buyers in mature countries preferring midtier premium phones, while those in emerging countries favor low-end Android basic phones.

The number of traditional PC users is contracting to a set of fewer, albeit more engaged, users. In general, consumers are opting to buy premium ultramobiles as notebook replacements and purchasing tablets as additional devices. As market power shifts to the buyer, and key product innovations become ubiquitous, product pricing is becoming the primary differentiator. *Source: Gartner*

### Networking Industry in India

According to NASSCOM (National Association of Software and Services Companies), FY13 The domestic IT services business is expected to grow 9-12 per cent in the fiscal 2014-15.

In FY14 and FY13, the domestic IT services market was stagnant at \$32 billion, same as that in FY12. However, Nasscom expects exports to outperform with a growth of 13-15 per cent, valued at \$97-99 billion, in the fiscal 2015, led by demand growth in the US and the UK.

The domestic IT business has remained muted in the last two fiscal years due to various reasons ranging from political to slowdown in the industrial sector. However, the software services body projects an end to the political uncertainties that have hampered the growth. *Source: Business Standard*

### Outlook of Networking Industry

The Indian networking industry is undergoing a rapid transformation with the advent of new technologies, higher bandwidth and high speed wireless connectivity. The growth is likely to be accelerated as the economy steadily moves to a higher gear in 2014-15 driven by a gradual revival in industrial production, stable agri-sector activity, steady services growth and easing inflation.

With the economy poised to grow at a steady pace, Enterprises are investing towards setting up a strong networking infrastructure that can deliver reliable and efficient end-to-end solutions to eventually transform their business operations.

The roll out of 4G services and the significant government initiatives in aggressively promoting broadband usage in the country are driving the demand of networking products like routers, switches and access points to storage and surveillance products across all verticals.

The number of computing devices, PCs, tablets, smart phones has increased rapidly and networks, especially wifi networks, need to be deployed to share information and resources across users and devices.

Users are upgrading their networks to take advantage of complex applications, advanced communication capabilities and rich multimedia content. They need the convenience and flexibility of operating their various devices in an increasingly mobile or wireless manner. Similarly, market demand for television connectivity products has increased as users seek to connect their televisions to internet and for entertainment content.



These developments augur well for D-Link India, and with the networking industry in an expansion mode, the company looks forward to sound long term growth prospects.

## Opportunities and Threats

D-Link (India) Limited 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 also 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.

There are also significant opportunities in the switching business, especially for cross-selling through integration with IP surveillance systems, further strengthening the company's presence in the surveillance and security market.

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.

In line with its techno-centric orientation, D-Link (India) Limited continually seeks to add new dimensions to its offerings by incorporating new technologies, especially in the Telecom sector. By introducing 4G, the company could leverage its entrenched placement in the SOHO/SMB segment, thus creating a promising new revenue stream.

Education, too, is an area of Government prioritization which affords opportunities for the company. For this purpose, D-Link (India) Limited has aligned itself with the D-Link Corporation's global thrust on Education Vertical Focus, to offer end-to-end Network Infrastructure Solutions. To propagate its highly relevant solutions, and raise customer awareness along these lines, the company has produced case study materials

illustrating the unique advantages on offer, and also conducted education-themed seminars and other events.

## Operational Review

The roll out of 3G service was another key instigator that fuelled the demand for better connectivity options. Moreover with economy poised to grow at a steady pace, most enterprises are working towards setting-up a strong & reliable network infrastructure. Organizations these days are investing heavily in infrastructure support that can deliver end-to-end, effective and reliable solutions that will eventually transform their business operations. Hence moving forward there will be a strong demand for Wireless, Storage, Broadband, Switching, Security, Cabling etc. that forms a part of complete end-to-end networking solution. D-Link's product/solution portfolio consists of end-to-end Networking products, which includes 3G, Broadband, IP Surveillance, Network Security, Network Storage, Switching, Routing, Wireless LAN etc. D-Link is one of the very few companies to offer end-to-end networking solutions in the country. Despite increasing competition in the field, D-Link's cutting edge networking solutions continued to enjoy market preference, and the company maintained its competitive edge that it derives from being part of a truly global networking company that delivers innovative products to consumers, businesses and service providers.

## Products Categories

### Switch

The report issued by IDC, a premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets states that D-Link is a clear front-runner in port shipment of Switches with 30% market share during CY 13. D-Link (India) Limited offers the complete range of switching solutions: including Chassis, L3/L2 Managed, Web-Smart and Un-Managed switches. The major drivers were bandwidth intensive applications like streaming video, VoIP and high-end multimedia and increased demand for gigabit switches from large enterprises and service providers. Verticals like government, retail, manufacturing, services, financial, education, healthcare and telecom contributed to the revenues.

### Wireless

D-Link (India) Limited continues to play a pioneering and driving role in the cost-effective convergence of wired and wireless networking. The Company enjoys leadership position in unit terms in WLAN category with a 40% market share. Its product portfolio includes Business Class Access Points, Unified

## Management Discussion and Analysis Report

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 mydlink, Mobile Companion & 3G effectively.

### IP Surveillance

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

### Structured cabling

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

### Network Enclosures

D-Link introduced an extensive range of Networking enclosures that aims to address the growing demand of enterprises. Designed as per international standards, D-Link enclosures are built to ensure efficient & safe holding of networking equipment's. Also with a legacy of over 27 years of networking excellence, brand D-Link stands for highest quality assurance.

With its compact design, D-Link networking enclosures aim to meet the challenges of enterprises in reducing clutter, and utilizing the storage space effectively. D-Link network enclosures are packed with customer-centric features that will enhance the safety of networking equipment's enclosed & thereby efficiently extend the life-span of organizational network infrastructure. D-Link will also be offering customized Networking enclosures basis customer network requirement.

### mydlink Cloud Services

mydlink is the cloud-based service that adds unmatched value to D-Link's award-winning Cloud Cameras, Cloud Routers, and Cloud Storage devices by making it possible to access them and stream media remotely over the Internet using a smartphone

or tablet. mydlink Cloud Services present a revolutionary lifestyle concept now and real-time monitoring, remote management, mobile access, synchronization and sharing can all be accomplished with ease. As a pioneering leader in the Cloud space, D-Link has begun to capitalize on the vast potential of Cloud solutions. More than one million users have registered for this service.

### D-Link Direct Service

The service initiative named D-Link Direct Service (DDS), with a centre in Goa and a strong support infrastructure. The Company is expanding the service initiative which offers customers complete peace of mind, and involves pick-up of the faulty product and replacement with a working model simply on the basis of a complaint on a 'Toll Free' number.

### Consumer Solutions

D-Link continued to strengthen its strong focus on this category with a host of initiatives to create awareness and generate demand from consumers. These involved a high visibility mass media campaign, online promotions and reaching out to consumers through large format retail outlets.

### Business Solutions

D-Link introduced the '5S Solution' strategy for enterprises targeting the high potential verticals like data centers, education, healthcare, retail and several others. The '5S Solution' offering of Switching infrastructure, Storage, Surveillance, Structured Cabling and Software offers streamlined integration, centralized management, simplified troubleshooting, guaranteed interoperability and ease of use. The robust product portfolio offering integrated cost-effective solutions is gaining increasing preference in the marketplace.

D-Link's enhanced emphasis on the enterprise segment has yielded favourable results and the company has successfully made inroads in both the Government as well as large corporate.

### RMA Expansion

D-Link in its endeavour to provide excellent service to its customers has in the current year launched its in-house RMA centers spread in several cities. The Management is optimistic that this move will not only result in the increased customer satisfaction but also cut down on cost.

### Call Center

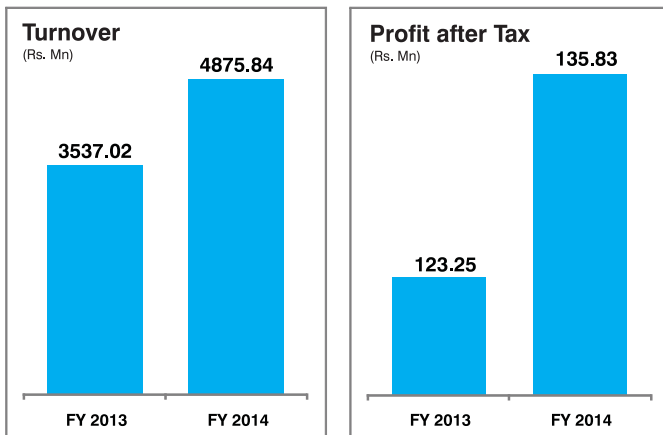
During the year Company had expanded technical call services. D-Link - Care is a unique service program designed and nurtured

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

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

### Financial Review

During financial year 2013-14, D-Link reported revenues of Rs.4,875.84 million as compared to Rs.3,537.02 million for the previous year. The Company successfully managed to deliver consistent growth quarter over quarter even under volatile market situation. With this, the Company has witnessed the highest yearly turnover since the inception of D-Link in India.



During the year under review, the company posted Profit before Depreciation, Interest and Tax of Rs.228.66 million as compared to Rs.200.60 Million in the previous year. Depreciation for the year stood at Rs.16.81 million. Profit Before Tax for the year stood at Rs.203.65 million while Net Profit for the year stood at Rs.135.83 million.

### Human Resource Development

D-Link operates in an industry in which value and differentiation are defined by the Company’s most precious assets – human resources.

People are vital to D-Link’s growth and the company continues to invest in people, development and skill enhancement to empower them to perform their best. There is constant endeavor to create a work environment where every employee is given an opportunity to learn and grow; and is motivated to take leads, explore new ideas and voice their opinion.

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

The company’s HR initiatives supports transformation and growth of business through innovation, people, practices, policies, systems and processes that empower and engage people. D-Link’s dedicated and talented workforce of more than 238 people across India has assisted in driving our achievements and success.

### Outlook

As part of a major strategic development, D-Link (India) Limited by formation of strategic partnership with Ruijie Networks that will exclusively focus on Enterprise networking. Under the brand name ‘Ruijie - Powered by D-Link’, the company will offer the finest of networking technology & solution to large business enterprises in India. With this business alliance D-Link looks forward to offering high-end enterprise networking solution & establishing a strong presence in the enterprise domain.

With distinct focus on large enterprise domain since last couple of years, D-Link has enhanced its engagement with System Integrators & also realigned its strategy. Last year D-Link introduced 5S networking solution (Switching, Structured Cabling, Surveillance & Storage, Security, and Software) for large enterprise that aims to offer streamlined integration, centralized management, simplified trouble shooting, guaranteed interpretability and ease of use. D-Link’s alliance with Ruijie is another step in this direction, as the company is committed towards addressing the data centre & large enterprise domain.

Despite increasingly fierce competition within the consumer networking arena, D-Link’s consumer networking solutions continue to exhibit market leadership. In particular, the growing mylink Cloud Services line up offers notable added value, a clear differentiator from competitors. Similarly, on the business side, the promotion of 5S (Switch, Surveillance, Storage, Structural Cabling and Software) allows D-Link to provide its customers with a complete array of services, fostering addition growth momentum. The Company’s strategic decisions of the past year bode well for a bright future.

### Risks And Concerns

#### Technological obsolescence

D-Link operates in business that is characterized by rapid technological changes and obsolescence constitutes common risk. The company addresses this by a strong focus on R&D

## Management Discussion and Analysis Report

so that it stays ahead of the curve in technology and continuously sets a new benchmark with cutting edge innovation.

### Competition

New competitors are emerging from adjacent markets and distant geographies. The Company faces competition not only from the India based IT services providers but increasingly from the multinational IT vendors. 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.

### Exchange Rate Risks

Since the major turnover of the company are imported and need to consider to protect against changes in the exchange rates. Despite positive measures from the regulators, the management predict that the global financial position continues to remain volatile. This trend is expected to continue during the year too. D-Link has taken proper precautions to protect its payables and forecast revenues against foreign currency fluctuations.

### Rising Costs

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

### Internal Control Systems and their Adequacy

The internal audit process is designed to review adequacy of internal control check in the system and covers all significant areas of the company's operations including accounting and finance, procurement, employee engagement, travel, insurance, IT processes, safe guarding of assets and their protection against unauthorized use, among others.

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

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

The Internal Audit ensures that:

- Adequate processes, systems and internal controls are implemented, and these controls are commensurate with the size and operations of the company.
- Transactions are executed in accordance with policies and authorization.

The company has a business planning system to set targets and parameters for operations which are reviewed with actual performance to ensure timely initiation of corrective action, if required.

### 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

Mumbai  
Dated: May 19, 2014

**Gary Yang**  
Managing Director

# Report on Corporate Governance

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

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

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

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

## 2. Board of Directors

### a) Composition and Category of Directors:

The composition of the Board of Directors is in conformity with the Corporate Governance norms as on March 31, 2014. The Company at present has six Directors on its Board, comprising of two Executive Directors and four Non Executive Directors out of which three are Independent Directors. The name and category of each Director is given below:

Name of the Director	Category
Mr. A. P. Chen	Non Executive Director and Chairman
Mr. Yao Chuan Yang (Gary Yang)*	Executive Director (Managing Director)
Mr. C. M. Gaonkar	Executive Director and Chief Finance Officer
Mr. Rajaram Ajgaonkar	Non-Executive and Independent
Mr. Satish Godbole	Non-Executive and Independent
Mr. Anil Bakshi	Non-Executive and Independent

\* During the year under review, the application for the approval of re-appointment of Mr. Gary Yang as Managing Director was rejected by the Ministry of Corporate Affairs on technical grounds. Subsequently, the Shareholders have approved the appointment of and payment of remuneration to Mr. Gary Yang as Managing Director effective from March 1, 2014 by passing the resolution through postal ballot notice dated March 5, 2014.

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

Name of the Director	No. of Board Meetings Held	No. of Board Meetings attended	Attendance at last AGM
Mr. A. P. Chen	6	4	Present
Mr. Gary Yang	6	5	Present
Mr. C. M. Gaonkar	6	6	Present
Mr. Rajaram Ajgaonkar	6	6	Present
Mr. Satish Godbole	6	6	Present
Mr. Anil Bakshi	6	4	Present

### c) Number of other Directorship and Chairmanship/ Membership of Committees of each Director in other Companies and shareholding as at March 31, 2014:

Name of the Director	No. of Directorships held in other Companies (excluding private/ foreign Companies)	No. of Chairmanship/ Membership in other Board Committees	
		Chairman	Member
Mr. A. P. Chen	Nil	Nil	Nil
Mr. Gary Yang	Nil	Nil	Nil
Mr. C. M. Gaonkar	Nil	Nil	Nil
Mr. Rajaram Ajgaonkar	Nil	Nil	Nil
Mr. Satish Godbole	Nil	Nil	Nil
Mr. Anil Bakshi	Nil	Nil	Nil

• Committees considered are Audit Committee and Shareholders / Investors Grievance Committee.

## Report on Corporate Governance

### d) 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 four months. Six Board Meetings were held during the Financial Year 2013-14 on the following dates:

May 1, 2013	November 30, 2013
August 3, 2013	December 21, 2013
November 7, 2013	January 24, 2014

## 3. Audit Committee

### A) Terms of Reference

The terms of reference stipulated by the Board to the Audit Committee and as contained under Clause 49 of the Listing Agreement is as follows:

#### a) Powers of Audit Committee

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if its considered necessary.

#### 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. Recommending the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
3. Approval of payment to Statutory Auditors for payment of any other services rendered by the Statutory Auditors.
4. Reviewing, with the management, the Annual Financial Statements 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 Boards Report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
  - b) Changes, if any, in accounting policies and practices and the reasons for the same.
  - c) Major accounting entries involving estimates based on exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with Listing and other Legal Requirements relating to financial statements.

- f) Disclosure of any related party transactions.
  - g) Qualifications in draft Audit Report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
  6. Reviewing, with the Board, performance of the Statutory and internal auditors, and the adequacy of internal control systems.
  7. 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 and frequency of the internal audit.
  8. Discussion with internal auditors any significant findings and follow up thereon.
  9. 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.
  10. Discussion with Statutory Auditors before the audit commences, on the nature and scope of audit as well as, have post-audit discussion to ascertain any area of concern.
  11. 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.
  12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
  13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### B) Composition

The composition of the Audit Committee is as under:

Mr. Rajaram Ajgaonkar – Chairman
Mr. A. P. Chen
Mr. Satish Godbole
Mr. Anil Bakshi

The Company Secretary of the Company acts as the Secretary to the Audit Committee. All the Directors on the Committee are financially literate and have expertise in Finance.

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

### C) Meetings and Attendance during the year

During the financial year under review, the Company held four Audit Committee meetings on May 1, 2013, August 3, 2013, November 7, 2013 and January 24, 2014 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 - Chairman	4	4
Mr. A. P. Chen	4	2
Mr. Satish Godbole	4	4
Mr. Anil Bakshi	4	2

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 3, 2013.

#### 4. Remuneration Committee

##### A) The terms of reference of the Remuneration Committee is as follows:

- To make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and Senior Management and on the establishment of a formal and transparent procedure for developing policy on such remuneration.
- To have the delegated responsibility to determine the specific remuneration packages, of all Executive Directors and Senior Management, etc., if necessary.

- To review and approve the compensation payable to Executive Directors and Senior Management.
- In case of policy changes, to provide advice to the Board on the Company's policy on Executive Remuneration.
- To address and deal with such other matters as may be delegated by the Board to the Remuneration Committee.

##### B) Composition of Remuneration Committee

The composition of the Remuneration Committee is as under:

Mr. Satish Godbole - Chairman
Mr. A. P. Chen
Mr. Rajaram Ajgaonkar
Mr. Anil Bakshi

Pursuant to Section 178(1) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board at its meeting held on May 19, 2014 renamed the existing "Remuneration Committee" as "Nomination and Remuneration Committee".

##### C) Meetings held and Attendance during the year:

During the year under review, no meeting of Remuneration Committee was held. The Committee has passed resolutions through circulation on March 5, 2014.

##### D) The remuneration paid to the Directors for the year ended March 31, 2014 is given below

###### a) Executive Directors:

Executive Directors	Salary, contribution to P.F & Perquisites
Mr. C. M. Gaonkar	Rs.5,177,102/-
Mr. Gary Yang*	Rs.186,662/-

\* During the year under review, Mr. Gary Yang has been appointed as Managing Director for a period of five years effective from March 1, 2014.

##### Salient features of terms of appointment of Executive Directors:

Name of the Directors	Mr. C. M. Gaonkar	Mr. Gary Yang
Salary	In the scale of Rs.50,000/- per month subject to the ceiling of Rs.300,000/- per month as the Board may decide from time to time.	Rs.50,000/- per month with such annual increment in salary as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time subject to a ceiling of Rs.1,00,000/- per month.
Special/Other Allowances	In the scale of Rs.1,00,000/- to Rs.4,00,000/- per month as the Board may decide from time to time.	Rs.75,000/- per month with such annual increment as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time, subject to a ceiling of Rs.1,50,000/- per month.
Performance linked variable pay and/or any other compensation	Not exceeding Rs.10,00,000/- per annum as may be decided by the Board from time to time and the same may be made on a pro-rata basis every month or on an annual basis at the discretion of the Board.	Performance linked variable pay and/or any other compensation as may be decided by the Board or any Committee thereof, in its absolute discretion from time to time and the same may be made on a pro-rata basis every month or on an annual basis subject to maximum of Rs.20,00,000/- per annum.

## Report on Corporate Governance

House Rent Allowances	Housing Rent Allowance equivalent to 40% of the Basic Salary.	Housing Rent Allowance equivalent to 40% of the Basic Salary.
Perquisites	<ul style="list-style-type: none"> <li>a) Company car for official use.</li> <li>b) Reimbursement of medical expenses incurred for self and family subject to the ceiling of Rs.15,000/- p.a.</li> <li>c) Use of telephone/internet/mobile.</li> <li>d) Entitled to Provident Fund, Gratuity and Encashment of earned leave as per the rules of the Company.</li> <li>e) Medical, Life Insurance and group personal accident insurance coverage as per the Company policy.</li> <li>f) All the payments in the nature of perquisites and allowance agreed by the Board/Committee from time to time.</li> <li>g) For the purpose of calculating the above ceiling, perquisites, shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost.</li> </ul>	<ul style="list-style-type: none"> <li>a) Use of Company's car for official duties and telephone at residence (including long distance calls) shall not be considered as perquisites.</li> <li>b) Reimbursement of all Medical expenses upto maximum of Rs.50,000/- p.a.</li> <li>c) Provident Fund and Gratuity as per the applicable laws and rules.</li> <li>d) Earned Leave as per the rules of the Company.</li> <li>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.</li> <li>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.</li> <li>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, so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) or any amendments made thereto.</li> </ul>
Terms of appointment	Appointed for a period of five years with effect from March 1, 2010.	Appointed as Managing Director for a period of five years effective from March 1, 2014.
Notice Period	Three months notice in advance by either party.	Three months notice in advance by either party.
Severance fees	Three months salary and perquisites in lieu of notice.	Three months salary and perquisites in lieu of notice.

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

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

Non-Executive Directors	Sitting Fees
Mr. A. P. Chen	Rs.80,000/-
Mr. Rajaram Ajgaonkar	Rs.135,000/-
Mr. Satish Godbole	Rs.135,000/-
Mr. Anil Bakshi	Rs.85,000/-
Mr. Gary Yang*	Rs.15,000/-

\* During the year under review Mr. Gary Yang has attended the Board Meeting held on January 24, 2014 in the capacity of Non-Executive Director.



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

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

Name of the Non-Executive Director	Number of Shares held	Amount of Dividend Paid for the year 2012-2013 (Amt in Rs.)
Mr. A. P. Chen	50,000	25,000/-
Mr. Satish Godbole	50	25/-

## 5. Shareholder's/Investor's Grievance Committee

### A) Terms of Reference:

The Investor's Grievance Committee has been constituted to deal with the redressal of investor complaints relating to transfer of shares, non-receipt of Annual Report, etc.,

### B) Composition:

The composition of the Investor Grievance Committee is as under:

Mr. Satish Godbole - Chairman
Mr. Gary Yang
Mr. Rajaram Ajgaonkar
Mr. Anil Bakshi

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

### C) Meetings and Attendance during the year:

During the year under review, the Company held one meeting of the investor grievance committee on January 11, 2014. The attendance of each member at the Committee Meeting is given below;

Name of the Director	Meetings held	Meetings attended
Mr. Satish Godbole - Chairman	1	1
Mr. Rajaram Ajgaonkar	1	1
Mr. Anil Bakshi	1	1
Mr. Gary Yang	1	0

During the year Company had received 20 complaints from the shareholders and the same were attended and resolved to the satisfaction of the shareholders.

The Chairman of the Committee Mr. Satish Godbole was present at the previous Annual General Meeting held on August 3, 2013.

Pursuant to Section 178(5) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board at its Meeting held on May 19, 2014 renamed the existing "Investors Grievance Committee" as "Stakeholders Relationship Committee".

## 6. Corporate Social Responsibility Committee

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

Mr. Anil Bakshi - Chairman
Mr. Gary Yang
Mr. C M Gaonkar
Mr. Satish Godbole
Mr. Rajaram Ajgaonkar

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.

## Report on Corporate Governance

### 7. General Body Meetings

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

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

Location	Date	Time
Kesarval Gardens, Verna, Salcette, Goa - 403722	August 3, 2013	11.00 a.m.
Kesarval Gardens, Verna, Salcette, Goa - 403722	August 11, 2012	11.00 a.m.
Kesarval Gardens, Verna, Salcette, Goa - 403722	August 10, 2011	11.00 a.m.

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

1) Details of Special resolutions:

Financial Year	Date of AGM/EGM	Particulars of Special Resolution
2013-14	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 by them in TeamF1) towards acquisition of TeamF1 by the Company; 3) Raising of funds by way of issue of Equity shares for cash not exceeding Rs.6,000 lakhs on Rights basis.
2012-13	August 3, 2013	1) Re-Appointment of Mr. Gary Yang as Managing Director
2011-12	August 11, 2012	Nil
2010-11	August 10, 2011	Nil

2) Details of special resolution passed through Postal Ballot:

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

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

The details of postal ballot result and voting pattern;

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

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

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

## 8. Disclosures

- a. Disclosure on materially significant related party transactions, i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
  - Details of the transactions entered into with related parties have been disclosed in the financial statements. None of the transactions have any potential conflict with the interests of the Company.
- b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority on any matter related to capital markets during the last three years.
  - None.
- c. The Company has complied with all mandatory requirements as stated in Clause 49 of the Listing Agreement.

## 9. Means of Communication

Quarterly Results	Published in Newspapers.
Newspapers normally published in	<ul style="list-style-type: none"> <li>• Financial Express/Business Standard, The Navhind Times (in English)</li> <li>• Gomantak/Pudhari (in Marathi)</li> </ul>
Whether it also displays Official News releases	Yes
Any website, where displayed	www.dlink.co.in
The presentations made to Institutional Investors or to the Analysts	None
Whether MD & A is a part of Annual Report or not	Yes

## 10. General Shareholder Information

### 1. Annual General Meeting:

Date	Time	Venue
Saturday, August 23, 2014	11.00 a.m.	Kesarval Gardens, Cortalim, Verna, Salcette, Goa – 403722

### 2. Financial Year 2014-15:

For the year ending March 31, 2015, the results will be announced as per the tentative schedules below:

Particulars	Date
First Quarter Results	On or before August 14, 2014
Second Quarter Results	On or before November 14, 2014
Third Quarter Results	On or before February 14, 2015
Audited Annual Results	On or before May 30, 2015

### 3. Dates of Book Closure:

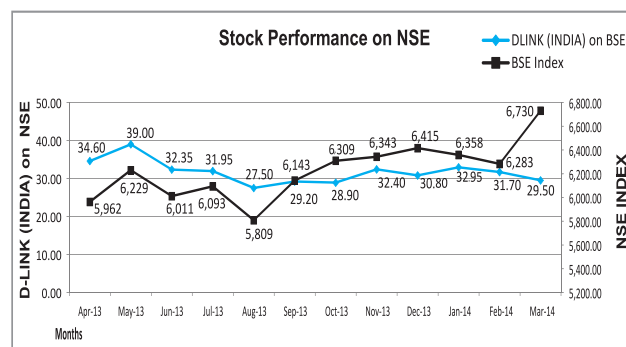
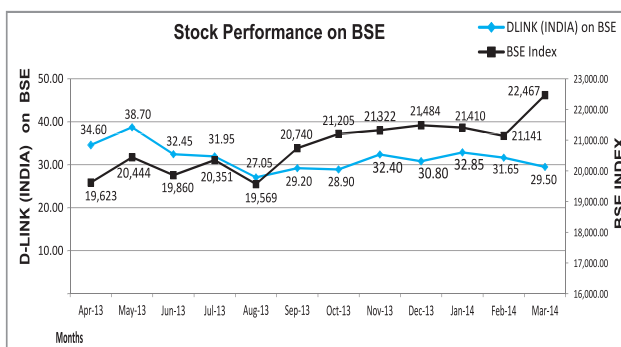
The Register of Members and the Share Transfer Register will remain closed for a period of 7 days from Thursday, May 29, 2014 to Wednesday, June 4, 2014 (both days inclusive).

## Report on Corporate Governance

### 4. Market Price Data:

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

Month	D-LINK (INDIA) on BSE		BSE Index		D-LINK (INDIA) on NSE		NSE Index Nifty	
	High (Rs.)	Low (Rs.)	High	Low	High (Rs.)	Low (Rs.)	High	Low
Apr-13	34.60	26.80	19,623	18,144	34.60	26.80	5,962	5,477
May-13	38.70	29.00	20,444	19,451	39.00	29.10	6,229	5,911
Jun-13	32.45	25.70	19,860	18,467	32.35	26.35	6,011	5,566
Jul-13	31.95	25.40	20,351	19,127	31.95	25.20	6,093	5,676
Aug-13	27.05	22.40	19,569	17,449	27.50	22.50	5,809	5,119
Sep-13	29.20	23.65	20,740	18,166	29.20	23.60	6,143	5,319
Oct-13	28.90	25.15	21,205	19,265	28.90	25.00	6,309	5,701
Nov-13	32.40	26.05	21,322	20,138	32.40	25.80	6,343	5,972
Dec-13	30.80	27.60	21,484	20,569	30.80	27.60	6,415	6,130
Jan-14	32.85	25.20	21,410	20,344	32.95	24.35	6,358	6,027
Feb-14	31.65	24.35	21,141	19,963	31.70	24.50	6,283	5,933
Mar-14	29.50	27.00	22,467	20,921	29.50	27.00	6,730	6,212



### 5. Dividend Payment Date:

The Dividend will be paid to all shareholders on or after August 28, 2014.

### 6. Listing on Stock Exchanges:

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

### 7. Stock Code:

The Stock Exchange	Stock Code
BSE Limited	533146
National Stock Exchange of India Limited	DLINKINDIA
ISIN Number for NSDL/CDSL	INE250K01012

### 8. Registrar and Share Transfer Agent:

Karvy Computershare Private Limited  
Plot No.17 to 24 Vittalrao Nagar  
Madhapur, Hyderabad - 500 081  
Phone No. 040-44655000  
Fax No. 040-23420814

### 9. Share Transfer System:

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

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

## 11. Distribution of Shareholding

*Distribution of Shareholding as on March 31, 2014*

Sr. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 500	16,730	85.41	24,61,801	8.20
2	501 - 1000	1,469	7.50	12,42,081	4.14
3	1001 - 2000	679	3.47	10,74,700	3.58
4	2001 - 3000	239	1.22	6,27,011	2.09
5	3001 - 4000	83	0.42	2,99,874	1.00
6	4001 - 5000	100	0.51	4,78,077	1.59
7	5001 - 10000	159	0.81	12,35,876	4.12
8	10001 and above	130	0.66	2,25,85,430	75.27
	<b>TOTAL:</b>	<b>19,589</b>	<b>100.00</b>	<b>3,00,04,850</b>	<b>100.00</b>

## 12. Shareholding Pattern as on March 31, 2014

Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Percentage
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>			
<b>1</b>	<b>Indian</b>			
(a)	Individuals/Hindu Undivided Family	-	-	-
(b)	Central Government/State Government(s)	-	-	-
(c)	Bodies Corporate	-	-	-
(d)	Financial Institutions/Banks	-	-	-
(e)	Any Others (Specify)	-	-	-
	<b>Sub Total(A)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2</b>	<b>Foreign</b>			
(a)	Individuals (Non-Residents Individuals/Foreign Individuals)	-	-	-
(b)	Bodies Corporate	1	18,114,663	60.37
(c)	Institutions	-	-	-
(d)	Any Others (Specify)	-	-	-
	<b>Sub Total(A)(2)</b>	<b>1</b>	<b>18,114,663</b>	<b>60.37</b>
	<b>Total Shareholding of Promoter and Promoter Group (A) = (A)(1) + (A)(2)</b>	<b>1</b>	<b>18,114,663</b>	<b>60.37</b>
<b>(B)</b>	<b>Public shareholding</b>			
<b>1</b>	<b>Institutions</b>			
(a)	Mutual Funds/UTI	-	-	-
(b)	Financial Institutions/Banks	1	30	0.01
(c)	Central Government/State Government(s)	-	-	-
(d)	Venture Capital Funds	-	-	-
(e)	Insurance Companies	-	-	-
(f)	Foreign Institutional Investors	-	-	-
(g)	Foreign Venture Capital Investors	-	-	-
(h)	Any Other (Specify)	-	-	-
	<b>Sub-Total (B)(1)</b>	<b>1</b>	<b>30</b>	<b>0.01</b>
<b>B 2</b>	<b>Non-Institutions</b>			
(a)	Bodies Corporate	407	1,707,322	5.69
(b)	Individuals			
I	Individual shareholders holding nominal share capital up to Rs.1 lakh.	18,930	8,496,572	28.32
II	Individual shareholders holding nominal share capital in excess of Rs.1 lakh.	9	1,425,781	4.75
(c)	Trusts	2	2,200	0.01
(c-i)	Non Resident Indians	170	156,863	0.52
(c-ii)	Clearing Members	69	101,419	0.34
	<b>Sub-Total (B)(2)</b>	<b>19,587</b>	<b>11,890,157</b>	<b>39.63</b>
<b>(B)</b>	<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>19,588</b>	<b>11,890,187</b>	<b>39.63</b>
	<b>TOTAL (A) + (B)</b>	<b>19,589</b>	<b>30,004,850</b>	<b>100.00</b>
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-
	<b>GRAND TOTAL (A) + (B) + (C)</b>	<b>19,589</b>	<b>30,004,850</b>	<b>100.00</b>

## Report on Corporate Governance

### 13. Dematerialization of Shares and Liquidity

The total number of shares held in dematerialized form as on March 31, 2014 is 2,99,77,234 equity shares representing 99.91% of the total number of shares of the Company.

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

### 14. Plant Location: Not applicable.

### 15. 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 No.: 0832-2885823 E-mail: shares@dlink.co.in	Registrars & Share Transfer Agents Karvy Computershare Private Limited Plot No.17 to 24, Vittalrao Nagar Madhapur, Hyderabad - 500 081 Phone No.: 040-44655000 Fax No.: 040-23420814 Email: einward.ris@karvy.com
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### 16. 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) Remuneration Committee:

The Company has formed a Remuneration Committee and the details are given in point no. 4 above.

#### c) 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.

#### d) Audit Qualifications:

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

For and on behalf of the Board of Directors

Gary Yang  
Managing Director

Mumbai, Dated: May 19, 2014

# Auditors' Certificate on Compliance of Conditions of Corporate Governance

To,

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

We have examined the compliance of conditions of Corporate Governance by D-Link (India) Limited ("the Company") for the year ended on 31st March, 2014, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

**A. B. Jani**  
Partner

Membership no. 46488

Mumbai, dated: June 30, 2014

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

I confirm that the Company has in respect of the financial year ended 31st March, 2014, received from all the members of the Senior Management of the Company and of the Board, a declaration of compliance with the code of conduct as provided under clause 49 of the Listing Agreement.

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

**Gary Yang**  
Managing Director

Mumbai, dated: May 19, 2014

# Independent Auditors' Report

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

### Report on the Financial Statements

We have audited the accompanying financial statements of **D-Link (India) Limited** (the Company), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, 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 Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs).
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

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

Mumbai  
Dated: 19 May, 2014

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



# Annexure to the Independent Auditors' Report

## Re: D-Link (India) Limited

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

- (i.) Having regard to the nature of the Company's business/activities, clauses (xiii) and (xiv) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable.
- (ii.) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However during the current year no physical verification of assets has been done by the management.
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii.) In respect of its inventories:
  - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable;
  - (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business;
  - (c) The Company is maintaining proper records of inventories and no material discrepancies were noticed on physical verification.
- (iv.) The Company has not granted or taken any loans, to/ from companies, firms or other parties covered in the Register maintained under section 301 of the Companies Act, 1956. Consequently, the requirements of clauses (iii) (a) to (iii) (g) of paragraph 4 of the Order are not applicable to the Company.
- (v.) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi.) In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 particulars of which need to be entered in the Register maintained under that section. Consequently, the question of commenting on reasonableness of prices in respect of the transactions exceeding Rs.500,000/- in respect of each party does not arise.
- (vii.) The Company has not accepted deposits from the public.
- (viii.) In our opinion, the internal audit function carried out during the year, by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and the nature of its business.
- (ix.) According to the information and explanations given to us, the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 are not applicable to the Company.
- (x.) According to the information and explanations given to us in respect of statutory dues:
  - (a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues, where applicable, with the appropriate authorities;
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2014 for a period of more than six months from the date they became payable.

## Annexure to the Auditors' Report

(c) Details of dues of Value Added Taxes and Central Sales Taxes which have not been deposited as on 31st March, 2014 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Financial Year to which amount relates	Amount (Rs.)
Goa Value Added Tax Act, 2005	V.A.T Penalty Interest	Commercial Tax Officer	2009-10	2,469,395
				100,000
				1,035,116
Central Sales Tax Act, 1956	C.S.T	Commercial Tax Officer	2009-10	6,830,944

- (xi.) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xii.) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks.
- (xiii.) In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv.) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv.) In our opinion and according to the information and explanations given to us, the Company has not obtained any term loan during the year and hence the question of commenting on application thereof does not arise.
- (xvi.) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds raised on short term basis have, *prima facie*, not been used during the year for long term investment.
- (xvii.) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xviii.) The Company has not issued debentures, hence the question of creating security or charge in respect thereof does not arise.
- (xix.) During the year, the Company has not raised money by public issue.
- (xx.) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

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

Mumbai  
Dated: 19 May, 2014

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

# Balance sheet as at 31st March, 2014

Sl. No.	Particulars	Note No.		As at 31st March, 2014	As at 31st March, 2013
			Rupees	Rupees	Rupees
<b>I. EQUITY AND LIABILITIES</b>					
<b>(1) Shareholders' funds</b>					
	(a) Share capital	3	60,009,700		60,009,700
	(b) Reserves and surplus	4	936,969,069		822,200,501
				996,978,769	882,210,201
<b>(2) Non-current liabilities</b>					
	(a) Deferred tax liabilities (net)	5	6,889,300		4,126,400
	(b) Long term provisions	6	3,295,119		3,160,997
				10,184,419	7,287,397
<b>(3) Current Liabilities</b>					
	(a) Short-term borrowings	7	35,077,067		58,572
	(b) Trade payables	8	801,567,423		607,017,094
	(c) Other current liabilities	9	15,097,958		9,607,556
	(d) Short-term provisions	10	24,251,286		22,848,818
				875,993,734	639,532,040
	<b>Total</b>			<b>1,883,156,922</b>	<b>1,529,029,638</b>
<b>II. ASSETS</b>					
<b>(1) Non-current assets</b>					
	(a) Fixed assets				
	(i) Tangible assets	11A	197,254,144		203,470,295
	(ii) Intangible assets	11B	1,440,579		1,671,937
				198,694,723	205,142,232
	(b) Long-term loans and advances	12		33,683,801	23,605,607
<b>(2) Current assets</b>					
	(a) Current investments	13	-		15,052,520
	(b) Inventories	14	631,735,658		442,277,839
	(c) Trade receivables	15	945,261,603		814,849,580
	(d) Cash and cash equivalents	16	31,251,634		2,385,878
	(e) Short-term loans and advances	17	42,529,503		25,715,982
				1,650,778,398	1,300,281,799
	<b>Total</b>			<b>1,883,156,922</b>	<b>1,529,029,638</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

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

**A. B. Jani**  
Partner

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

**Gary Yang**  
Managing Director

**C.M. Gaonkar**  
Executive Director & CFO

**Shrinivas Adikesar**  
Company Secretary

Mumbai, dated: May 19, 2014

Mumbai, dated: May 19, 2014

## Statement of profit and loss for the year ended 31st March, 2014

Sl. No.	Particulars	Note No.	For the year ended 31st March, 2014	For the year ended 31st March, 2013
			Rupees	Rupees
1	Revenue from operations	18	4,875,843,836	3,537,021,759
2	Other income	19	11,175,377	5,806,662
<b>3</b>	<b>Total Revenue (1+2)</b>		<b>4,887,019,213</b>	<b>3,542,828,421</b>
<b>4</b>	<b>Expenses</b>			
	Purchases of traded goods		4,239,732,353	2,913,886,031
	Changes in inventories of traded goods	20	(189,457,819)	(22,476,361)
	Employee benefits expense	21	217,272,444	170,573,954
	Finance cost	22	8,196,510	1,794,384
	Depreciation and amortisation expenses	11	16,812,253	16,618,777
	Other expenses	23	390,808,935	280,247,441
	<b>Total Expenses</b>		<b>4,683,364,676</b>	<b>3,360,644,226</b>
<b>5</b>	<b>Profit before tax (3-4)</b>		<b>203,654,537</b>	<b>182,184,195</b>
<b>6</b>	<b>Tax expenses</b>			
	- Current tax		65,030,000	60,475,638
	- Short provision for tax in respect of earlier year		30,564	-
	- Deferred tax		2,762,900	(1,541,600)
			67,823,464	58,934,038
<b>7</b>	<b>Profit for the year (5-6)</b>		<b>135,831,073</b>	<b>123,250,157</b>
	<b>Earnings per share (Face value of Rs.2/- per share)</b>			
	<b>Basic and Diluted</b>		<b>4.53</b>	<b>4.11</b>
	(Refer Note 32 )			
	See accompanying notes forming part of the financial statements.			

In terms of our report attached

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

**A. B. Jani**  
Partner

Mumbai, dated: May 19, 2014

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

**Gary Yang**  
Managing Director

**Shrinivas Adikesar**  
Company Secretary

Mumbai, dated: May 19, 2014

**C.M. Gaonkar**  
Executive Director & CFO

# Cash flow statement for the year ended 31st March, 2014

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rupees	Rupees
<b>A. Cash flows from operating activities</b>		
Profit before tax	203,654,537	182,184,195
Adjustments for:		
Depreciation/Amortisation	16,812,253	16,618,777
(Profit) on sale/discard of fixed assets (net)	(76,925)	(15,000)
Profit on sale of current investments (non-trade)	(130,081)	(1,774)
Bad debts/Advances written off	36,550	24,766
Unrealised exchange differences (net)	(4,229,444)	(1,300,902)
Sundry balances written back	(49,189)	(44,382)
Provision for doubtful debts and advances	822,265	5,710,425
Interest and finance charges	8,196,510	1,794,384
Interest income on fixed deposits/Bond	(1,054,510)	-
Interest on delayed payments	(4,923,121)	(619,713)
Dividend income on current investments	(4,934,524)	(1,968,983)
<b>Operating profit before working capital changes</b>	<b>214,124,321</b>	<b>202,381,793</b>
(Increase) in Trade receivables	(133,037,771)	(336,206,334)
(Increase) in inventories	(189,457,819)	(22,476,361)
(Increase)/Decrease in loans and advances	(19,773,539)	19,592,958
Increase in trade payables, other liabilities and provisions	203,693,552	177,197,919
<b>Cash generated from Operations</b>	<b>75,548,744</b>	<b>40,489,975</b>
Direct taxes paid	(72,490,565)	(63,563,813)
<b>Net cash generated from/(used in) operating activities</b>	<b>3,058,179</b>	<b>(23,073,838)</b>
<b>B. Cash flows from investing activities</b>		
Purchase of fixed assets	(10,370,494)	(5,853,851)
Purchase of current investments	(1,833,994,126)	(1,092,083,709)
Sale of current investments	1,849,176,727	1,077,032,963
Movement in Bank balances (in unpaid dividend accounts)	(100,458)	(119,157)
Sale of fixed Assets	82,675	15,000
Dividend received on current investments,	4,934,524	1,968,983
Interest received	5,977,631	619,713
<b>Net cash generated from/(used in) investing activities</b>	<b>15,706,479</b>	<b>(18,420,058)</b>
<b>C. Cash flows from financing activities</b>		
Short-term borrowings (cash credit account)	35,018,495	58,572
Dividend paid (including Corporate Dividend tax)	(17,552,087)	(13,948,955)
Interest paid	(7,465,768)	(943,840)
<b>Net cash generated from/(used in) financing activities</b>	<b>10,000,640</b>	<b>(14,834,223)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>	<b>28,765,298</b>	<b>(56,328,119)</b>
Cash and cash equivalents at the beginning of the year	1,910,170	58,238,289
Cash and cash equivalents at the end of the year	<b>30,675,468</b>	<b>1,910,170</b>
<b>Note:</b>		
<b>Reconciliation of Cash and cash equivalents:</b>		
Cash and cash equivalents (Refer note 16)	31,251,634	2,385,878
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	576,166	475,708
<b>Net cash and cash equivalents as defined in AS3 on 'Cash Flow Statements'</b>	<b>30,675,468</b>	<b>1,910,170</b>

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

A. B. Jani  
Partner

For and on behalf of the Board of Directors

Gary Yang  
Managing Director

Shrinivas Adikesar  
Company Secretary

C.M. Gaonkar  
Executive Director & CFO

Mumbai, dated: May 19, 2014

Mumbai, dated: May 19, 2014

# 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 engaged in Marketing and Distribution of D-Link branded Networking products in India and SAARC Countries. The Company operates through a distribution network with a wide range of product portfolio and solutions with a nationwide reach across India.

## Note: 2 Significant Accounting Policies

### a Basis of preparation of financial statements

The financial statements have been prepared to comply with generally accepted accounting principles in India, the Accounting Standards notified in the Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956.

### b Use of estimates

The preparation of 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 reported 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 basis at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956, except for following assets.

Asset Description	Depreciated over
Office Premises	20 years
Plant and Machinery	5 years
Motor vehicles	5 years
Computers	4 years

Asset costing less than Rs.5,000/- are depreciated @ 100%.

#### ii) Intangible assets

Computer software is amortised over a period of five years.

### e Impairment of assets

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

### f Investments

Long-term (non-current) investments are carried at cost. However, when there is a decline, other than temporary, the carrying amount is reduced to recognize the decline. Current investments are carried at lower of cost and fair value.

### g Inventories

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

### h Revenue recognition

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

Revenue from services is recognized when the services are rendered.

Interest income is accounted on accrual basis.

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

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

### i Employee Benefits

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

##### i) Defined contribution plan

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

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

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

**iii) Short-term employee benefits**

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

**j) Foreign currency transactions**

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

**k) Borrowing costs**

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

**l) Taxes on income**

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

**m) Provisions and contingencies**

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

**Note 3: Share Capital**

	As at 31st March, 2014	As at 31st March, 2013
	Rupees	Rupees
<b>a. Authorised share capital</b>		
70,000,000 (35,000,000) Equity Shares of Rs.2/- each	140,000,000	70,000,000
<b>b. Issued, subscribed and paid up</b>		
30,004,850 Equity Shares of Rs.2/- each, fully paid-up.	60,009,700	60,009,700

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

The Company has only one class of Equity Shares having a par value of Rs.2/- per share. Each holder of Equity Shares is entitled to one vote per share and each equity share carries an equal right to dividend and in case of repayment of capital.

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

	As at 31st March, 2014		As at 31st March, 2013	
	Number	Rupees	Number	Rupees
D-Link Holding Mauritius Inc.	18,114,663	36,229,326	18,114,663	36,229,326

**e. Details of shareholders holding more than 5% shares in the Company**

	As at 31st March, 2014		As at 31st March, 2013	
	Number	% holding	Number	% holding
Equity shares of Rs.2/- each fully paid up				
<u>Name of the Shareholders</u>				
D-Link Holding Mauritius Inc., holding company	18,114,663	60.37%	18,114,663	60.37%

**f. Details of five years immediately preceding the date of balance sheet**

	As at 31st March, 2014	As at 31st March, 2013
Equity Shares allotted without payment being received in cash *	30,004,850 *	30,004,850 *

\* Equity shares allotted pursuant to the Scheme of Arrangement by capitalisation of reserves during the financial year 2009-10

## Notes forming part of the financial statements

	As at 31st March, 2014	As at 31st March, 2013
	Rupees	Rupees
<b>Note 4: Reserves and surplus</b>		
<b>Securities Premium Account</b>		
As per last Balance sheet	205,134,440	205,134,440
<b>General Reserve</b>		
Opening balance	38,680,563	26,330,563
Add: Transferred from surplus in Statement of Profit and Loss	13,600,000	12,350,000
Closing Balance	52,280,563	38,680,563
<b>Surplus in Statement of Profit and Loss</b>		
Opening balance	578,385,498	485,037,428
Add : Profit for the year	135,831,073	123,250,157
Less : Proposed dividend (Re. 0.60 per share [Previous year: Re. 0.50/-])	18,002,910	15,002,425
Tax on dividend	3,059,595	2,549,662
Transferred to General reserve	13,600,000	12,350,000
Sub Total	34,662,505	29,902,087
Closing balance	679,554,066	578,385,498
<b>Total</b>	<b>936,969,069</b>	<b>822,200,501</b>
<b>Note 5: Deferred Tax Liabilities (net)</b>		
Deferred Tax Liability		
Depreciation	(11,567,398)	(9,089,895)
	<b>(11,567,398)</b>	<b>(9,089,895)</b>
Less:		
Deferred Tax Asset		
Provision for doubtful debts	546,919	267,431
Others	4,131,179	4,696,064
	<b>4,678,098</b>	<b>4,963,495</b>
<b>Deferred Tax (Liabilities) (net)</b>	<b>(6,889,300)</b>	<b>(4,126,400)</b>
<b>Total</b>		



	As at 31st March, 2014	As at 31st March, 2013
	Rupees	Rupees
<b>Note 6: Long-term provisions</b>		
Provision for employee benefits		
- Provision for leave encashment	3,295,119	3,160,997
<b>Total</b>	<b>3,295,119</b>	<b>3,160,997</b>
<b>Note 7: Short-term borrowings</b>		
Balances with banks		
- In cash credit account (Refer note 37)	35,077,067	58,572
<b>Total</b>	<b>35,077,067</b>	<b>58,572</b>
<b>Note 8: Trade Payables</b>		
Trade payables (Refer note 34)	801,567,423	607,017,094
<b>Total</b>	<b>801,567,423</b>	<b>607,017,094</b>
<b>Note 9: Other current liabilities</b>		
Unearned revenue	158,740	-
Unpaid dividends	574,751	475,708
Statutory dues	6,031,441	5,317,860
Interest payable on delayed payment of Income-tax/Service Tax	730,742	850,544
Forward cover MTM	4,610,511	-
Advance from customers	2,991,773	2,963,444
<b>Total</b>	<b>15,097,958</b>	<b>9,607,556</b>
<b>Note 10: Short-term provisions</b>		
Provision for employee benefits		
- Provision for gratuity	739,240	3,296,872
- Provision for leave encashment	2,423,481	1,661,974
	3,162,721	4,958,846
Other provisions		
- Income-tax (net of advance tax)	26,060	337,885
- Proposed dividend	18,002,910	15,002,425
- Corporate dividend tax	3,059,595	2,549,662
	21,088,565	17,889,972
<b>Total</b>	<b>24,251,286</b>	<b>22,848,818</b>

## Notes forming part of the financial statements

## Note 11: Fixed Assets

(Rupees)

Nature of assets	Gross block			Depreciation/Amortisation			Net block	
	As at 1 <sup>st</sup> April, 2013	Additions	Deletions/ Adjustments	As at 31 <sup>st</sup> March, 2014	For the year	Deletions/ Adjustments	Upto 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2014
<b>A Tangible assets</b>								
Office Premises	190,343,442 (190,343,442)	-	-	190,343,442 (190,343,442)	9,517,172 (9,517,172)	-	30,898,216 (21,381,044)	159,445,226 (168,962,398)
Plant and Equipments	3,409,668 (2,347,749)	311,350 (1,061,919)	-	3,721,018 (3,409,668)	732,159 (535,488)	-	1,458,787 (726,628)	2,262,231 (2,683,040)
Electrical installations	2,435,364 (2,435,364)	-	-	2,435,364 (2,435,364)	114,127 (114,127)	-	389,743 (275,616)	2,045,621 (2,159,748)
Furniture and Fixtures	20,231,200 (18,704,001)	325,792 (1,527,199)	-	20,556,992 (20,231,200)	1,261,621 (1,471,116)	-	5,482,229 (4,220,608)	15,074,763 (16,010,592)
Office equipment	27,485,007 (24,763,274)	8,840,957 (3,264,733)	3,122,446 (543,000)	33,203,518 (27,485,007)	3,845,414 (3,645,206)	3,116,696 (543,000)	14,932,506 (14,203,788)	18,271,012 (13,281,219)
Vehicles	1,943,142 (1,943,142)	-	-	1,943,142 (1,943,142)	218,007 (218,007)	-	1,787,851 (1,569,844)	155,291 (373,298)
	245,847,823 (240,536,972)	9,478,099 (5,853,851)	3,122,446 (543,000)	252,203,476 (245,847,823)	15,688,500 (15,501,116)	3,116,696 (543,000)	54,949,332 (42,377,528)	197,254,144 (203,470,295)
<b>B Intangible assets</b>								
Computer Software	5,657,498 (5,657,498)	892,395	-	6,549,893 (5,657,498)	1,123,753 (1,117,661)	-	5,109,314 (3,985,561)	1,440,579 (1,671,937)
<b>Total</b>	<b>251,505,321</b> (246,194,470)	<b>10,370,494</b> (5,853,851)	<b>3,122,446</b> (543,000)	<b>258,753,369</b> (251,505,321)	<b>16,812,253</b> (16,618,777)	<b>3,116,696</b> (543,000)	<b>60,058,646</b> (46,363,089)	<b>198,694,723</b> (205,142,232)

Figures in brackets are those of previous year.

	As at 31st March, 2014	As at 31st March, 2013
	Rupees	Rupees
<b>Note 12: Long-term loans and advances (unsecured)</b>		
(a) Considered good:		
Security deposits paid	6,953,093	4,555,575
Advance payment of taxes (net of provision)	19,625,047	12,506,871
Customs duties recoverable	6,543,161	6,543,161
Capital Advances	562,500	-
	<u>33,683,801</u>	<u>23,605,607</u>
(b) Considered doubtful:		
Customs duties recoverable	5,696,262	5,696,262
Less: Provision	5,696,262	5,696,262
	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>33,683,801</u></b>	<b><u>23,605,607</u></b>
<b>Note 13: Current investment</b>		
<b>Other investments (unquoted) (At lower of cost and fair value)</b>		
<b>(i) In Mutual funds Units (non-trade).</b>		
Nil (Previous year 12,33,004.599 units of Rs.10/- each in Baroda Pioneer Mutual Fund-Short Term Bond Fund Plan A-Growth)	-	15,052,520
	<u>-</u>	<u>15,052,520</u>
<b>Total</b>	<b><u>-</u></b>	<b><u>15,052,520</u></b>
<b>Note 14: Inventories (valued at lower of cost and net realisable value)</b>		
Traded goods [including Goods-in-transit Rs.150,198,898/- (Previous year Rs.219,450,197/-)]	631,735,658	442,277,839
<b>Total</b>	<b><u>631,735,658</u></b>	<b><u>442,277,839</u></b>
<b>Note 15: Trade receivables (Unsecured)</b>		
a) Debts outstanding for a period exceeding six months from the due date		
Considered good	-	7,254,715
Considered doubtful	1,377,146	786,794
	<u>1,377,146</u>	<u>8,041,509</u>
Less: Provision	(1,377,146)	(786,794)
	<u>-</u>	<u>7,254,715</u>
b) Other Trade receivables		
Considered good	945,261,603	807,594,865
Considered doubtful	231,913	-
	<u>945,493,516</u>	<u>807,594,865</u>
Less: Provision	(231,913)	-
	<u>945,261,603</u>	<u>807,594,865</u>
<b>Total</b>	<b><u>945,261,603</u></b>	<b><u>814,849,580</u></b>
<b>Note 16: Cash and Cash equivalents</b>		
Cash on hand	10,781	191,759
Balances with banks		
- In current accounts	30,664,687	1,432,632
- In cash credit account (Refer note 37)	-	285,779
- In earmarked accounts	-	-
- Unpaid dividend accounts	576,166	475,708
	<u>31,240,853</u>	<u>2,194,119</u>
<b>Total</b>	<b><u>31,251,634</u></b>	<b><u>2,385,878</u></b>

## Notes forming part of the financial statements

	As at 31st March, 2014	As at 31st March, 2013
	Rupees	Rupees
<b>Note 17: Short-term loans and advances (Unsecured, considered good)</b>		
Security deposits paid	2,000,230	2,568,340
Customs and other duties recoverable	29,638,810	19,135,481
Prepaid expenses (Refer note 36)	7,172,183	3,281,924
Advances to suppliers	2,791,661	476,924
Advances to employees	926,619	253,313
<b>Total</b>	<b>42,529,503</b>	<b>25,715,982</b>
	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
	Rupees	Rupees
<b>Note 18: Revenue from operations</b>		
Sale of traded goods (Networking products)	4,856,781,780	3,527,386,200
Sale of services	3,492,445	2,479,741
Other operating revenues		
- Duty drawback	12,974,287	6,667,030
- DEPB licence income	306,514	488,788
- Commission Income	2,288,810	-
	15,569,611	7,155,818
<b>Total</b>	<b>4,875,843,836</b>	<b>3,537,021,759</b>
<b>Note 19: Other income</b>		
<b>Interest</b>		
- On fixed deposits with banks	114,110	-
- Interest income from current investments (non-trade)	940,400	-
- Interest on delayed payments by customers.	4,923,121	619,713
	5,977,631	619,713
Dividend on current investments (non-trade)	4,934,524	1,968,983
Profit on sale of current investments (non-trade) (net)	130,081	1,774
Sundry balances written back	49,189	44,382
Profit on sale of fixed Assets	76,925	15,000
Exchange gain (net)	-	2,893,657
Miscellaneous income	7,027	263,153
<b>Total</b>	<b>11,175,377</b>	<b>5,806,662</b>
<b>Note 20: Changes in inventories of traded goods</b>		
Closing Stock	631,735,658	442,277,839
Less: Opening Stock	442,277,839	419,801,478
<b>Increase</b>	<b>(189,457,819)</b>	<b>(22,476,361)</b>
<b>Note 21: Employee benefits expenses</b>		
Salaries, wages and bonus	208,080,939	160,286,907
Contribution to provident and other funds	2,643,783	5,451,982
Staff welfare expenses	6,547,722	4,835,065
<b>Total</b>	<b>217,272,444</b>	<b>170,573,954</b>
<b>Note 22: Finance Cost</b>		
<b>Interest</b>		
- on cash credit	6,878,477	792,850
- on delayed payments of Income-tax/service tax	1,318,033	1,001,534
<b>Total</b>	<b>8,196,510</b>	<b>1,794,384</b>

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rupees	Rupees
<b>Note 23: Other Expenses</b>		
Sales and customer support services	10,226,289	10,249,719
Power	3,967,063	3,135,629
Rent including lease rentals	19,803,302	17,453,101
Rates and taxes	5,748,728	544,540
Insurance	8,044,489	6,616,743
Repairs and maintenance:		
- Office premises	2,290,648	4,275,917
- Others	3,018,231	4,712,035
	5,308,879	8,987,952
Travelling and conveyance expenses	32,306,156	23,289,228
Communication expenses	7,629,708	6,792,488
Advertisement and sales development expenses	112,210,972	79,322,587
Commission on sales	73,789,094	68,042,397
Servicing expenses	35,095,452	21,119,011
Provision for doubtful debts and advances (net of amounts written back Rs.82,500/- (previous year Rs.406,000/-))	822,265	5,710,425
Exchange loss (net)	36,680,091	-
Legal and professional fees	21,142,399	17,918,532
Bad debts/Advances written off	36,550	24,766
Miscellaneous expenses	17,997,498	11,040,323
<b>Total</b>	<b>390,808,935</b>	<b>280,247,441</b>

**Note 24: Contingent liabilities**

Contingent liabilities, in respect of Custom duty paid under protest. The same is included under "customs duties recoverable" in note no.12 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 CESTAT for hearing.

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

10,435,455 10,435,455

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

**Note 25:**

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

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

Currency	Amount Outstanding at year end in Foreign currency	Amount outstanding at year end in Rupees	Exposure to Buy/Sell
US Dollar	4,598,570 (2,000,000)	280,110,839 (108,677,500)	Buy Buy

Figures in brackets are those of previous year

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

	As at 31st March, 2014		As at 31st March, 2013	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Receivables	USD 578,044	34,624,814	USD 151,436	8,222,986

Amount payable in foreign currency on account of the following:

	As at 31st March, 2014		As at 31st March, 2013	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Payables	USD 2,397,096	143,610,002	USD 4,573,132	248,366,806

## Notes forming part of the financial statements

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rupees	Rupees
<b>Note 26: Payment to Auditors</b>		
As Auditors - Statutory Audit	800,000	800,000
For Limited Review	180,000	180,000
For audit of financial information for year ended 31st December, 2013/2012	250,000	250,000
For taxation matters	300,000	375,000
For other services - certification etc.	40,000	80,000
For reimbursement of expenses.	39,933	55,765
For service tax	198,987	208,266
<b>Total</b>	<b>1,808,920</b>	<b>1,949,031</b>
<b>Note 27:</b>		
<b>(a) Details of Sale of traded goods</b>		
Networking products	4,856,781,780	3,527,386,200
<b>(b) Details of purchase of traded goods</b>		
Networking products	4,239,732,353	2,913,886,031
<b>(c) Details of inventory of traded goods</b>		
Networking products	631,735,658	442,277,839
	<b>As at</b>	<b>As at</b>
	<b>31st March, 2014</b>	<b>31st March, 2013</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>Note 28:</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>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	8,353,876	3,932,459
Current Service Cost	2,226,694	2,178,889
Interest Cost	657,372	329,001
Actuarial (gain)/loss	(1,570,468)	2,100,467
Benefits paid	(273,462)	(186,940)
Defined Benefit obligation at the end of the year	9,394,012	8,353,876
<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	5,057,004	4,179,353
Expected return on plan assets	(630,289)	358,871
Actuarial gain/(loss)	(370,931)	(94,280)
Employer contribution	3,611,872	800,000
Benefits paid	(273,462)	(186,940)
Fair value of plan assets at year end	8,654,772	5,057,004
<b>III. Reconciliation of fair value of assets and obligations</b>		
Present value of obligation as at 31st March, 2014/2013	9,394,012	8,353,876
Fair value of plan assets as at 31st March, 2014/2013	8,654,772	5,057,004
Amount recognized in Balance Sheet	(739,240)	(3,296,872)
<b>IV. Expense recognized during the year</b>		
(Under the head employee benefits expenses - Refer Note 21)		
Current Service Cost	2,226,694	2,178,889
Interest Cost	657,372	329,001
Expected return on plan assets	(630,289)	(358,871)
Actuarial (gain)/loss	(1,199,537)	2,194,747
<b>Net Cost</b>	<b>1,054,240</b>	<b>4,343,766</b>

	As at 31st March, 2014	As at 31st March, 2013
	Rupees	Rupees
<b>V. Actuarial assumptions</b>		
Discount rate (per annum)	9.19%	8.00%
Expected rate of return on plan assets (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	10.00%	10.00%
Employee Attrition Rate	5.00%	5.00%

- VI. The assumptions of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment.  
The amounts of the present value of the obligation, fair value of the plan assets, surplus or deficit in the plan, experience adjustments arising on plan liabilities and plan assets are furnished below;

	As at 31st March, 2014	As at 31st March, 2013	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
<b>Experience Adjustment</b>					
a. due to change in Actuarial assumption	(1,542,521)	3,164,764	(217,675)	-	(459,214)
b. Experience (Gain)/Loss on obligation	(27,947)	(1,064,297)	(214,904)	(550,803)	328,770
c. Actuarial gain/(loss) on plan assets	(370,931)	(94,280)	(99,760)	(24,613)	(2,914)
Present value of benefit obligation	9,394,012	8,353,876	3,932,459	4,004,119	3,390,406
Fair value of plan assets	8,654,772	5,057,004	4,179,353	3,896,975	3,151,743
Excess of (obligation over plan assets)/plan assets over obligation	(739,240)	(3,296,872)	246,894	(107,144)	(238,663)

- VII. The contributions expected to be made by the Company during the financial year 2014-15 is Rs.739,240/-.

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 :**

- i) Contribution to provident fund Rs.1,589,543/- ( Previous year Rs.1,108,216/-)

**Note 29: 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.19,803,302/- (Previous year Rs.17,453,101/-)

**Note 30: 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	Fellow Subsidiary
D-Link Brasil LTDA	Fellow Subsidiary
D-Link Australia Pty Limited	Fellow Subsidiary
D-Link Latin America - DLABR	Fellow Subsidiary

Mr. Yao Chuan Yang (Gary Yang) Key management person

Mr. Chandrashekhar M. Gaonkar Key management person

## 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	Fellow Subsidiary	Key management person	Total
<b>Purchase of traded goods</b>				
D-Link International (Singapore)		1,732,632 (8,007,856)		1,732,632 (8,007,856)
D-Link International Pte. Ltd.		2,427,018,922 (1,865,903,981)		2,427,018,922 (1,865,903,981)
D-Link Corporation	2,917,277 (1,957,522)			2,917,277 (1,957,522)
Others		37,945,834 (26,579,445)		37,945,834 (26,579,445)
<b>Sale of traded goods</b>				
D-Link International (Singapore)		1,254,330 (3,135,721)		1,254,330 (3,135,721)
D-Link International Pte. Ltd.		-		-
D-Link Middle East-FZCO		5,141,553 (16,061,600)		5,141,553 (16,061,600)
D-Link Corporation	1,225,285			1,225,285
Others		5,428,223 (918,460)		5,428,223 (918,460)
<b>Professional fees paid</b>				
D-Link Corporation	6,539,177 (9,297,763)			6,539,177 (9,297,763)
<b>Reimbursement of expenditure</b>				
D-Link Corporation	2,903,821 (556,872)			2,903,821 (556,872)
D-Link International (Singapore)		-		-
		(13,147)		(13,147)
<b>Reimbursement of expenditure (Income)</b>				
D-Link International Pte. Ltd.		1,127,499 (6,335,035)		1,127,499 (6,335,035)
D-Link Corporation	-			-
	(8,355)			(8,355)
D-Link Holding Mauritius Inc.	150,102			150,102
	-			-
D-Link Latin America - DLABR		41,236		41,236
		-		-
<b>Managerial Remuneration</b>				
Mr. Chandrashekhar M. Goankar			5,177,102 (3,592,600)	5,177,102 (3,592,600)
Mr. Yao Chuan Yang (Gary Yang)			186,662	186,662
			-	-
<b>Sitting Fees</b>				
Mr. Yao Chuan Yang (Gary Yang)			15,000	15,000
			-	-
<b>Dividend paid</b>				
D-Link Holding Mauritius Inc.	9,057,332 (7,245,865)			9,057,332 (7,245,865)
Mr. C.M. Gaonkar			37,941 (30,552)	37,941 (30,552)
<b>As at the year end</b>				
<b>Amount due to</b>				
D-Link International Pte. Ltd.		362,861,294 (340,832,022)		362,861,294 (340,832,022)
D-Link Corporation	6,157,469 (8,397,723)			6,157,469 (8,397,723)
Others		20,985,687 (1,392,562)		20,985,687 (1,392,562)
<b>Amount due from</b>				
D-Link International (Singapore)		-		-
		(1,190,587)		(1,190,587)
D-Link Middle East-FZCO		1,360,813 (240,417)		1,360,813 (240,417)
Other		-		-
		(248,433)		(248,433)

Figures in brackets pertain to previous year.

### Note 31: Segment information

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

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

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

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

- i) Domestic
- ii) Export



**Note 31: Segment information (contd.)***Information about secondary segments*

Particulars	(Rupees)			
	Domestic	Exports	Unallocated	Total
Revenues from external customers (net)	4,638,229,595 (3,447,020,096)	222,044,630 (82,845,845)	- -	4,860,274,225 (3,529,865,941)
Segment assets	1,797,655,427 (1,490,861,383)	34,624,814 (8,222,986)	50,876,681 (29,945,269)	1,883,156,922 (1,529,029,638)
Additions to fixed assets during the year	10,370,494 (5,853,851)	- (-)	- (-)	10,370,494 (5,853,851)

Figures in brackets pertain to previous year.

**Note 32:**

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

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
Profit attributable to equity shareholders (Rupees)	135,831,073	123,250,157
Weighted average number of Equity Shares outstanding during the year	30,004,850	30,004,850
Basic/ diluted earnings per share (Rupees)	4.53	4.11
Nominal value per share (Rupees)	2.00	2.00

**Note 33: Other disclosures**

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
	Rupees	Rupees
a <u>C.I.F. value of goods imported</u>		
Traded goods	2,754,873,141	1,963,125,380
Capital goods	-	-
b <u>Expenditure in foreign currency</u>		
Travelling expenses	1,280,590	585,064
Professional Fees	6,539,177	9,297,763
c <u>Earnings in foreign exchange</u>		
F.O.B. value of exports	222,044,630	82,845,845
d <u>Amount remitted during the year in foreign currency on account of dividend</u>		
Number of non-resident shareholders	3	3
Number of shares held by them on which dividend is due	18,214,663	18,214,663
Year to which dividend relates	2012-13	2011-12
Amount of dividend remitted in Rupees	9,107,332	7,285,865

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 34:**

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;

	Rupees	
	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1 Outstanding principal Amount and Interest as on 31st March 2014		
- Principal Amount	49,254,317	-
- Interest due thereon	-	-
2 Amount of interest paid along with the amounts of payment made beyond the appointed day	-	-
3 Amount of interest due and payable (where the principal has already been paid but interest has not been paid)	-	-
4 The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
5 The amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act	-	-

## Notes forming part of the financial statements

### Note 35:

The Shareholders have, in the Extraordinary General Meeting held on 20th January, 2014, approved the following:

- i) 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 by them in TeamF1) towards acquisition preferential allotment basis for consideration other than cash (share swap of 10,499 shares held by them in TeamF1) towards acquisition of TeamF1 by the Company;
- ii) Raising of funds by way of issue of Equity shares for cash not exceeding Rs.600,000,000 on Rights basis.

### Note 36:

Prepaid expenses includes an amount of Rs.2,106,750/- paid to consultants as legal and professional charges in relation to the proposed issue of rights shares and shares on preferential allotment basis and will be set off against share premium.

### Note 37:

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

### Note 38:

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

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#### Signatures to Notes 1 to 38

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

**Gary Yang**  
Managing Director

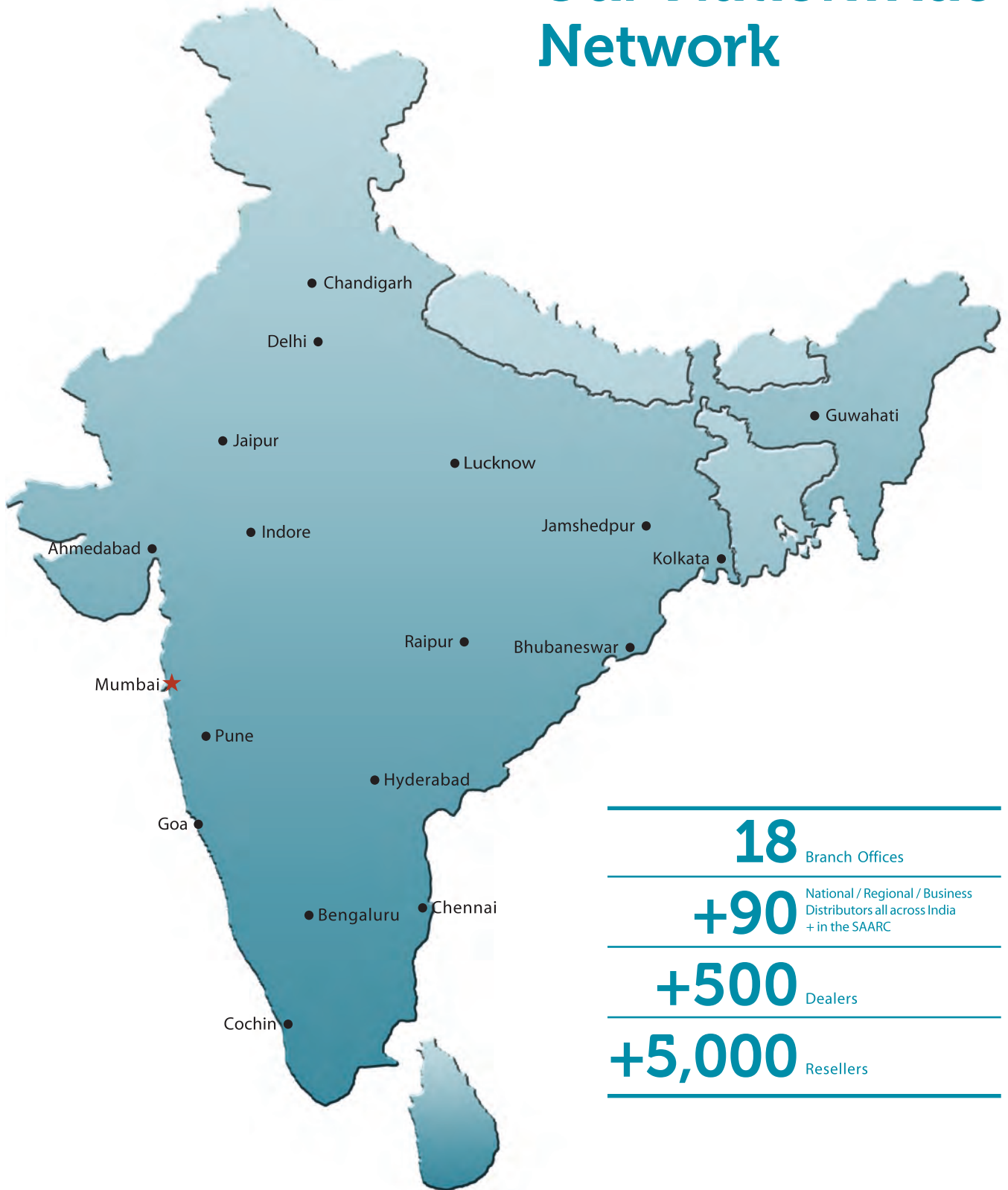
**C.M. Gaonkar**  
Executive Director & CFO

**Shrinivas Adikesar**  
Company Secretary

Mumbai, dated: May 19, 2014



# Our Nationwide Network



**18** Branch Offices

**+90** National / Regional / Business Distributors all across India + in the SAARC

**+500** Dealers

**+5,000** Resellers

**Corporate Headquarters:** ★ Mumbai

**Branch Offices:** • Ahmedabad • Bengaluru • Chandigarh • Chennai • Cochin • Delhi • Goa • Guwahati • Hyderabad • Indore • Jaipur • Kolkata • Lucknow • Mumbai • Orissa • Pune • Raipur • Jamshedpur



NETWORK SWITCHING, WIRELESS LAN, IP SURVEILLANCE, STRUCTURED CABLING, 3G, BROADBAND, NETWORK SECURITY, NETWORK STORAGE, ROUTING

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

**D-Link (India) Limited**

CIN: L72900GA2008PLC005775

Registered Office:




Plot No. U02B, Verna Industrial Estate  
Verna, Goa – 403722, India

Tel: 0832-2885800 Fax: 0832-2885823

Corporate Office:

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

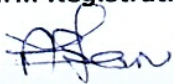
[www.dlink.co.in](http://www.dlink.co.in)

<b>FORM A</b>		
<b>Covering letter of the annual audit report to be filed with the stock exchanges</b>		
1.	Name of the Company:	<b>D-Link (India) Limited</b>
2.	Annual stand alone financial statements for the year ended	<b>31st March, 2014.</b>
3.	Type of Audit observation	<b>No qualifications / Matter of Emphasis in the Audit report for the year ended March 31, 2014.</b>
4.	Frequency of observation	<b>Not Applicable</b>
5.	Signed by-  Mr. Gary Yang - Managing Director  Mr. C. M. Gaonkar - Executive Director & CFO  Mr. Rajaram Ajgaonkar - Audit Committee Chairman	 _____  _____  _____

Auditor of the company;

Refer our Audit Report dated May 19, 2014 on the standalone financial statements of the Company.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100012)



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

Mumbai, May 19, 2014

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixth Annual General Meeting of the Members of M/s. D-Link (India) Limited will be held on Saturday, the August 23, 2014 at 11:00 a.m. at Kesarval Gardens, Verna, Salcette, Goa – 403722, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Balance Sheet of the Company as at March 31, 2014, and the Statement of Profit and Loss for the financial year ended on that date together with the Reports of the Directors' and Auditors' thereon.
2. To declare dividend for the financial year ended March 31, 2014.
3. To appoint a Director in the place of Mr. A. P. Chen, (holding DIN: 00119406), who retires by rotation and being eligible and offers himself for re-appointment.
4. To appoint M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Registration no. 117366W/W-100018) as Auditors of the Company to hold office for four consecutive years from the conclusion of the Sixth Annual General Meeting until the conclusion of the Tenth Annual General Meeting (subject to the ratification of their appointment at every Annual General Meeting) and to authorize the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ('the Act') and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Rajaram M. Ajgaonkar (holding DIN 00605034), be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019."
6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Satish V. Godbole (holding DIN 02596364), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019."
7. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT, pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Anil R. Bakshi (holding DIN 00171649), Director of the Company, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019."

By order of the Board

**Shrinivas Adikesar**  
Company Secretary

Mumbai, Dated: May 19, 2014

### Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY OR PROXIES SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FIXED FOR HOLDING THE MEETING.
2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of Special Business is annexed hereto.
3. The Register of Members and the Share Transfer Register will remain closed for a period of 7 days from May 29, 2014 to June 4, 2014 (both days inclusive).

The dividend recommended by the Board, if approved by the shareholders at the 6th Annual General Meeting, shall be paid to those members whose names appear on the Register of Members during the aforesaid period.

4. There is no dividend which have remain unclaimed for a period of 7 years as on March 31, 2014 and hence no unclaimed dividend is due for transfer to the Investor Education and Protection Fund (IEPF), established by the Central Government.
5. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the Company.
6. Members are requested to send their queries, if any on the operations of the Company, to reach the Company Secretary at the Company's Registered Office, atleast 5 days before the meeting, so that the information can be compiled in advance.
7. Members are requested to register their e-mail addresses through their Depository Participant where they are holding their Demat Accounts for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the Registrar and Transfer Agents, giving reference of Folio Number.
8. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, forms integral part of the notice.
9. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company /Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013 - 14 are being sent in the permitted mode.
10. The Notice of the 6th Annual General Meeting of the Company and instructions for e-voting, along with Attendance Slip and Proxy Form is being sent to all the members by electronic mode, whose email IDs are registered with the Company/Depository Participants for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered

their email address, physical copies of the aforementioned documents are being sent in the permitted mode.

#### 11. Voting through electronic means

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 6th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting Services provided by M/s Karvy Computershare Private Limited:

#### Members are requested to follow the below instructions to cast their vote through e-voting:

- a) Members can cast their vote online from Monday, August 18, 2014, 9.00 AM to Tuesday, August 19, 2014, 6.00 PM.
- b) Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- c) Enter the login credentials (i.e., user id & password) mentioned on the e-voting Form. Your folio/DP Client ID will be your User-ID.
- d) If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and casted your vote earlier for any company, then your exiting login id and password are to be used.
- e) User ID For Members holding shares in Demat Form:-
  - i) For NSDL:- 8 Character DP ID followed by 8 Digits Client ID
  - ii) For CDSL:- 16 digits beneficiary ID
  - iii) For Members holding shares in Physical Form:- Event no. followed by Folio Number registered with the Company
- f) Password: Your Unique password is printed separately/via e-mail and forwarded through the electronic notice/permitted mode.
- g) Captcha: Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.
- h) Please contact Karvy toll free No. 1-800-34-54-001 for any further clarifications.
- i) After entering these details appropriately, click on "LOGIN".
- j) Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through Karvy Computershare Private Limited e-voting platform. System will prompt you to change your password and update any contact details like mobile no, e-mail ID etc, on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- k) You need to login again with the new credentials.
- l) On successful login, system will prompt to select the 'Event' i.e., 'Company Name'.
- m) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST/ABSTAIN' for voting. Enter the number of shares (which represents number of votes) under 'FOR/AGAINST/ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total

shareholding. If the shareholder do not want to cast, select 'ABSTAIN'

- n) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- o) Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
- p) Corporate/Institutional Members (Corporate/FIs/FIIs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to sugamagoa@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name\_Event no."

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

- i. Initial password is provided separately: EVEN (E-Voting Event Number) USER ID PASSWORD/PIN
- ii. Please follow all steps from Sl. No. (b) to Sl. No. (k) above, to cast vote.

#### General Instructions:

- I. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of <https://evoting.karvy.com>.
- II. If you are already registered with Karvy for e-voting then you can use your existing user ID and password/PIN for casting your vote.
- III. The e-voting period commences on Monday, August 18, 2014 (9:00 am) and ends on Tuesday August 19, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 18, 2014 may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. Further, the Members voted electronically shall not be eligible to vote at the poll conducted, at the Meeting, if any.
- IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date.
- V. CS Shivaram Bhat, Practicing Company Secretary, failing him, CS Shubhangi Baichwal, Practicing Company Secretary have been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- VI. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman/Executive Director & CFO of the Company.
- VII. The Results on resolutions shall be declared on or after the AGM of the Company and the resolution will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolution(s).
- VIII. The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.dlink.co.in](http://www.dlink.co.in) and on the website of Karvy after passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and National Stock Exchange of India Limited.



## ANNEXURE TO NOTICE

Statement pursuant to Section 102 of the Companies Act, 2013;

### Item No. 4:

This explanatory statement is provided though strictly not required as per section 102 of the Act.

Deloitte Haskins & Sells LLP (DHS LLP), (ICAI Firm Registration No. 117366W/W-100018), Chartered Accountants (CAs), Mumbai were appointed as the Statutory Auditors of the Company for financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on August 3, 2013. DHS have been the Auditors of the Company since 2008-09 and have completed a term of six years. DHS LLP, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on May 19, 2014, proposed the appointment of DHS LLP as the Auditors of the Company for a period of four years to hold office from the conclusion of this AGM till the conclusion of the Tenth AGM of the Company subject to ratification of their appointment at every AGM. The Board recommends the Resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

### Item No. 5:

Mr. Rajaram M. Ajgaonkar is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company as additional Director on March 30, 2009. Subsequently his appointment was confirmed by the shareholders in the Annual General Meeting of the Company held on September 25, 2009. Presently, Mr. Rajaram M. Ajgaonkar is the Chairman of the Audit Committee and also a member of Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Board of Directors of the Company.

The following are brief particulars of Mr. Ajgaonkar.

Name of Director	Mr. Rajaram Moreshwar Ajgaonkar
Date of Birth	07/02/1958
Qualification and expertise in specific functional areas	He is a member of Institute of Chartered Accountants of India (ICAI). Currently he is practicing as the member of ICAI for more than 35 years and has wide industry experience. He also possesses a LLB degree from Government Law College, Mumbai.
Names of other companies in which he holds directorships (excluding foreign, private and Section 25 companies)	Nil
Chairman/Member of the Committee(s) of Board of Directors of other companies in which he is a Director.	Nil
Shareholding in the Company	Nil

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Mr. Ajgaonkar retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Ajgaonkar being eligible and offers himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto March 31, 2019.

In the opinion of the Board, Mr. Ajgaonkar fulfils the conditions specified

in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature for the office of the Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Ajgaonkar as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Ajgaonkar as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Ajgaonkar, none of the other Board of Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, whether financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The resolution as above is placed before the shareholders for approval.

### Item No. 6:

Mr. Satish V. Godbole is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company as additional Director on March 23, 2010. Subsequently his appointment was confirmed by the shareholders in the Annual General Meeting of the Company held on September 3, 2010. Presently, Mr. Satish V Godbole is the Chairman of the Nomination & Remuneration Committee and Stakeholders Relationship Committee and also Member of Audit Committee and Corporate Social Responsibility Committee of the Board of Directors of the Company.

The following are brief particulars of Mr. Satish Godbole.

Name of Director	Mr. Satish Vishnu Godbole
Date of Birth	04/10/1957
Qualification and expertise in specific functional areas	He possesses the membership from Institute of Chartered Accountants of India (ICAI). He is engaged in the practice as a member of ICAI for more than 33 years and has specialized in Company Law, Mergers & Amalgamations and FEMA related matters.
Names of other companies in which he holds directorships (excluding foreign, private and Section 25 companies)	Nil
Chairman/Member of the Committee(s) of Board of Directors of other companies in which he is a Director.	Nil
Shareholding in the Company	50

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Satish Godbole being eligible and offers himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto March 31, 2019.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature for the office of the Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr. Satish Godbole fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Satish Godbole as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Satish Godbole as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Satish Godbole, none of the other Board of Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, whether financial or otherwise, in the resolution set out at Item No. 6. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The resolution as above is placed before the shareholders for approval.

### Item No. 7:

Mr. Anil R. Bakshi is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company as additional Director on May 3, 2012. Subsequently his appointment was confirmed by the shareholders in the Annual General Meeting of the Company held on August 11, 2012. Presently, Mr. Anil Bakshi is the Chairman of the Corporate Social Responsibility Committee and Member of Nomination & Remuneration Committee, Stakeholders Relationship Committee and Audit Committee of the Board of Directors of the Company.

The following are brief particulars of Mr. Anil Bakshi.

Name of Director	Mr. Anil Ramchandra Bakshi
Date of Birth	02/05/1959
Qualification and expertise in specific functional areas	He is a member of Institute of Chartered Accountants of India (ICAI) and Institute of Company Secretaries of India (ICSI). He is an industrialist having more than 29 years of experience in overall business management.
Names of other companies in which he holds directorships (excluding foreign, private and Section 25 companies)	Nil
Chairman/Member of the Committee(s) of Board of Directors of other companies in which he is a Director.	Nil
Shareholding in the Company	Nil

He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Anil Bakshi being eligible and offers himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto March 31, 2019.

The Company has received a notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature for the office of the Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

In the opinion of the Board, Mr. Anil Bakshi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Anil Bakshi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Anil Bakshi as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Anil Bakshi, none of the other Board of Directors and Key Managerial Personnel of the Company and their relatives is in any way concerned or interested, whether financial or otherwise, in the resolution set out at Item No. 7. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

The resolution as above is placed before the shareholders for approval.

**By order of the Board**

**Shrinivas Adikesar**  
**Company Secretary**

Mumbai, Dated: May 19, 2014

**Registered Office:**

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