



Innovation



Execution



Heritage

Annual Report **2014-15**

D-Link (India) Limited

Business Solutions



Consumer Solutions



Contents



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

Disclaimer / Forward Looking Statement

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

Message from Managing Director



Gary Yang
Managing Director

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

Dear Stakeholders,

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

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

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

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

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

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

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

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

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

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

Sincerely,

Gary Yang
Managing Director

Message from Executive Director & CEO



Tushar Sighat
Executive Director & CEO

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

Dear Stakeholders,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Thank you.

Tushar Sighat
Executive Director & CEO

Globalization through localization



About D-Link Corporation

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

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

LOCAL MARKET UNDERSTANDING, INTERNATIONAL PRESENCE

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

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



About D-Link (India) Limited



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

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

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

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

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

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

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

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

D-Link Corporation headquarters in Taipei City

