

NETWORK SWITCHING

WIRELESS LAN

ROUTING

NETWORK SECURITY

IP SURVEILLANCE

NETWORK STORAGE

VOIP

BROADBAND

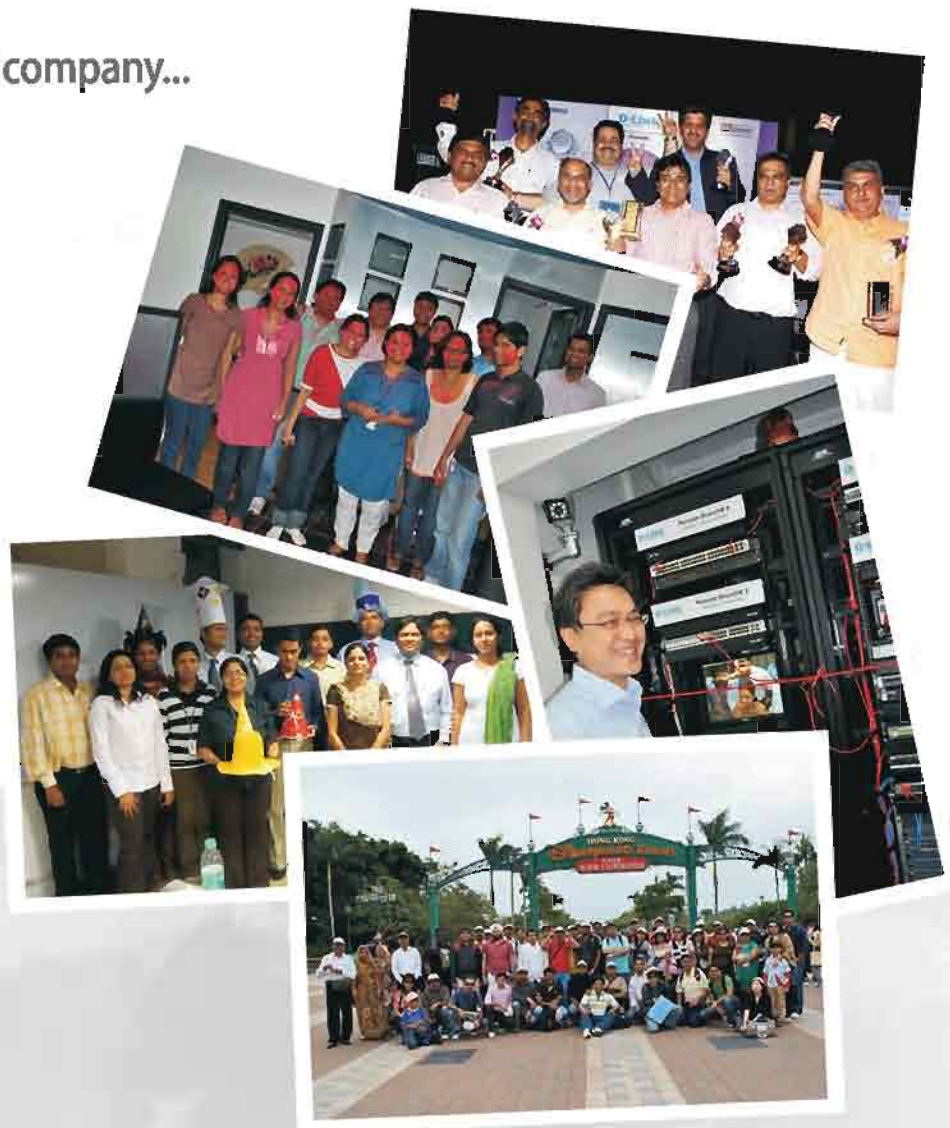
D-Link
Building Networks for People

Annual Report

2009-2010



You're in good company...



Our Vision & Mission

Empowering Businesses and Individuals to harness the Power of Converged Communications by providing Appropriate Networking Solutions at the Right Time and Right Value.

To follow our company motto 'Building Networks for People', to continuously meet the global networking and connectivity needs of Digital Home consumers, Small Office Professional, Small and Medium-Sized Business and Enterprise Environments.



D-Link (India) Limited
Annual Report 2009 - 2010

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D-Link
Building Networks for People

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, contains forward looking statements at that set out anticipated results based on the managements plans and assumptions. We cannot guarantee that these forward- looking statements will be realised, 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 materialise 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.



Mr. A. P. Chen
Chairman

A Note from the Chairman's Desk

*"A jug fills drop by drop."
- Bodhisattva*

Dear Fellow Stakeholders

With the words of wisdom of the Bodhisattva as an inspiration, it is with humility that I write to you in a year that in a way heralds a new era for us.

With a unique identity post the de-merger of the erstwhile Indian company, D-Link (India) Limited is now a renewed part of the multinational D-Link Corporation, which has a strong global footprint across with 158 local sales offices in 71 countries specializing in networking and communications area.

Success in a Challenging Environment

Amidst a challenging global economic environment, the Indian economy grew by 7.4 per cent in 2009-10 on the back of the strong performance of the networking infrastructure development projects, manufacturing sector, and positive agricultural growth. These growth numbers have been achieved at a time when many of the developing economies are struggling with debt crisis and financial meltdowns.

Global IT spending also was adversely affected. Fortunately, with signs of a recovery, it is forecasted to reach USD 3.4 trillion in 2010, a 4.6 percent increase from 2009, and is further expected to grow steadily in 2011 to surpass USD 3.5 trillion, a 4.2 percent increase from 2010, according to Gartner.

In India, Information Technology spending is estimated to grow by 14 per cent in 2010 to USD 67 billion on higher investments by retail, utility firms and Government departments, in accordance with Gartner.

Against this backdrop, our company reported net sales of Rs. 13,279.23 lakhs. The operating margin was 6.8%, a 200 basis points increase as EBITD stood at Rs. 1090.01 lakhs on account of exchange gain. Net Profits stood at Rs 718.61 lakhs.

Unique End to End Solution Provider

The IT market in India, including computer hardware, software, IT services and telecom, is expected to increase to about USD 89 billion in 2013, posting a compounded annual growth rate of 11 per cent from 2009. Needless to say, with networking as the backbone of the IT industry, we are set to benefit from the improving prospects of the IT industry and IT spending.

Being one of the few companies in the segment to offer end-to-end products, we find broad based acceptance across verticals and we are very well positioned to grab this opportunity. What fortifies my conviction in the potential we have, is the fact that we are an award-winning designer, developer and planner of networking, broadband, digital electronics, voice, data and video communications solutions for the Enterprise, Small to Medium Business (SMB), Small Office/Home Office (SOHO), Workgroup and household/consumer.

One of the key strengths of D-Link (India) Limited is its innovative marketing strategy and it has been tried and tested at various programs and road shows that we have undertaken. Channel partners have been an important integral part of our successful operations and we continue to look to them as our growth catalysts.

A Note from the Chairman's Desk

The Road Ahead

Our future growth strategy is two-folded. Firstly, we will focus on improving and expanding our current products portfolio with better technologies. Secondly, we will focus on developing solutions to support future applications. We believe that networking constitutes the center of the connected world which will be enabled through Wi-Fi and 3G and we are working towards offering new products for the same. In the consumer space, we have products like Boxee box, Pebble etc. which are likely to be launched in India as well, and their market potential is very promising.

D-Link (India) Limited today is also one of the key players in the Enterprise Segment. As we will stay tuned on evolving our technology, we will keep up our debut record of new enterprise solutions from time-to-time. Although our current focal point targets on SMB names in the enterprise sector, we remain committed to expanding our business in consumer sector as well as different industry verticals.

Vote of Thanks

I must acknowledge here that our past achievement and our plans for the future must be significantly credited to the unconditional support of our partners which encompasses our customers, shareholders, bankers, vendors, channel partners and employees.

I take this opportunity to thank each one of you and look forward to your continued support to take the new D-Link (India) Limited to the next dimension of growth.

Yours sincerely,

A. P. Chen
Chairman







Mr. Gary Yang
Managing Director

D-Link

Gary Yang, MD, D-Link (India) Limited adopts a hands-on management style as he guides the company's transition to becoming an even bigger force in the Indian market. Hereunder, is a compilation of some of his select Musings that provides an insight into his Management vision for the company.

"D-Link (India) Limited aims at 'Building networks for people'. It is our objective and mission to provide top-notch technology and services at the best price. With a redefined corporate identity, we are better equipped to succeed in our mission."

"Given the potential of the Indian markets, our redefined focus will enable us to increase the momentum of our marketing strategies and generate better business through better positioning and higher efficiencies."

"D-Link (India) Limited is not just a product company. Its competitive edge lies in the fact that it is a complete networking solutions provider and from its knowledge of the pulse of its consumer."

"We have an all encompassing and flexible service support system to meet specific requirements of our esteemed customers. It constitutes web-based as well as technical support, and this is also one of our key USPs."

"Our quality policy is well defined and result oriented. Each of our processes herein adheres to thorough validation standards. This ensures shortened testing process and resultant reduction in test and warranty costs. Lesser time to markets and high customer satisfaction are the end results we have been consistently achieving."

"Keeping pace with technological changes is critical to our success. We focus on emerging trends, new technologies, and specific industries and always try to feel the pulse of the technological changes happening across the globe. We have worked on and keep working on technology updates and upgrades."

"Across the world, companies were choosing open source technologies to efficiently increase business growth, optimize systems performance and reduce costs. Adoption of web 2.0 technology has facilitated increased knowledge sharing and more effective marketing using social networking platforms. This calls for better networking technologies and solutions."

MD's Musings...

"Internet security & data security are a priority for most IT users today and we foresee tremendous opportunities in this area. Our focus area encompasses enhancing the security features of our existing product lines in addition to tapping the opportunity presented by an increase in demand for our Surveillance products. This translates into increasing consumption from audit services to security products like UTM, to physical security like IP Surveillance & Access security."

"With increasing popularity of Web 2.0 and applications built around it, technology is gaining greater importance as a catalyst for revenue generation across businesses. This fortifies the demand for networking products."

"Connectivity options for users are increasing from both the technology and the availability point of view. Products from our company make it possible for users to avail of network connectivity through Wi-Fi and better security features on account of VPN."

"With respect to industry verticals, we foresee good demand from verticals like Government, Education, Retail, Manufacturing BFSI, Telecom and ITeS. Our business model is well diversified in terms of our client base which is across industries."

"One of the key strengths of D-Link (India) Limited is its innovative marketing strategy and within that its channel centric approach and our initiatives have been successful in terms of enhancing our sales and pushing our products. Going forward, we see them as an important ingredient in meeting our corporate objectives"

"As a responsible corporate citizen, we have developed D-Link (India) Limited Green technology which ensures upto 80% savings in energy costs. We never use materials considered hazardous and all our products fully comply with the EU's RoHS Directive to protect both our customers and the environment."

"As per the EU's WEEE initiatives, recycling is a way of life at D-Link (India) Limited and we are the first networking company to be registered as ENERGY STAR partners, a global initiative to reduce greenhouse-gas emissions, ensuring that our power adapters now comply with strict energy-efficiency guidelines. We are also a TUV 5 STAR rated company."

"The next stage of evolution of the Company is to put in place an integrative mechanism that sustains our competitive advantages and empowers the organization with the capabilities and size to be a winner in the markets in which we operate"

Yours sincerely,

Gary Yang.
Managing Director

Management Bandwidth



Mr. A. P. Chen, Chairman of the Company possesses a Bachelors degree in Electronics Engg, and a Masters Degree in Business Administration from the National Chiao-Tung University in Taiwan. He has over 30 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 & CFO of D-Link Corporation, Taiwan.



Mr. Gary Yang holds the position of Managing Director in D-Link (India) Limited. Also, he is in-charge of Middle East and African countries for D-Link. Mr. Yang has contributed 19 years to the IT field of which he has worked for 16 years with D-Link. He possess Bachelors degree in Management from Cheng Kung University.



Ms. Hui -Lin Chen Lin, is presently a professor at the Department of Economics and also the Deputy Dean of Social Science, National Taiwan University. She earned PhD from Brown University at USA in May 1991. She has been a professor of economics for 26 years. Her research focuses on econometrics, industrial economics and Economic innovation. Ms. Chen Lin has published many articles in international journal and 5 books in Taiwan.



Mr. C. M. Gaonkar, Executive Director & C.F.O. is a Chartered Accountant and has over 25 years of industry experience. He has been instrumental in the successful launch of IPO for erstwhile D-Link (India) Limited in 2001.



Mr. Rajaram Ajgaonkar, is a Chartered Accountant in practice with 31 years of post qualification experience. He is also qualified as LLB (Gen) from Government Law College in Mumbai.



Mr. Satish Godbole is a Chartered Accountant in practice with 29 years of experience. He has specialised in Company Law, Mergers & Amalgamation and FEMA.



Mr. Anil Bakshi, is appointed as an Alternate Director to Ms. Hui Lin with effect from 29th May 2010. Mr. Anil Bakshi is a qualified Chartered Accountant and Company Secretary. He is an Industrialist and has over 25 years of experience in the overall business management.

Connecting the Dots...

Even as it completes 20 years in business, D-Link Corporation strongly believes in keeping its philosophy of reaching out to people and simplifying technologies.

We at D-Link, not only provide end-to-end networking solutions and offer user friendly products to our customers, but are also committed towards working with channels across the globe.

This ensures being able to keep the focus on products and technological development and enhancement.

Over the years, D-Link has been developing products and technologies to help bring people closer to each other even while working across the globe.

Today as technology is all pervasive in many facets of human life be it at home, work, travel or even for that matter leisure, D-Link is keeping an eye on developments and has been introducing products that go beyond the conventional work profile.

One of them – DIR 685 Wireless Router – not only helps users access Internet across homes wirelessly, but also has an LCD display that allows users to view photographs, news, weather and sports.

In today's world, Technology is enabling people to come closer and closer and helping businesses to be more productive, efficient, secure and be more closer to their customers.

By 'Connecting the Dots' D-Link is reaching out to consumers across the length and breadth of towns and cities and helping the world to connect the dots.

Redefining Connections...

The erstwhile D-Link demerged in to two separate entities in 2008, and as a result D-Link Holding Mauritius, a subsidiary of D-Link Corporation now holds 60.37 % of the total paid up capital in the company. Owned by the Taiwanese D-Link Corporation, the new D-Link (India) Ltd. has emerged as an entity which will undertake focused sales and marketing efforts for the branded active networking products.

As a logical progression towards creating an entity with a focussed strategy, the de-merger was undertaken to focus on core businesses which are inherently different in terms of requirements of marketing, branding and sales. Both these activities were distinct and warranted dedicated management focus and concentrated efforts to fully harness the growth potential. The new D-Link (India) Ltd. will thus have its strategy and operations aligned with D-Link Corporation and will see renewed positioning efforts of products in the fast growing Indian market. This will enhance its operational efficiency and supply chain management.

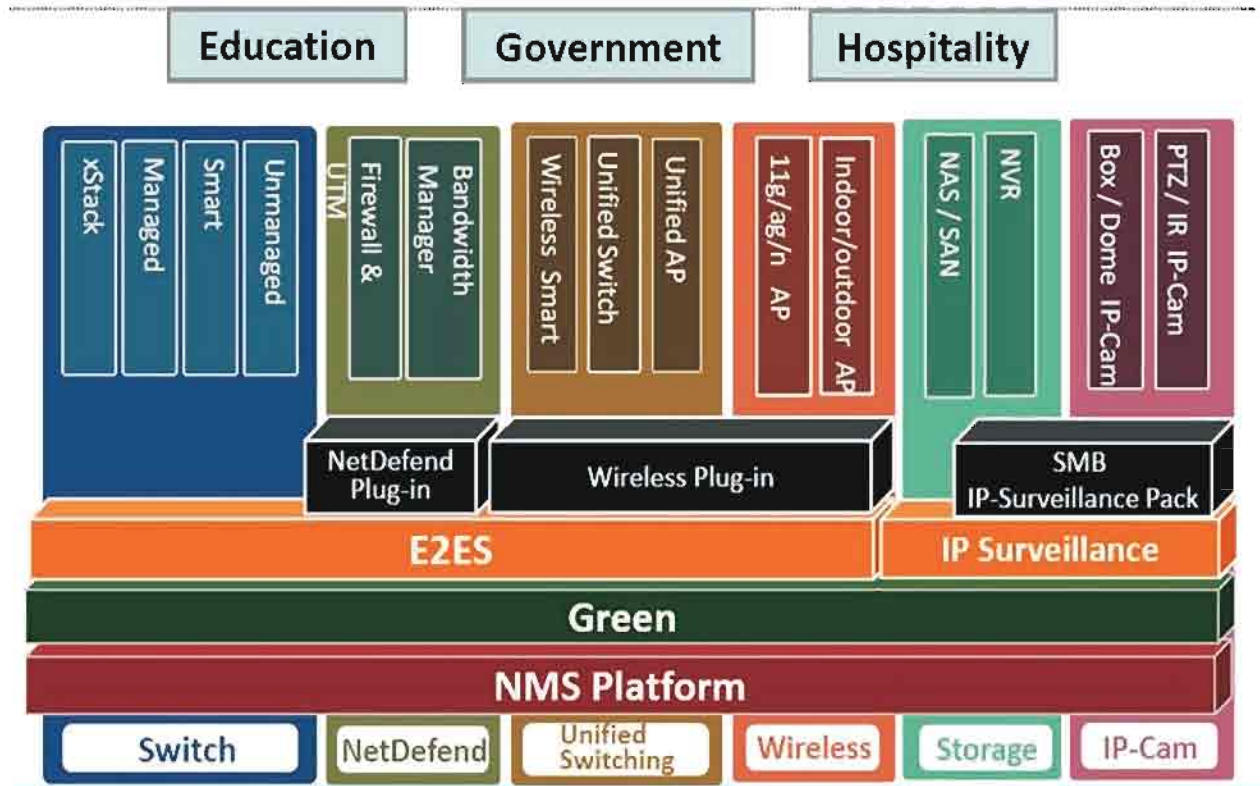
"Building Networks for People" is not merely a by-line at the company but a standard and practice adhered to by the company. At D-Link (India) Ltd., there is the understanding that users need products to make their lives and work easier, and so it is important to keep it simple and affordable.

D-Link (India) Ltd. strongly believes it can change and make human life better through its solutions. Thus, D-Link (India) Ltd. will continue in its endeavour to focus on all possibilities of networks and provide what customers need, anytime and anywhere.



Connecting the Dots...Through the Business Model

The D-Link brand is one of India's premier networking brands. Our solutions have been optimized to deliver flexible implementation options, easy system customizations and seamless upgrades.



Solutions for various Industry Verticals

D-Link (India) Ltd.'s comprehensive networking solutions are offered to an array of industries comprising education, healthcare, telecom and hospitality as well as the Government. These solutions are designed after incorporating critical features such as flexibility in terms of expansion as well as high security.

It is encouraging to note that most of the sectors where the company has significant presence are looking upon IT spending as an investment rather than an expense resulting in a huge domestic opportunity.

Telecom:

Globally, telecom service providers have been the key focal area of the company and the same strategy has been replicated in India given the immense potential existent here. The company has a dedicated team which closely interacts with telecom service providers to provide products and applications.

The USP clearly lies in the fact that D-Link (India) Ltd.'s solutions are bundled with the offering of the telecom company and hence enables it to widen its reach. The company also interacts with telecom integrators directly to blend their offerings along with those of the integrators who pitch for larger projects to the telecom companies. This further embeds D-Link (India) Ltd.'s offerings in the telecom industry and resultantly widens its market share.

Connecting the Dots...Through the Business Model

Business solutions for other industry verticals:

The company develops need-based, relevant solutions for the enterprise and SMB segments within the government, hospitality and education sectors. Its offerings under this category encompass green network solutions; secure and effective office networks for SMBs as well as multi-building networks for scalable enterprises. D-Link (India) Ltd.'s products enable its clients to save substantially on energy costs and, it has hence become the preferred brand.

Sector potential :

IT spending by India's public sector reached an estimated USD 3.1 billion in 2008, and is further expected to grow to USD 5.1 billion by 2011 indicating a CAGR of nearly 19% between 2007-2011, says the latest research study by Springboard Research. Projects like national ID cards, defense tactical communication system and providing PC and broadband access to schools across the country are forecasted to act as further drivers to the growth of India's public sector IT spending.

As per the DQ-IDC Quarterly IT Spending Indices, the Healthcare Segment spent around 53.5% on application development in FY 2010 and is projected to see a sharp rise to 57.6% in FY11 on the back of expansion plans of various hospital chains and pharmaceutical companies.

India's Education sector is forecasted to step up its IT spending from an estimated USD 356 million in 2008 to USD 704 million in 2012, reflecting a Compounded Annual Growth Rate of 19 per cent during 2007-2012, says the latest research study by Springboard Research. It also suggests that networking solutions, storage and ERP implementations are in great demand in this segment.

Thus given the huge potential in this segment, D-Link (India) Ltd. is confident of tapping the markets with its superior products and robust distribution network.

Consumer Solutions:

D-Link (India) Ltd. Consumer solutions comprises of digital home, easy portal, home server, security box, IP device integration and wireless routers. The company is expected to launch new products including ID housing, GiftBox and Wed UI. These products have high end features and at the same time are extremely user friendly. D-Link (India) Ltd. is trying to create a myHome concept wherein IAD, Camera, Photo Frame, Storage, etc will form a complete consumer solution offering which will interact with the outside world via the D-Link (India) Ltd. portal.

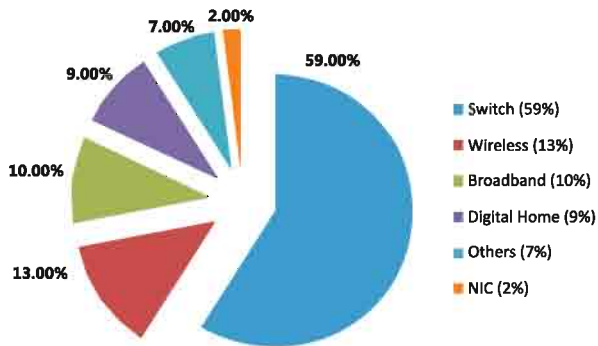
These powerful suite of products and home solution lets one share, store and stream all the digital content seamlessly.

Service Provider Solutions:

Under this category, the company offers high end solutions such as metro network, access network, premises network and home entertainment. The solutions focus on the provision of backend infrastructure services to customers at various levels, such as service distribution, aggregation, access and premise networks. Products under this category include carrier switches, broadband digital subscriber line (DSL) and DSL access multiplexers (DSLAMs), integrated access devices (IADs), wireless routers, cable modems, Voice over IP (VoIP), passive optical network (PON), rural connective platform outdoor wireless bridges, digital home appliances, network storage, IP surveillance and multimedia devices.

Connecting the Dots...Varied Product Mix

D-Link (India) Limited has developed a complete range of networking solutions through innovative products. Some of its Products are:



IP Surveillance

The solutions hereunder are designed for monitoring, managing bandwidth and storing images. The company's product portfolio includes physical security products with IP camera surveillance systems as well as remote video and audio monitoring, recording and pan/tilt/zoom features.

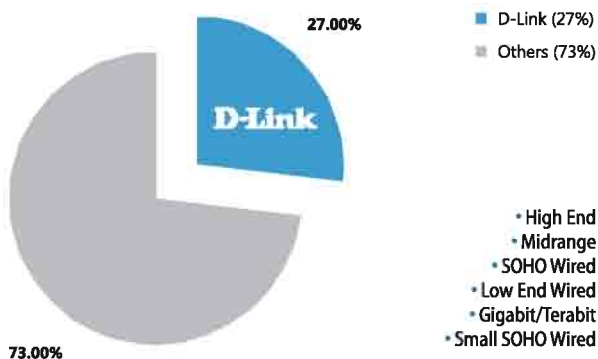
IP Telephony

D-Link (India) Limited offers robust and expandable phone systems for single offices as well as campuses. The company's product range includes VoIP, VoIP over Wi-Fi and Wi-Fi solutions. Its voice centre provides next generation integrated VoIP and traditional

Wireless Products

D-Link (India) Limited is an industry pioneer in the seamless convergence of cost-effective wired and wireless networking. Its product portfolio includes indoor and external wireless as well as wireless switching.

WLAN Market Share



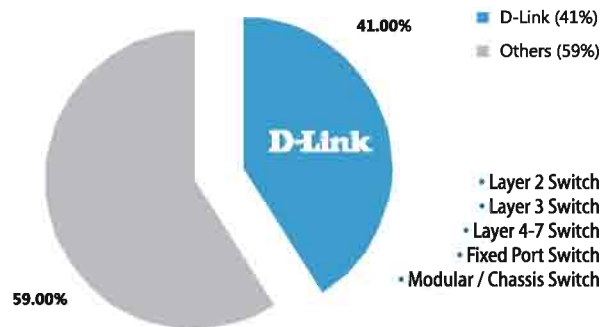
Network Storage

The product portfolio encompasses advanced network data storage solutions for entry-level and SMB customers, with up to 15 terabytes of space. Its 2000 and 3000 series of network storage products are specifically designed for video, e-mail or archived storage needs. The "system on-a-chip" solution on the SCSI platform has been an award winner.

Switches

D-Link (India) Limited has the second largest market share within the switch space (according to IDC Report CY09), revenue wise. The company offers a wide range of products from unmanaged, managed and wireless to web smart switches. Its award-winning xStack line of switches offers advanced enterprise-class features with PoE, 10 GB and scalable chassis.

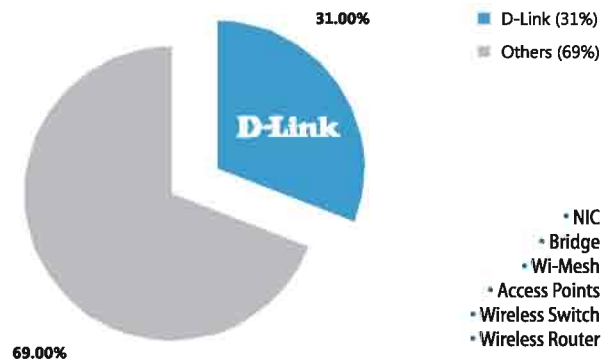
Switch Market Share



Network Security

The company has developed effective security features which can be deployed across platforms. XStack wireless APs offers support for advanced wireless encryption, rogue AP detection and centralised management while NetDefend is an enterprise-class VPN and firewall security solutions.

Router Market Share



Connecting with the Future

Towards achieving and then sustaining its market leadership, D-Link (India) Limited lays tremendous emphasis on technological innovations and working towards future technologies, well before they are introduced.

Efforts are underway to deploy the latest technologies of 3G and Wimax to device total networking and communication solutions. D-Link (India) Limited is also focussing on tapping the opportunities created by advent of IPTV.

This is expected to add a new dimension to D-Link (India) Ltd.'s telecom offerings. D-Link (India) Limited, has been fairly well placed in the SOHO/SMB segment in the CPE (Customer Premise Equipment) space and is in the process of expanding its scope by deploying solutions with 3G and IPTV, and is expected to be the next growth area.

Connecting with Customers

Marketing is one of the key functions at D-Link (India) Limited. It is looked upon as the medium of connecting with the company's existing as well as potential customers.

Programs and Road shows:

The company has launched and will continue to focus on this marketing route to promote its Consumer Solution Business Unit, Business Solution Business Unit and Solution Provider Business Unit.

Channel Partners:

The company considers its channel partners as a very integral part of its organizational structure and it believes in working very closely with the same. The company launches promotional schemes on a consistent basis to help the channel partners to enhance their business prospects.

D-Link (India) Limited also organizes seminars on a regular basis to keep its channel partners abreast with latest technological developments in the industry. An exclusive website has also been put up for the channel partners which has a data repository, tools and real case studies for knowledge up-gradation. This website is also used as a medium to offer partner certification programs which are substantiated with periodic classroom training.

Some of the events undertaken encompass:

D-Link Premier League' (DPL) - An exclusive nationwide channel promotional which gave partners an opportunity to fly to places like Hong Kong

and win many other exciting rewards.

Other channel promotion programs include Sales Incentive Programme, Secure Switch Promotion Program, March Bonanza, Jackpot offer etc.

Redefining the Marketing Connect:

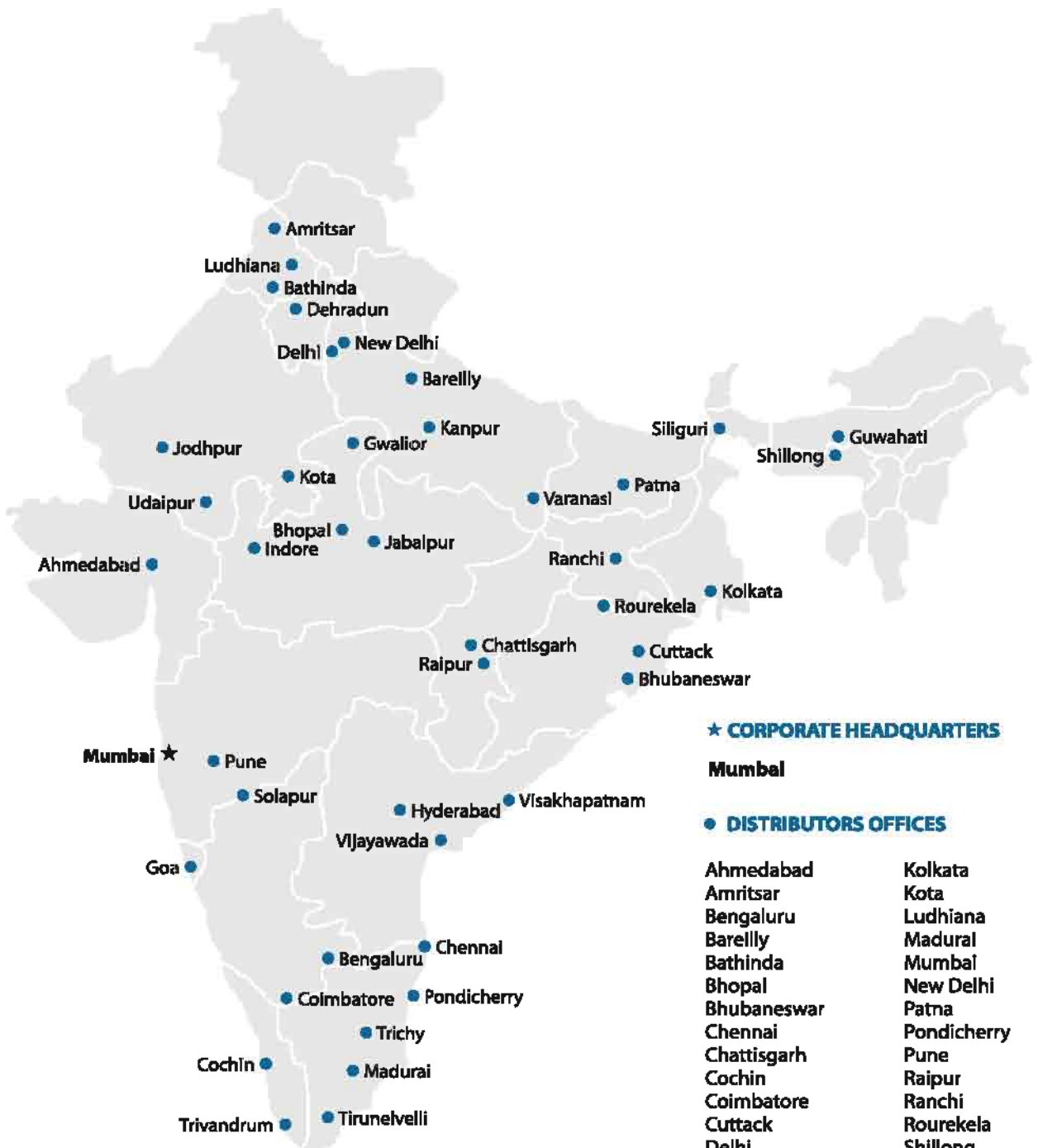
D-Link (India) Limited has appointed Ingram Micro India Pvt Ltd & Redington India Ltd as its National distributors to strengthen the sales support and resultantly the end-to-end customer support services.

The company has also signed up 82 business distributors to increasingly reach out to re-sellers and partners and in turn the end customers. D-Link (India) Limited's value proposition lies in the fact that it caters to a cross section of industries which offer huge potential in terms of IT deployment.

Further, a well developed marketing network with PAN Indian presence and products which feature high in terms of quality, technology and security provides D-Link (India) Limited the brand equity that it enjoys.



PAN-India Presence



★ **CORPORATE HEADQUARTERS**

Mumbai

● **DISTRIBUTORS OFFICES**

- | | |
|-------------|---------------|
| Ahmedabad | Kolkata |
| Amritsar | Kota |
| Bengaluru | Ludhiana |
| Bareilly | Madurai |
| Bathinda | Mumbai |
| Bhopal | New Delhi |
| Bhubaneswar | Patna |
| Chennai | Pondicherry |
| Chattisgarh | Pune |
| Cochin | Raipur |
| Coimbatore | Ranchi |
| Cuttack | Rourekela |
| Delhi | Shillong |
| Dehradun | Siliguri |
| Goa | Solapur |
| Guwahati | Tirunelveli |
| Gwalior | Trichy |
| Hyderabad | Trivandrum |
| Indore | Udaipur |
| Jabalpur | Varanasi |
| Jodhpur | Vijayawada |
| Kanpur | Visakhapatnam |

D-Link Green™



For a healthier planet

We at D-Link are committed to our social responsibility to help protect our environment. We are taking the initiative to improve on going green from three angles; to comply with green standards through meeting various certifications, reduce wastage and harmful chemicals by green packaging, and energy saving from green technology.

Certifications



D-Link actively works to reduce energy consumption, consciously striving to create products that fit within standards for a better environment. D-Link's current list of certifications includes the following:

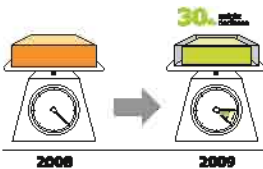


- ENERGY STAR
- ISO 14001
- ISO 9001
- RoHS
- TÜV STAR

Green Packaging

D-Link has adopted a green approach for packaging objectives. New compact packaging designs and eco-friendly materials result in notable reductions in materials used which improve shipping efficiency.

Packaging Size



The new revisions for consumer products have resulted in more than 30% decrease in the total weight of packaging materials.

Soy Ink

Use of the American Soy Bean Association-IM Soy Ink Seal certifies that D-Link recognizes its value as a renewable resource and alternative to petroleum-based inks.

Package Materials

Product boxes are now printed using eco-friendly Soy Ink derived from natural ingredients as opposed to traditional petroleum-based ink. In addition to being more bio-degradable and easier to recycle, images and print appear brighter than traditional ink. D-Link uses an inner paper tray made of 100% reprocessed paper pulp. The outer box is recyclable. The majority of printed materials included with the package use wood-free paper, and are printed in monochrome (black/white) rather than full spectrum.





July 2009

DSL-2640T awarded as Best Buy product by Digit - July 2009



2009

Best Company in LAN & WAN, Channel Champions, Best Product Quality, Best After Sales Support, Best Commercial Terms - 2009



JANUARY 2009

DIR-615 awarded as Best Performer by Digit - January 2009



D-Link awarded as Channel Champions 2009 Award - Home Networking



Compuvar Channel Awards 2009 - The Most Happening Vendor (Networking) - Information Technology Conclave - Orissa 2010



D-Link awarded as Channels Champions Award 2008 for Networking



Digit Channel Connect Top Selling Brand - Switching 2008/2009



Best Networking Products (Consumer) 2010 by Information Technology Conclave - Orissa 2010



D-Link conferred with VAR India Best Networking vendor & Most Trusted Brand 2009



DIR-300 awarded as Best Value Product by Chip Magazine - May 2009



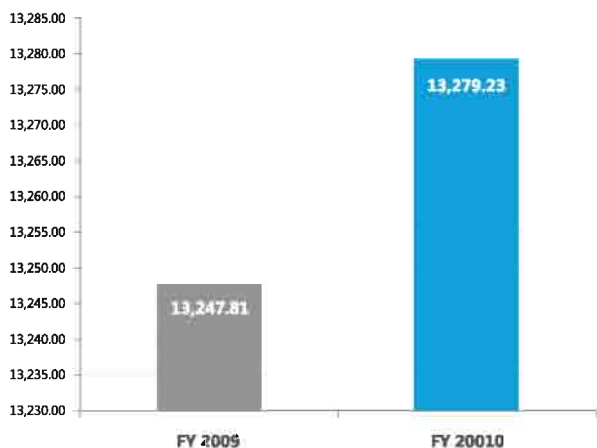
D-Link awarded as Channels Champions Award 2007 for Networking.



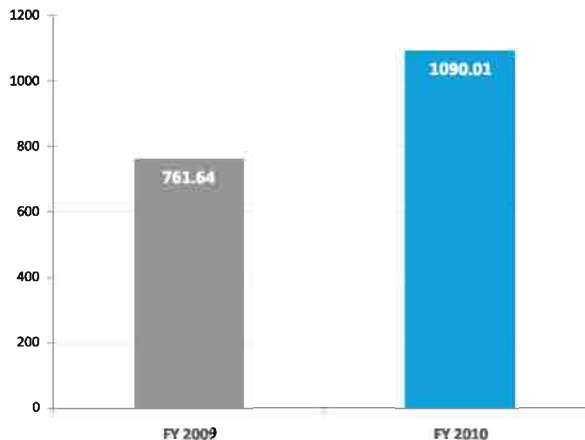
Most Valuable Principal awarded by Channel World (IDG Media), Bronze Winner - Wireless 2009

Financial Highlights: What the Numbers Say...

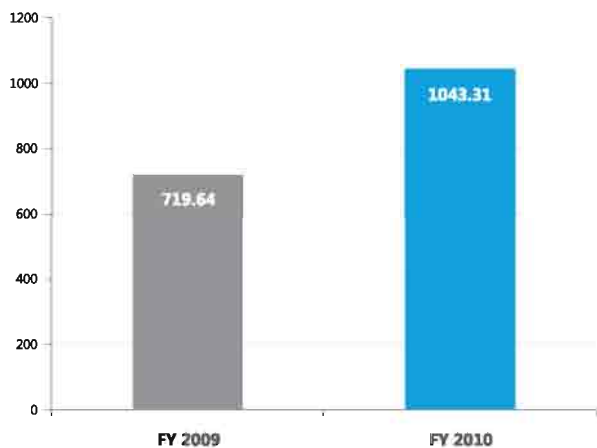
Net Sales / Income Operations
(Rupees in Lakhs)



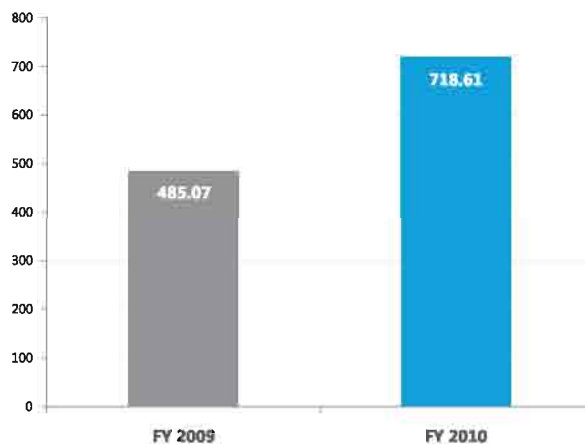
Profit Before Interest, Tax and Depreciation
(Rupees in Lakhs)



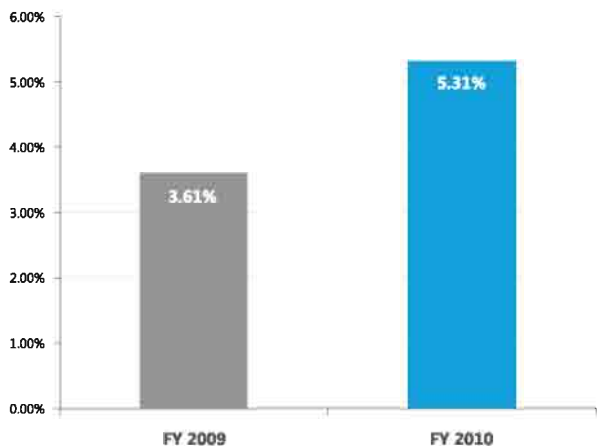
Profit Before Tax (PBT)
(Rupees in Lakhs)



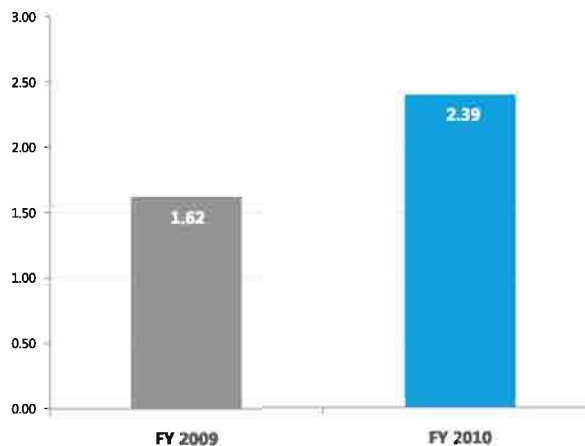
Net Profit After Tax (PAT)
(Rupees in Lakhs)



Net Profit Margins
(Percentages)



Earnings Per Share (EPS)
(Rupees)



Financial Highlights: Beyond the Numbers...

Brand Equity

Today, D-Link (India) Ltd. is synonymous with networking solutions. A high-end product basket coupled with prompt after sales service and a robust marketing strategy has led to the establishment of a strong brand across the country. This is underlined by the market leadership position the company enjoys in the segments it operates in.

In the Switches market, the company has 13.84 % market share which is second largest while in the WLAN segment it has the highest market share at 15.24% in revenue terms at the end of CY 2009.

India Focus – Huge Opportunities

D-Link (India) Ltd. focuses on the extremely potent Indian markets. Not only is the opportunity for new product and technology launches, huge, but there is tremendous scope for incumbent products as the broadband and telecom penetration increases across the country.

The IT market in India is expected to grow by 11 percent from 2009 until the end of 2013 as per Gartner and this results in a huge opportunity for the company.

Nation Wide Reach

D-Link (India) Ltd. caters to a cross section of industry and has a PAN Indian presence. It has an intricate marketing network of a National as well as Regional distributors in addition to its 17 Branch offices. This ensures constant efforts at tapping the potential markets as well as supplying products to the company's markets assuring their availability.

Strong Parentage, Management Team & Global Backing

The company is backed by D-Link Corporation of Taiwan which has 158 local sales office in 71 countries. It also has Regional warehouse in 10 countries with RMA centres in 38 countries.

The global experience is further accentuated by an erudite panel of Board of Directors backed by a strong second line of management. D-Link Corporation has

over two decades of expertise in networking to deliver high quality business solutions.

Technology

Armed with five global R&D Centres, the company now has a Product portfolio with over 500 products for Consumer, SMB, Enterprise and Telecom markets across the globe.

The company has deep domain expertise in the field of networking and communication which is reflected in its market leadership across several product categories.

A leading designer and manufacturer of technology, several awards and recognitions won by the company bear testimony to the fact of its excellence.

Strong after Sales Support

Robust systems and processes are in place to cater to the specific after sales support required by D-Link (India) Ltd.'s customers.

It entails technical as well as a web based support which provides access to a pool of technical documents including installation and configuration guides, release notes, frequently asked questions, management information systems and hardware support system. This enables the company to replace a product if it is declared 'Dead on Arrival' within 10 days of shipment by the said partner's inspection team.

Driving Strategic Global Alliances

D-Link (India) Ltd. has entered into strategic alliances with leading IT companies in the global arena resulting in its enhanced global presence. These alliances broaden the realms for the company in terms of service offering, new technology, business processes and markets.

Some of its important alliances are with marquee names like Dell, Alcatel – Lucent, Intel, Sony, Acer, AT & T etc. Thus when the product is launched in India, the company has significant global experience and is also able to sell it at a competitive rate.

Director's Report

To the Members,

The Board of Directors of your Company has pleasure in presenting their 2nd Annual Report together with Audited Balance Sheet and Profit & Loss Account for the financial year ended 31st March 2010.

1. Financial Results and Appropriation:

Rs. in Millions

Particulars	2009 - 2010	2008 - 2009
Turnover (Gross)	1327.92	1324.78
Profit Before Depreciation and Tax	108.10	74.21
Less: Depreciation for the year	3.77	2.24
Profit Before Tax (PBT)	104.33	71.96
Less: Provision for Tax		
a) Current Tax	29.00	20.50
b) Deferred Tax	3.47	0.96
c) Fringe Benefit Tax	-	2.00
Profit After Tax	71.86	48.50
Amount available for Appropriations	457.53	425.72
Transfer to General Reserve	7.19	4.86
Proposed Dividend	30.00	30.00
Tax on Dividend	4.98	5.18
Balance carried fwd. to Balance Sheet	415.35	385.67
Earning per Share (Rs.)	2.39	1.62

2. Operations Review :

The turnover of the Company was Rs. 1327.92 million as compared to the previous year turnover of Rs. 1324.78 million and earned a net profit of Rs. 71.86 million as compared to the profit of Rs. 48.50 million for the previous year.

3. Listing of Equity Shares:

The Company's Equity Shares allotted on 26th June, 2009 in terms of the Scheme of Arrangement, are

listed and traded on the Bombay Stock Exchange and the National Stock Exchange of India Limited effective from 18th December 2009.

4. Dividend:

The Board of Directors of the Company, recommends dividend of Re.1/- per share (i.e. 50% on paid up capital) to be paid if approved by the Members at the ensuing Annual General Meeting.

5. Awards & Recognition

Your Company has received the following awards during the year under review:

- D-Link retains CRN - Channels Champions Award 2009 for most preferred networking Company for Home Networking.
- DCC Digit Channel Connect – Top Selling Brand in Switching
- MVP Award Channel World - Most Valued Principal in Wireless – Bronze
- VAR India Award - Best Networking vendor & Most Trusted Brand
- COMPASS - 2009-10, Best Networking Brand in the Compass Exhibition in March 2010.
- ITAO 2010 AWARD - Best Networking Products – Consumer category 2010.
- DQ Channels Channel Choice 2009- Best Wired Networking Company, Best Wireless Networking Company, Best Commercial Terms - Gold Award, Channel Champions - Silver Award, Best Product Quality - Silver Award, Best After Sales Support - Silver Award
- Compuvar Award- The Most Happening Networking Vendor in North East

These awards are the recognitions for the Info Tech vendors, solution providers and partners for their relentless and sincere efforts towards the growth of Indian IT Industry.

Director's Report

6. Directors :

During the year, Mr. C. M Gaonkar, Chief Finance Officer, has been appointed as Additional Director of the Company with effect from January 28, 2010 and Executive Director and Chief Finance Officer from March 1, 2010.

Mr. Satish Godbole has resigned as Alternate Director to Ms, Hui Lin and has been appointed as Additional Director with effect from March 23, 2010.

During the year, Mr. K R Naik, Director of the Company resigned from the Board effective from January 28, 2010. The Board of Directors wishes to place on record its appreciation of the services rendered by him during his tenure as director of the Company.

Ms. Hui Lin Chen Lin, Director, will be retiring at the ensuing Annual General Meeting and is eligible for re-appointment. Mr. C. M Gaonkar, and Mr. Satish Godbole appointed as additional directors will vacate their office in terms of section 260 of the Companies Act 1956 at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

7. 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 the date of Balance Sheet.

8. Management Discussion and Analysis:

The Management Discussion & Analysis including the result of operations of the Company for the year under review, as required under clause 49 of the listing agreement with the stock exchanges, is appended to this report.

9. Corporate Governance :

The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement forms part of the Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions

aforesaid Clause 49, is attached to this Report.

The Ministry of Corporate Affairs has put forward a set of voluntary guidelines in December 2009, to be followed by the corporates called as "Corporate Governance - Voluntary Guidelines 2009". The Company is looking forward to implement the recommendations.

10. Auditors:

The Auditors, M/s Deloitte Haskins & Sells, Chartered Accountants, retire at the ensuing Annual General Meeting and are eligible for reappointment.

11. 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 Accounts.

12. Particulars of Employees :

Particulars of employees as required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, 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.

Director's Report

13. Director's Responsibility Statement:

Pursuant to the provisions of Section 217(2AA) of the Companies (Amendment) Act, 2000, the Directors hereby state and confirm that

- a) in the preparation of annual accounts, the applicable accounting standards have been followed
- b) 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 true and fair view of the state of affairs of the Company as at March 31, 2010 and the profit of the Company for the year ending on March 31, 2010.
- c) 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.

- d) the annual accounts have been prepared on a 'going concern' basis.

14. Acknowledgements:

Your Directors record the appreciation of the goodwill and wholehearted support of the valued customers, shareholders, clients, vendors, dealers, distributors, and bankers throughout the year.

Your Directors wish to express their gratitude and record their sincere appreciation of the dedicated efforts of all the employees, their commitment and professionalism despite the particularly challenging environment.

For and on behalf of the Board

Mumbai
Dated: May 28, 2010

C. M. Gaonkar
Executive Director & CFO

Gary Yang
Managing Director

A large, three-dimensional graphic of the D-Link logo, rendered in a light grey color, set against a dark, textured background. The letters are thick and have a slight shadow, giving them a 3D appearance.

Management Discussion and Analysis Report

Industry structure and developments:

The Indian economy was a relative outperformer amidst the global ruins in Financial Year 2009-10. But, worldwide it was a year of recession and the IT industry was also impacted. While the global economy is not yet completely out of the woods, there are now signs of recovery.

Globally, IDC has forecast a 3% growth in worldwide IT spending at constant currency, and if the U.S. dollar weakens in 2010, the actual recorded growth of IT spending in USD may be significantly higher.

Further, global IT spending is forecasted to reach USD 3.4 trillion in 2010, a 4.6 percent increase from IT spending of USD 3.2 trillion in 2009, according to Gartner. The IT industry will continue to record steady growth with global IT spending in 2011 projected to surpass USD 3.5 trillion, a 4.2 percent increase from 2010.

Information Technology spending in India is estimated to grow by 14 percent in 2010 to USD 67 billion on higher investments by retail and utility firms and Government departments, according to Gartner. The IT market in India, including computer hardware, software, IT services and telecom is expected to increase to about USD 89 billion in 2013, posting a compounded annual growth rate of 11 per cent from 2009.

This is expected to lead to enhanced demand for the products of D-Link (India) Ltd., which as per industry reports had a total available Enterprise Networking Equipment market size approximating Rs. 20,000 crores, including Voice Solutions, Routers, Switch, W-LAN, Storage, Modems, Network Management, Networking Integration, etc. In the year 2007-2008, the total Enterprise Networking Equipment market size was around Rs. 15,000 crores, suggesting a growth in demand of 44 %.

During the financial year 2009, the Networking Switching segment registered a 91% growth to record a market size of Rs. 4,500 crores. Wireless Technology growth rate in terms of revenue is 26.1 %. Broadband infrastructure was estimated to be around Rs. 2,500 crores in FY 2009-10.

The IP Telephony business continued its upward trajectory, registering a growth of 7.3% through the fiscal under review. Furthermore, the network storage market also recorded a negative growth of -7% during FY 2009-10.

Growth in the enterprise equipment segment was 31.3% in FY 2009-10. Routers, modems and switches contributed 60% of the total Enterprise Networking Equipment.

The growth rate of routers was 65% during FY 2009-10. The router market size reached Rs. 3,300 crores.

The switch segment recorded a market size of Rs. 4,500 crores in FY 2009-10.

The year 2009 witnessed a downturn in the Enterprise Networking industry as per Gartner, in terms of value as well as volume, primarily due to a lack of spending by users.

Even India, which was not as affected, was witness to some reduction in IT spending. Gartner estimates that the networking market worldwide contracted by 19% over 2008. However, the Asian market fared comparatively better.

While spending has contracted in the networking space, certain segments within the networking industry fared better than the rest. The biggest gainers have been LAN and WAN equipment. Further, Gartner research suggests that there is growing demand for wireless LAN.

The year 2009, saw the network security equipment as well as application acceleration equipment continue its growth momentum. The demand for the latter emerged from the need to curtail operational expenditure.

In terms of Industry Verticals, the biggest vertical spenders for networking are the financial institutions, manufacturing sector, IT segment and the government sector.

While India was affected to a limited extent on account of the economic slowdown, demand is expected to pick up from 2010 onwards.

Management Discussion and Analysis Report

The industry saw spending from Government, Education, Retail and Manufacturing while sectors like BFSI, Telecom & ITeS, especially Global and Multi National Companies were a bit restrained in their spending during the year 2009.

Network spending is primarily dependent on business performance and employment. As the number of employees grows, the need for a PC and network connectivity is bound to increase. Hence, the overall recovery in the economy is expected to boost the prospects of D-Link (India)'s business with higher demand from the above mentioned industries.

D-Link's Competitive Positioning

D-Link (India) Ltd. offers a wide range of products and solutions that include Network Switching, Wireless LAN, Routing, Network Security, IP Surveillance, Network Storage, VOIP and Broadband. D-Link is an award winning designer, developer and manufacturer of networking, broadband, digital electronics, voice, data and video communications solutions for the Enterprise Environments, Small Office / Home Office (SOHO), Small to Medium Business (SMB), Digital Home and Workgroup. Following its demerger in 2008, D-Link (India) Ltd. has realigned its strategy to emerge stronger as an end-to-end Networking Solutions Provider.

Switch - Accounting for 42% of the switch market (port wise) D-Link (India) Ltd. has the largest market share within the switch space (according to IDC Report CY09). The company offers the complete range of switching solutions which includes Chassis, L3/L2 Managed, Web Smart and Un-managed switches.

Wireless products - D-Link (India) Ltd. is an industry pioneer in the seamless convergence of cost-effective wired and wireless networking. Its product portfolio includes Business Class Access Points, Unified Switching Solutions, and Long Distance Wireless. Wireless LAN stand-alone access point unit shipments for mid-and-large-size enterprises in 2009.

As per IDC, D-Link (India) Ltd. is the market leader in terms of Units shipped in CY 2009. It has a significant share of about 27% in the total market share.

In a separate Global Market share report by Gartner, D-Link enjoys the lead position in worldwide Wireless LAN stand-alone access point unit shipments for mid-and-large-size enterprises in 2009.

Network storage - The company offers Network Attached Storage and Storage Area Network Solutions.

Network security - The company has developed effective security features that cater to multiple platforms and offers UTM (Unified Threat Management) Solutions.

IP surveillance - D-Link (India) Ltd. offers a wide range of IP based Surveillance Cameras with Wired and Wireless options. D-Link (India) Ltd. IP Surveillance solutions are rightly integrated with NVR (Network Video Recorder) Solutions for storage.

D-Link offers the complete range of IP Surveillance which includes Stand Alone Network Cameras, Pan Tilt Zoom Cameras, Dome Cameras (Day & Night Cameras), Box Cameras and Outdoor Cameras.

D-Link Green

There is a high demand for more environmental friendly products and services across the globe and IT is no exception to this trend. Awareness of Green IT is also increasing and customers are very aggressively exploring the Green alternatives available.

Consumers are demanding more environment friendly products/solutions that can enable high-performance computing while satisfying ecological concerns.

The impending Global Warming crisis is a real one and it affords an opportunity for Indian corporates to monetize through carbon credits and the IT channel can also leverage & benefit from this trend.

D-Link is also an ENERGY STAR partner, and works to create energy-efficient products and practices. The company undertakes special measures to design its products to be free of toxic chemicals in line with the RoHS directive and has set up recycling programs that meet WEEE guidelines.

Management Discussion and Analysis Report

D-Link Green also includes the creation of the world's first green networking technology, which facilitates reduction of power consumption to a great extent through its products.

Besides the business opportunity, D-Link Green is a way of life at D-Link (India) Ltd., in terms of having a paperless office, high employee awareness as regards water and energy conservation besides other initiatives.

Future Outlook - Opportunities & Threats

D-Link (India) Ltd. has a multi-pronged strategy to growth. It intends tapping new technologies and focusing on highly potent industry verticals through the launch of new and innovative products and solutions. With the increase in broadband penetration, the subscriber base is set to increase which will result in demand for CPE (Customer Premise Equipment). This is expected to assist D-Link (India) Ltd. to focus and increase revenue in the CPE sale as D-Link (India) Ltd. has been a leader in the SOHO/SMB segment.

Today, D-Link (India) Ltd. is also one of the key players in the Enterprise segment. D-Link (India) Ltd. has been working very closely with SI Partners (System Integrators) and continues to position itself as an application service provider in the enterprise space. At the same time D-Link (India) Ltd. will continue to focus on other important and emerging verticals like Government, Education, BFSI, Manufacturing, etc.

Further, D-Link (India) Ltd. also plans to leverage its strength in the switching business, and to look at cross-selling opportunities such as the integration of IP surveillance to further strengthen its footprint in the surveillance and security market.

Newer technologies offer good opportunities for D-Link (India) Ltd. and the company has been proactively focusing on newer technologies like 3G, IPTV, etc to add a new dimension especially to Telecom offerings. D-Link (India) Ltd. has been fairly well placed in the SOHO/SMB segment in the CPE space and would like to take advantage of the same by introducing the 3G/IPTV CPE which will further grow D-Link (India) Ltd. revenues.

The pace of implementation of e-governance projects in several States under the Centrally sponsored National e-Governance Plan (NeGP) appears to be on the fast track. Going by the DIT data, the status of implementation of the State Data Centre (SDC) project appears to be progressing at a reasonable pace. The SDCs have been envisaged for the states to consolidate services, applications and infrastructure to provide efficient electronic delivery of services.

With the Government's increased thrust on Education, D-Link (India) Ltd. has aligned to D-Link Corporation Global thrust on Education Vertical Focus. D-Link now offers end-to-end Network Infrastructure Solution which is in line with D-Link philosophy of Value Proposition Vs Performance. In the year 2009 the company conducted 'bits2009' which was an end-customer enablement seminar series and Education vertical was one of the focus element under bits2009 event. D-Link (India) Ltd. is also creating case study materials which would further propagate its solution centric approach for Education segment.

Human Resources

D-Link (India) Ltd. strongly believes that the most important and valuable business asset for any organization is its 'Human Resource'.

The total number of employees as at 31st March 2010 was 150 employees. Thus it is a consistent and a constant endeavour at the company to create a unique and powerful work atmosphere, whereby everyone is given an equal opportunity to learn & grow simultaneously. As part of D-Link (India) Ltd. culture, every one is motivated to take leads, explore new ideas and voice their opinions.

At D-Link (India) Ltd., HR is integrated within the business framework which provides the foundation for building the skill-sets required for tomorrow. D-Link understands 'Knowledge' is the key to success and so 'ACADEMY' ensure that the learning curve of every D-Link employee is faster and also with greater depth of knowledge.

In addition to this, the Company has also introduced an innovative e-Learning certification course that aims to provide all D-Link employees with up-to-date

Management Discussion and Analysis Report

programs that will nurture them into a competent and proficient individual. D-Link (India) Ltd. eLearning certification program intends to showcase an interesting way of learning where all the content is uploaded online & learning sessions are made available 24x7.

While everyone at D-Link (India) Ltd. is busy working towards achieving their individual career goals, HR team makes sure that they create a work atmosphere that can provide every D-Link employee with the best career experience.

One such program is iAppreciate, a Thank-You Recognition Program that recognizes employees for their accomplishments in a manner that is meaningful to D-Link employees, appreciating them for their efforts and making them feel their work is valuable.

This in the long term enables the organization as a whole to evolve on a continuous basis.

Financial Review

During the financial year 2009-10, the Company reported revenues of Rs. 1327.92 million.

Key drivers for D-Link (India) Ltd.'s top line growth are the focus on core products and strengthening of the channel business.

The Company's bottom line growth was improved because of the exchange gain of Rs.10.25 million

Operational Review

Operating Profits, comprising Profit before Depreciation, Interest and Tax was at Rs. 109.00 million for the current period. Depreciation stood at Rs. 3.77 million, during the year.

D-Link (India) Ltd. recorded a cash profit of Rs. 108.10 million.

Profit before Tax stood at Rs. 104.33 million in the current period. The Net profit after Tax for the current year is Rs. 71.86 million.

Key Risks

1. Technological Obsolescence: Given the highly technological nature of the business, this is a common industry risk. The company focuses on research and development and with continuous focus on innovation tries to keep advancing its technology and set benchmarks in the industry.

2. Competition: The company operates in a highly competitive environment. However, through dedicated marketing efforts and brand building exercises, it has managed to create a distinct identity for itself. Further technological advancement provides it with the key competitive edge.

3. Rising Costs: The company has established itself as a market leader in the networking space and enjoys economies of scale which enables it to maintain some control over its input costs.

Internal Control Systems

D-Link (India) Ltd.'s internal control systems and processes abide by the various relevant laws and regulations and industry standards.

The Independent Chartered Accountant firm have been appointed, to monitor Internal Audit functions of the organisation, which oversees the implementation and adherence to various systems.

Independence of the audit is ensured by direct reporting by the Internal Auditors to the Audit Committee of the Company.

Consequently, proven risk management measures are an intrinsic part of the Company's functioning process.



Report on Corporate Governance

The detailed report on Corporate Governance as per the format prescribed by 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 believes 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.

COMPLIANCE WITH THE CLAUSE 49 OF THE LISTING AGREEMENT

The equity shares of the Company were listed on The Bombay Stock Exchange Limited and The National Stock Exchange of India Limited with effect from December 18, 2009 pursuant to the Scheme of arrangement between Smartlink Network Systems Limited and the Company.

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, 2010.

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 Director	Category
Mr. A. P. Chen [Ⓔ]	Non Executive Director and Chairman
Mr. Gary Yang [Ⓓ]	Executive Director
Mr. C. M. Gaonkar [*]	Executive Director and Chief Finance Officer
Mr. Rajaram Ajaonkar	Non-Executive and Independent
Ms. Hui Lin Chen Lin	Non-Executive and Independent
Mr. Satish Godbole [■]	Non-Executive and Independent
Mr. K. R. Naik [#]	Non Executive Director

[Ⓔ] Mr. A. P. Chen has been appointed as Chairman effective from January 28, 2010.
[Ⓓ] Mr. Gary Yang has been appointed as Managing Director effective from July 15, 2009.
^{*} Mr. C.M. Gaonkar has been appointed as Additional Director effective from January 28, 2010 and Executive Director and CFO from March 1, 2010.
[■] Mr. Satish Godbole has resigned as Alternate Director to Ms. Hui Lin Chen Lin and has been appointed as Additional Director effective from March 23, 2010.
[#] Mr. K. R. Naik ceased to be Director with effect from January 28, 2010.

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

Name of the Director	Meetings Held	Meetings Attended	Attendance at Last AGM
Mr. A. P. Chen	8	3	Present
Mr. Gary Yang	8	5	Present
Mr. C. M. Gaonkar [*]	8	2	Present
Mr. Rajaram Ajaonkar	8	8	Present
Ms. Hui Lin Chen Lin	8	NIL	Absent
Mr. Satish Godbole [■]	8	8	Present
Mr. K. R. Naik [#]	8	7	Present

^{*} Mr. C. M. Gaonkar has been appointed as Additional Director effective from January 28, 2010 and Executive Director and CFO from March 1, 2010. Mr. C. M. Gaonkar has attended two Board Meetings held during the term of his directorship.
[■] Mr. Satish Godbole was Alternate Director to Ms. Hui Lin Chen Lin upto March 23, 2010 and attended Seven Board Meetings held during his tenure as Alternate Director and One Board Meeting as Additional Director.
[#] Mr. K. R. Naik ceased to be Director w.e.f., January 28, 2010 and had attended Seven Board Meetings during the term of his directorship.

Report on Corporate Governance

c) Number of other Directorship and Chairmanship/Membership of Committees of each Director in other Companies

Name of Director	No. of Directorships in other Companies (excluding private / foreign Companies)	No. of Chairmanship / Membership in other Board Committees ♦
Mr. A. P. Chen	NIL	NIL
Mr. Gary Yang	NIL	NIL
Mr. C. M. Gaonkar	2	NIL
Mr. Rajaram Ajgaonkar	1	NIL
Ms. Hui Lin Chen Lin	NIL	NIL
Mr. Satish Godbole	NIL	NIL

♦ Committees considered are Audit Committee and Shareholders / Investors Grievance Committee

d) Number of Board Meetings held and the dates of the Board Meeting;

The gap between two Board Meetings did not exceed four months. Eight Board Meetings were held during the Financial Year 2009-10 on the following dates:

June 13, 2009	June 26, 2009	June 27, 2009	July 18, 2009
August 18, 2009	November 10, 2009	January 28, 2010	March 23, 2010

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, are as follows:

A. Powers of Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise if it considers necessary

B. Role of Audit Committee :

- 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.

- Recommending the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditor and the fixation of audit fees.
- Approval of payment to Statutory Auditors for payment of any other services rendered by the Statutory Auditors.
- Reviewing, with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and the reasons for the same.
 - Major accounting entries involving estimates based on exercise of judgment by management.

Report on Corporate Governance

- 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 approval.
6. Reviewing, with the Management, 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 Audit Committee was reconstituted on January

28, 2010 and March 23, 2010. The composition of the reconstituted Audit Committee is as under:

Mr. Rajaram Ajgaonkar - Chairman
 Mr. A. P. Chen[⊗]
 Ms. Hui Lin Chen Lin
 Mr. Satish Godbole[■]
 Mr. K. R. Naik[#]

⊗ Mr. A. P. Chen was appointed as member of Audit Committee effective from January 28, 2010.

■ Mr. Satish Godbole has been appointed as member of Audit Committee effective from March 23, 2010.

Mr. K. R. Naik has ceased to be Director and Member of the Audit Committee effective from January 28, 2010.

The Company Secretary of the Company acts as the Secretary to the Audit Committee. All the Directors on the Committee are financially literate and Mr. Rajaram Ajgaonkar, Mr. A. P. Chen and Mr. Satish Godbole have expertise in Finance.

c) Meetings and Attendance during the year:

The Equity Shares of the Company were listed with effect from December 18, 2009. During the applicable period from December 18, 2009 to March 31, 2010, one Audit Committee Meeting was held on January 28, 2010.

During the year under review, the Company held three Audit Committee meetings. The attendance of each member at these Committee Meetings is given below;

Name of the Director	Meetings Held	Meetings Attended
Mr. Rajaram Ajgaonkar - Chairman	3	3
Mr. A. P. Chen [⊗]	-	-
Ms. Hui Lin Chen Lin [■]	3	-
Mr. Satish Godbole [■]	3	3
Mr. K. R. Naik [#]	3	3

⊗ Mr. A. P. Chen was appointed as member of Audit Committee effective from January 28, 2010. There was no Audit Committee Meeting for the period from January 28, 2010 to March 31, 2010.

Mr. K. R. Naik has ceased to be Director and Member of the Audit Committee with effect from January 28, 2010.

■ Mr. Satish Godbole was Alternate Director to Ms. Hui Lin Chen Lin upto March 23, 2010 and appointed as Additional Director effective from March 23, 2010. He attended all three Audit Committee Meetings held during his tenure as Alternate Director.

Report on Corporate Governance

The Chairman of the Audit Committee Mr. Rajaram Ajgaonkar was present at the previous Annual General Meeting of the Company.

4. REMUNERATION COMMITTEE

The Company has not set up any Remuneration Committee till date. The remuneration paid to the Directors for the year ended 31st March 2010 is given below:

- A) Remuneration to Directors
a) Executive Directors:

Executive Directors	Salary, Contribution to P.F, Perquisites & Commission
Mr. C. M. Gaonkar ♦	152,700/-
♦ Mr. C.M. Gaonkar has appointed as Executive Director and CFO from March 1, 2010.	

Salient features of terms of appointment of Executive Directors;

Particulars	Mr. C. M. Gaonkar	Mr. Gary Yang
Salary	Rs. 45,000/- per month subject to the ceiling of Rs. 100,000/- per month.	NIL
Special Allowances	Rs. 85,750/- per month subject to the ceiling of Rs. 150,000/- per month	NIL
Performance linked variable pay	Performance linked variable pay and / or any other compensation as may be decided by the Board from time to time the same may be made on a pro-rata basis every month or on an annual basis subject to maximum of Rs. 4,00,000/-per annum.	NIL
House Rent Allowances	Housing Rent Allowance equivalent to 40 % of the Basic Salary	NIL
Perquisites	a) Company car for official use. b) Reimbursement of medical expenses incurred for self and family subject to the ceiling of 15,000/- p.a. c) Use of telephone/internet/mobile. d) Entitled to provident fund and gratuity, Encashment of earned leave as per the rules of the company. e) Medical, Life Insurance and group personal accident insurance coverage as per the company policy. f) All the payments in the nature of perquisites and allowance agreed by the Board from time to time.	NIL
Terms of appointment	Appointed for a period of five years with effect from March 1st 2010.	Appointed as Managing Director for a period of four years effective from July 15, 2009.
Notice Period	Three months notice in advance by either party.	Two months notice in advance by either party.
Severance fees	Three months salary and perquisites in lieu of notice.	None.

Note : The appointment of Mr. C. M. Gaonkar is subject to approval at the ensuing Annual General Meeting.

Report on Corporate Governance

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

Details of sitting fees paid/payable to the Non Executive Directors for the period under review are as under:

Non-Executive Directors	Sitting Fees
Mr. A. P. Chen	Rs. 45,000/-
Mr. Rajaram Ajgaonkar	Rs. 135,000/-
Ms. Hui Lin Chen Lin	NIL
Mr. Satish Godbole	Rs. 135,000/-

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

The Company has paid dividend to the following Non-Executive Directors:

Name of the Non-Executive Director	Number of Shares held	Amount of Dividend Paid during the year 2009 -2010 (Amt in Rs.)
Mr. A. P. Chen	50,000	50,000/-
Mr. Rajaram Ajgaonkar	NIL	NIL
Ms. Hui Lin Chen Lin	NIL	NIL
Mr. Satish Godbole	50	50/-

5. SHAREHOLDER'S /INVESTORS GRIEVANCE COMMITTEE

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.,

Composition

The Investor's Grievance Committee was reconstituted on March 23, 2010. Mr. Satish Godbole was appointed as the Chairman and Ms. Hui Lin Chen Lin was appointed as the member of the Committee. Mr. K. R. Naik has ceased to be the member of the Investor Grievance Committee. The composition of the reconstituted Investor Grievance Committee is as under:

Name of Member	Designation
Mr. Satish Godbole	Chairman
Mr. Gary Yang	Member
Ms. Hui Lin Chen Lin	Member
Mr. Rajaram Ajgaonkar	Member

Name and Designation of Compliance Officer – Shrinivas Adkesar, Company Secretary

Report on Corporate Governance

The Investors Grievance Committee did not meet during the year since there was no physical transfer of shares or unresolved complaints.

During the year Company had received 26 complaints from the shareholders and the same were attended and resolved to the satisfaction of the shareholders.

6. GENERAL BODY MEETINGS

Location and time, where last three AGMs were held:

The company was incorporated on May 26, 2008 and the shares of the Company were listed on December 18, 2009. The detail of the first Annual general meeting and special resolution passed is given below;

Location	Date	Time
L-7, Verna Electronic City, Verna Plateau, Verna, Goa - 403722	September 25, 2009	10.00 a.m.

Whether Special Resolutions passed: Special Resolutions passed by the company at the last Annual General Meeting is as under ; Setting up of Employee Stock Option Scheme for employees of the Company.	YES
a) Were put through postal ballot last year Details of Voting pattern Voting Votes cast in favour Votes cast against Total Result Person who conducted the postal ballot exercise	NO N/A
b) Are proposed to be conducted through postal ballot Brief Procedure for Postal Ballot:	NO N/A

7. 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 interest of the Company.
- b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange 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.

Report on Corporate Governance

8. MEANS OF COMMUNICATION

Quarterly Results	Published in Newspapers.
Newspapers normally published in	The Economic Times, Business Standard, The Navhind Times (in English) Lokmat (in Marathi)
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	N/A
Whether MD & A is a part of Annual report or not	Yes

9. GENERAL SHAREHOLDER INFORMATION

- Annual General Meeting**
 Date and Time : Friday, the September 3, 2010. Time 11.00 a.m.
 Venue : Kesarval Garden Retreat , Kesarval, Cortalim, Verna, Salcette, Goa – 403722.

- Financial Year**

Particulars	Date
First Quarter Results	On or before August 14, 2010
Second Quarter Results	On or before November 14, 2010
Third Quarter Results	On or before February 14, 2011
Audited Annual Results	On or before May 30, 2011

- Dates of Book Closure:**
 The Register of members and the Share transfer register will remain closed for a period of 7 days from Friday, the August 13, 2010 to Thursday, the August 19, 2010 (both days inclusive)
- Market Price Data:**
 Stock High/Low price since listing of shares during last financial year 2009-2010 and Performance in comparison to broad- based indices viz., BSE Sensex and NSE Nifty;

Item	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
Dec-09	55.00	25.55	17,530.94	16,577.78	65.00	28.55	5,221.85	4943.95
Jan-10	39.00	27.20	17,790.33	15,982.08	38.95	27.15	5,310.85	4,766.00
Feb-10	31.50	24.80	16,669.25	15,651.99	31.45	24.50	4,992.00	4,675.40
Mar-10	30.10	24.05	17,793.01	16,438.45	30.90	20.30	5,329.55	4,935.35

Note: Equity shares of the Company were listed on BSE and NSE on December 18, 2009.

Report on Corporate Governance



5. **Dividend Payment Date:**
The Dividend warrants will be sent to all shareholders on or after September 7, 2010.
6. **Listing on Stock Exchanges**
The shares of the Company have been listed on The Bombay Stock Exchange Ltd. Mumbai and The National Stock Exchange of India Limited w.e.f. December 18, 2009. The initial and annual listing fees were paid to the Stock Exchanges.
7. **Stock Code**

The Stock Exchange	Stock Code
Bombay Stock Exchange Limited	533146
National Stock Exchange of India Limited	DLINKINDIA
ISIN Number for NSDL/CDSL	INE250K01012
8. **Registrar and Share Transfer Agents**
Karvy Computershare Private Limited, Plot No.17 To 24 Vittalrao Nagar, Madhapur, Hyderabad - 500 081
Phone No. 040-23420818 To 820, 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 30 days of receipt of the documents, provided all documents are valid and complete in all respects.
10. **Distribution of Shareholding as on 31.03.2010**

Sl. No.	Category (Shares)	No. of Holders	No. of Shares	% to Equity
1	1 - 500	17,724	2,413,093	8.04
2	501 - 1000	1,153	953,220	3.18
3	1001 - 2000	498	770,425	2.57
4	2001 - 3000	184	471,630	1.57
5	3001 - 4000	85	308,274	1.03
6	4001 - 5000	68	321,790	1.07
7	5001 - 10000	107	768,680	2.56
8	10001 and above	107	23,997,738	79.98
	TOTAL	19,926	30,004,850	100.00

Report on Corporate Governance

11. Shareholding Pattern as on 31st March 2010.

Code	Category of Shareholder	No. of Shareholders	Total No. of Shares	Percentage
(A)	Shareholding of Promoter and Promoter Group			
(1)	INDIAN			
(a)	Individuals/ Hindu Undivided Family	-	-	-
(b)	Central Government/ State Government(s)	-	-	-
(c)	Bodies Corporate	-	-	-
(d)	Financial Institutions/ Banks	-	-	-
(e)	Any Others (Specify)	-	-	-
	Sub Total (A) (1)	-	-	-
(2)	FOREIGN			
(a)	Individuals (Non-Residents / Foreign Individuals)	-	-	-
(b)	Bodies Corporate	1	18,114,663	60.37
(c)	Institutions	-	-	-
(d)	Any Others (Specify)	-	-	-
	Sub Total (A) (2)	1	18,114,663	60.37
	Total Shareholding Promoter Group (A) = (A)(1)+(A)(2)	1	18,114,663	60.37
(B)	Public shareholding			
(1)	INSTITUTIONS			
(a)	Mutual Funds/ UTI	-	-	-
(b)	Financial Institutions / Banks	3	2,430	0.01
(c)	Central Government/ State Government(s)	-	-	-
(d)	Venture Capital Funds	-	-	-
(e)	Insurance Companies	-	-	-
(f)	Foreign Institutional Investors	5	1,216,317	4.05
(g)	Foreign Venture Capital Investors	-	-	-
(h)	Any Other (specify)	-	-	-
	Sub-Total (B) (1)	8	1,218,747	4.06
(2)	NON-INSTITUTIONS			
(a)	Bodies Corporate	553	1,219,275	4.06
(b)	Individuals	-	-	-
(i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	19,037	6,198,645	20.66
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	11	2,077,974	6.93
(c)	Trusts	1	415,375	1.38
(i)	Non Resident Indians	218	275,181	0.92
(ii)	Clearing Members	97	484,990	1.62
	Sub-Total (B) (2)	19,917	10,671,440	35.57
	Total Public Shareholding (B) = (B) (1) + (B) (2)	19,925	11,890,187	39.63
	TOTAL (A) + (B)	19,926	30,004,850	100.00
(C)	Shares held by custodians, against which depository receipts have been issued	-	-	-
	GRAND TOTAL (A) + (B) + (C)	19,926	30,004,850	100.00

12. Dematerialization of Shares and Liquidity:

The total number of shares in dematerialized form as on 31.03.2010 is 29,977,034 equity shares representing 99.91% of the total number of shares of the Company.

The equity shares of the Company are actively traded on BSE and NSE.

13. Plant Location: Not applicable.

14. Address for Correspondence

Shareholders Correspondence should be addressed to:

<p>The Company Secretary D-LINK (INDIA) LTD.</p> <p>L-5, Verna Electronic City, Verna Plateau, Verna, Goa - 403722</p> <p>Phone Nos : 0832-2885400/521 Fax Nos : 0832-2783395</p> <p>E-mail : shares@dlink.co.in</p>	<p>Karvy Computershare Private Limited Registrars & Share Transfer Agents</p> <p>Plot No.17 To 24 Vittalrao Nagar Madhapur, Hyderabad - 500 081</p> <p>Phone No. 040-23420818 To 820 Fax No. 040-23420814</p> <p>Email : mailmanager@karvy.com</p>
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15. Compliance with Mandatory & Non Mandatory requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement relating to Corporate Governance. The Company has not adopted the non-mandatory requirements as specified in Annexure – ID of the Clause 49 of the Listing Agreement.

For and on behalf of the Board

Mumbai
Dated: 28th May 2010

Gary Yang
Managing Director

Auditors' Certificate on Compliance of Conditions of Corporate Governance

To,

The Members of D-Link (India) Limited [formerly known as Smartlink Network Systems Limited]

We have examined the compliance of conditions of Corporate Governance by D-Link (India) Limited for the year ended on 31st March, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges, which was applicable to the Company with effect from 18th December, 2009.

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

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

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

For Deloitte Haskins & Sells
Chartered Accountants
Registration no. 117366W

Mumbai
Dated: 28th May 2010

A. B. Jani
Partner
Membership no.: 46488

Declaration

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 2010, received from all the members of the Senior Management of the Company and of the Board, a declaration of Compliances with the code of conduct as provided under clause 49 of the listing agreement.

For D-Link (India) Limited

Mumbai
Dated: 28th May 2010

Gary Yang
Managing Director

Auditors' Report

TO THE MEMBERS OF D-LINK (INDIA) LIMITED (formerly known as Smartlink Network Systems Limited)

1. We have audited the attached Balance sheet of D-Link (India) Limited ("the Company") (formerly known as Smartlink Network Systems Limited), as at 31st March, 2010, the Profit and Loss Account and the Cash-Flow Statement for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (CARO) issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
 - (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 appears from our examination of those books;
 - (c) The Balance sheet, the Profit and Loss Account 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 Profit and Loss Account and the Cash - Flow statement dealt with by this report comply with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956;
 - (e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the significant accounting policies and notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i.) in the case of the Balance sheet, of the state of affairs of the Company as at 31st March, 2010;
 - (ii.) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
 - (iii.) in the case of the Cash-flow statement, of the cash-flows for the year ended on that date.
5. On the basis of written representations received from the Directors, as on 31st March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956;

For **Deloitte Haskins & Sells**
Chartered Accountants
Registration no. 117366W

A. B. Jani
Partner

Membership no. 46488

Mumbai
Dated: 28th May 2010

Annexure to the Auditors' Report

Re: D-Link (India) Limited (formerly known as Smartlink Network Systems Limited)

(Referred to in paragraph 3 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) All the assets have not been physically verified by the Management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification;
 - (c) The Company has not disposed off a substantial part of fixed assets during the year.
- (iii) In respect of its inventory:
 - (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/services. During the course of our audit, we have not observed any continuing failure, to correct major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
 - (a) The particulars of contracts or arrangements referred to Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
 - (b) Where each of such transaction is in excess of Rs. 5 lakhs in respect of any party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
- (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 Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for any of the products of the Company.

Annexure to the Auditors' Report

- (x) (a) In our opinion and according to the information and explanations given to us, 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) According to the information and explanations given to us, there are no cases of non-deposit with the appropriate authorities of disputed dues of income tax/sales tax/ wealth tax/ service tax/ custom duty/ excise duty/ cess.
- (xi) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the year under report 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. The Company does not have borrowings from any financial institution and has not issued debentures.
- (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**
Chartered Accountants
Registration no. 117366W

A. B. Jani
Partner
Membership no. 46488

Mumbai
Dated: 28th May 2010

Balance sheet as at 31st March, 2010

	Schedule No.	Rupees	Rupees	As at 31st March 2009 Rupees
SOURCES OF FUNDS				
Shareholders' funds				
Share capital	1	60,009,700		60,009,700
Reserves and surplus	2	636,343,549		599,470,903
			696,353,249	659,480,603
Deferred tax liability (net)				
			146,600	-
Total			696,499,849	659,480,603
APPLICATION OF FUNDS				
Fixed assets				
Gross block	3	28,400,767		13,665,660
Less: Depreciation		8,301,174		5,366,090
Net block		20,099,593		8,299,570
Capital Work-in-progress		-		698,500
			20,099,593	8,998,070
Investments				
	4		222,745,454	271,574,082
Deferred tax asset (net)				
			-	3,322,780
Current assets, loans and advances				
Inventories	5	225,484,376		190,109,595
Sundry debtors	6	210,924,593		231,966,664
Cash and bank balances	7	146,779,840		500,000
Loans and advances	8	82,216,757		91,723,175
		665,405,566		514,299,434
Less: Current liabilities and provisions				
Current liabilities	9	174,847,038		99,358,255
Provisions	10	36,903,726		39,355,508
		211,750,764		138,713,763
Net current assets				
			453,654,802	375,585,671
Total			696,499,849	659,480,603

Significant Accounting Policies and Notes on Accounts 15

As per our attached report of even date
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

A. P. Chen
Chairman

Gary Yang
Managing Director

A. B. Jani
Partner

Shrinivas Adkesar
Company Secretary

C. M. Gaonkar
Executive Director & CFO

Mumbai, dated : 28th May 2010

Mumbai, dated : 28th May 2010

Profit and Loss Account for the year ended 31st March, 2010

For the period from 26th May,
2008 to 31st March, 2009

	Schedule No.	Rupees	Rupees
INCOME			
Turnover		1,314,765,692	1,324,781,401
Income from Services		13,157,143	-
Other income	11	46,291,364	38,506,732
Increase in stocks of traded goods	12	35,374,781	83,465,429
Total		<u>1,409,588,980</u>	<u>1,446,753,562</u>
EXPENDITURE			
Purchase of traded goods		976,001,075	1,098,261,852
Operating and other expenses	13	324,586,533	272,327,739
Depreciation / Amortisation		3,768,660	2,242,279
Interest and finance charges	14	902,405	1,957,652
Total		<u>1,305,258,673</u>	<u>1,374,789,522</u>
PROFIT BEFORE TAX		104,330,307	71,964,040
Provision for tax			
- Current tax (including Rs.35,000 in respect of wealth tax; Previous Period Nil)		29,000,000	20,500,000
- Deferred tax		3,469,380	956,763
- Fringe benefits tax		-	2,000,000
		<u>32,469,380</u>	<u>23,456,763</u>
PROFIT AFTER TAX		71,860,927	48,507,277
Amount transferred pursuant to Scheme of arrangement (Refer Note B3 of Schedule 15)		-	377,207,772
Balance brought forward from previous period		385,665,900	-
Amount available for appropriation		<u>457,526,827</u>	<u>425,715,049</u>
APPROPRIATIONS			
Proposed dividend		30,004,850	30,004,850
Corporate dividend tax		4,983,431	5,184,299
Transferred to General reserve		7,190,000	4,860,000
Balance carried to Balance sheet		<u>415,348,546</u>	<u>385,665,900</u>
Earnings per share (Face value of Rs. 2/- per share)			
Basic and Diluted		2.39	1.62
(Refer Note B10 of Schedule 15)			
Significant Accounting Policies and Notes on Accounts	15		

As per our attached report of even date

For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

A. B. Jani
Partner

A. P. Chen
Chairman

Gary Yang
Managing Director

Mumbai, dated : 28th May 2010

Shrinivas Adkesar
Company Secretary

C. M. Gaonkar
Executive Director & CFO

Cash flow statement for the year ended 31st March, 2010

For the period from
26th May, 2008 to
31st March, 2009

	Rupees	Rupees
A. Cash flows from operating activities		
Profit before tax	104,330,307	-
Adjustments for:		
Depreciation/Amortisation	3,768,660	-
Loss on sale/discard of fixed assets (net)	23,970	-
Profit on sale of current investments (non-trade)	(34,661)	-
Bad debts/Advances written off	7,748,165	-
Unrealised exchange differences(net)	(255,881)	-
Sundry balances written back	(950,297)	-
Sundry advances written back	(485,249)	-
Sundry balances written off	929,079	-
Provision for doubtful debts written back	(5,472,888)	-
Provision for doubtful debts and advances	236,737	-
Interest and finance charges	902,405	-
Interest income on fixed deposits	(5,724,168)	-
Interest on delayed payments	(906,733)	-
Dividend income	(10,620,404)	-
Operating profit before working capital changes	93,489,042	-
Decrease in trade receivables	18,082,260	-
(Increase) in inventories	(35,374,781)	-
Decrease in loans and advances	15,993,584	-
Increase in trade and other payables	75,391,844	-
Cash generated from Operations	167,581,949	-
Direct taxes paid	(36,343,246)	-
Net cash from operating activities	131,238,703	-
B. Cash flows from investing activities		
Purchase of fixed assets	(14,960,043)	-
Purchase of investments	(1,080,777,237)	-
Sale of investments	1,129,640,526	-
Sale of fixed Assets	65,890	-
Dividend received	10,532,654	-
Interest received	1,479,150	-
Net cash generated from investing activities	45,980,940	-
C. Cash flows from financing activities		
Proceeds from issue of Equity Shares	-	500,000
Dividend paid (including Corporate Dividend tax)	(35,189,149)	-
Interest paid	(902,405)	-
Net cash (used in)/generated from financing activities	(36,091,554)	500,000
Net increase in cash and cash equivalents	141,128,089	500,000
Cash and cash equivalents at the beginning of the year/period	500,000	-
Cash and cash equivalents at the end of the year/period	141,628,089	500,000
Reconciliation of cash and cash equivalents		
As per Balance sheet - schedule 7	146,779,840	500,000
Less : Interest accrued on bank deposits	(5,151,751)	-
As per Cash-flow statement	141,628,089	500,000

Notes :

- Components of cash and cash equivalents include cash, bank balances in current and deposit accounts as disclosed under Schedule 7 of the accounts.
- Pursuant to the Scheme of Arrangement, the business of the Company was carried out by M/s Smartlink Network Systems Limited (formerly known as D-Link(India) Limited) in trust till the date scheme become effective. Hence, there are no other cash flows in the Cash Flow Statement of the previous period. (Also refer Note No. B3 of Schedule 15)
- Purchase of fixed assets are stated inclusive of movements of capital work in progress between the commencement and end of the year and are considered as part of investing activity.

As per our attached report of even date
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board

A. B. Jani
Partner

Mumbai, dated : 28th May 2010

A. P. Chen
Chairman

Gary Yang
Managing Director

Shrinivas Adkesar
Company Secretary

C. M. Gaonkar
Executive Director & CFO

Mumbai, dated : 28th May 2010

Schedules Forming Part of the Accounts

	Rupees	Rupees	As at 31st March 2009 Rupees
Schedule 1			
SHARE CAPITAL			
<u>Authorised</u>			
35,000,000 Equity Shares of Rs.2/- each		70,000,000	70,000,000
<u>Issued, subscribed and paid-up:</u>			
250,000 Equity Shares of Rs.2/- each fully paid up		-	500,000
Less: Extinguished pursuant to the Scheme of Arrangement (Refer Note no. B3 of Schedule 15)		-	500,000
		-	-
30,004,850 Equity Shares of Rs.2/- each fully paid-up, allotted pursuant to the Scheme of Arrangement, by capitalisation of General Reserve. (Of which 18,114,663 shares are held by the Holding Company - D-Link Holding Mauritius Inc., D-Link Corporation, Taiwan being the ultimate holding Company).		60,009,700	-
<u>Share Capital Suspense:</u>			
30,004,850 Equity Shares of Rs.2/- each fully paid-up allotted pursuant to the Scheme of Arrangement, by capitalisation of General Reserve. (Refer Note no. B3 of Schedule 15)		-	60,009,700
Total		60,009,700	60,009,700
Schedule 2			
RESERVES AND SURPLUS			
<u>Securities Premium Account</u>			
As per last Balance sheet	205,134,440		-
Add: Amount transferred pursuant to the Scheme of Arrangement (Refer Note no. B3 of Schedule 15)	-		205,134,440
		205,134,440	205,134,440
<u>General Reserve</u>			
As per last Balance sheet	8,670,563		-
Add: Amount transferred pursuant to the Scheme of Arrangement	-		63,820,263
Less: Utilised on issue of Equity Shares pursuant to the Scheme of Arrangement	-		60,009,700
Add: Transferred from Profit and Loss Account (Refer Note no. B3 of Schedule 15)	7,190,000		4,860,000
		15,860,563	8,670,563
Surplus in Profit and Loss account		415,348,546	385,665,900
Total		636,343,549	599,470,903

Schedules Forming Part of the Accounts (contd.)

Schedule 3
FIXED ASSETS

Nature of assets	Gross block				Depreciation				Net block			
	As at 1 April, 2009	Transferred pursuant to the Scheme of Arrangement	Additions	Deletions	As at 31 March, 2010	Upto 31 March, 2009	Transferred pursuant to the Scheme of Arrangement	For the year	Deletions/ Adjustments	Upto 31 March, 2010	As at 31 March, 2010	As at 31 March, 2009
Tangible assets												
Electrical installations	823,810	-	-	-	823,810	298,695	-	39,131	-	337,826	485,984	525,115
Furniture, fittings and office equipment	3,615,726	-	2,153,464	31,690	5,737,500	1,073,402	-	378,174	1,172	1,450,404	4,287,096	2,542,324
Air conditioners	932,861	-	-	-	932,861	255,549	-	44,311	-	299,860	633,001	677,312
Computers	5,960,808	-	6,629,646	-	12,590,454	2,109,072	-	2,311,240	-	4,420,312	8,170,142	3,851,736
Vehicles	1,662,032	-	3,532,729	808,923	4,385,838	1,523,930	-	340,017	808,923	1,055,024	3,330,814	138,102
Intangible assets												
Computer Software	12,995,237	-	12,315,839	840,613	24,470,463	5,260,648	-	3,112,873	810,095	7,563,426	16,907,037	7,734,589
	670,423	-	3,342,704	82,823	3,930,304	105,442	-	655,787	23,481	737,748	3,192,556	564,981
Total	13,665,660	-	15,658,543	923,436	28,400,767	5,366,090	-	3,768,660	833,576	8,301,174	20,099,593	8,299,570
Previous period	-	12,370,887	3,063,761	1,768,988	13,665,660	-	4,438,356	2,242,279	1,314,545	5,366,090	-	698,500
Capital Work-in-progress (including Capital Advances)											20,099,593	8,998,070

Note

Refer Note no. B3 and B17 of Schedule 15

Schedules Forming Part of the Accounts (contd.)

	Rupees	As at 31st March 2009 Rupees
Schedule 4		
INVESTMENTS		
Current investments (non-trade)		
(i) In Mutual funds Units (unquoted)		
Nil (Previous period 2,571,395.730)units of Rs.10/- each in		
HDFC Mutual Fund - Cash Management Fund - Saving Plan - Dividend	-	27,350,394
Nil (Previous period 10,900,676.840)units of Rs.10/- in		
Kotak Mutual Fund-Floater long term -Daily Dividend	-	109,876,642
Nil(Previous period 13,431,883.951)units of Rs.10/- each in		
ICICI Prudential Mutual Fund-Floating rate plan D-Daily Dividend- Reinvest	-	134,347,046
89,000 (Previous period Nil)units of Rs.10/- each in		
ICICI Prudential Mutual Fund-Interval Fund Half Yearly Internal Plan II institutional Dividend	890,000	-
3,983,551.668 (Previous period Nil) units of Rs.10/- each in		
ICICI Prudential Mutual Fund- Banking & PSU Debt Fund - Growth	40,001,924	-
7,117,434.249 (Previous period Nil) units of Rs.10/- each in		
ICICI Prudential Mutual Fund-Interval Fund II Quarterly Interval Plan-F Institutional Cumulative	71,174,343	-
1,604,999.209 (Previous period Nil) units of Rs.10/- each in		
Reliance Mutual Fund- Medium Term Fund - Retail Plan - Growth Plan	30,598,186	-
1,610,500.463 (Previous period Nil) units of Rs.10/- each in		
Reliance Mutual Fund-Reliance Monthly Interval Fund- Series II - Institutional Growth Plan	20,000,000	-
486,107.932 (Previous period Nil) units of Rs.10/- each in		
Canara Robeco Mutual Fund- Interval - Series 2 - Quarterly Plan 2 - Institutional Growth Fund	5,000,349	-
999,226.199 (Previous period Nil) units of Rs.10/- each in		
Axis Mutual Fund- Short Term Fund - Institutional - Growth	10,063,607	-
1,981,875.691 (Previous period Nil) units of Rs.10/- each in		
Franklin Templeton Mutual Fund-Templeton India Income Opportunities Fund -Growth	20,001,882	-
10,839.379 (Previous period Nil) units of Rs.10/- each in		
Franklin Templeton Mutual Fund-Templeton India Short Term Income Fund -Retail Plan-Growth	20,012,684	-
450,913.498 (Previous period Nil) units of Rs.10/- each in		
UTI Mutual Fund-Fixed Income Interval Fund - Series II - Quarterly Interval Plan VI - Growth	5,002,479	-
Note:	Total	222,745,454
Investments purchased and sold during the year/period - Refer		271,574,082
Note no. B12 of Schedule 15		
Schedule 5		
INVENTORIES		
Traded goods (including goods in transit Rs.39,430,207/-, as at 31st March, 2009 Rs.Nil)	225,484,376	190,109,595
	Total	190,109,595
Schedule 6		
SUNDRY DEBTORS (Unsecured)		
Debts outstanding for a period exceeding six months	3,317,457	11,495,416
Other debts *	211,180,687	229,280,950
	214,498,144	240,776,366
Less: Provision	3,573,551	8,809,702
	Total	231,966,664
Notes		
(a) Considered good	210,924,593	231,966,664
Considered doubtful	3,573,551	8,809,702
	214,498,144	240,776,366
(b) * Includes amounts in respect of which the Company holds deposits	513,202	10,515,789

Schedules Forming Part of the Accounts (contd.)

	Rupees	As at 31st March 2009 Rupees
Schedule 7		
CASH AND BANK BALANCES		
Cash on hand	14,968	600
<u>Balances with scheduled banks</u>		
- In current accounts	27,613,121	499,400
- In deposit accounts (includes interest accrued Rs.5,151,751/-, Previous period Nil)	119,151,751	-
Total	146,779,840	500,000

Schedule 8		
LOANS AND ADVANCES		
(Unsecured)		
Advances recoverable in cash or in kind or for value to be received (Refer Note no. B2 of schedule 15)	63,581,291	85,019,024
Deposits (includes deposits towards premises Rs. 11,742,220/-, as at 31st March, 2009 Rs. 7,189,400/-)	11,792,220	7,189,400
Advance payment of taxes (net)	6,843,246	-
	82,216,757	92,208,424
Less : Provision	-	485,249
Total	82,216,757	91,723,175

Schedule 9		
CURRENT LIABILITIES		
Sundry creditors		
- Total outstanding dues of micro enterprises and small enterprises (Refer Note no. B8 of schedule 15)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	167,544,957	82,206,358
	167,544,957	82,206,358
Security deposits	4,642,424	10,673,157
Other liabilities	2,659,657	6,478,740
Total	174,847,038	99,358,255

Schedules Forming Part of the Accounts (contd.)

As at
31st March 2009

Schedule 10	Rupees	Rupees	Rupees
PROVISIONS			
For Income tax (net of advance tax)		-	500,000
For Proposed dividend		30,004,850	30,004,850
For Corporate dividend tax		4,983,431	5,184,299
For Gratuity		238,663	2,406,175
For Leave encashment		1,676,782	1,260,184
Total		36,903,726	39,355,508
			For the period from 26th May, 2008 to 31st March, 2009
	Rupees	Rupees	Rupees
Schedule 11			
OTHER INCOME			
Interest			
(Tax deducted at source Rs. 682,242/- ; previous period, Nil)			
- On fixed deposits with banks (Gross)	5,724,168		-
- Interest on delayed payments	906,733		4,787,056
		6,630,901	4,787,056
Duty drawback		8,778,559	12,763,590
Dividend on current investments (non-trade)		10,620,404	9,783,274
Profit on sale of current investments (non-trade)		34,661	-
Provision for doubtful debts written back		5,472,888	7,720,210
Provision for advances written back		485,249	-
Sundry balances written back		950,297	-
Exchange gain (net)		10,249,660	-
Provision for diminution in current investments written back		-	2,457,170
Miscellaneous income		3,068,745	995,432
Total		46,291,364	38,506,732
Schedule 12			
INCREASE IN STOCKS OF TRADED GOODS			
Closing Stock		225,484,376	190,109,595
Less: Opening Stock		190,109,595	-
Less: Transferred pursuant to the Scheme of Arrangement		-	106,644,166
Increase		35,374,781	83,465,429

Schedules Forming Part of the Accounts (contd.)

For the period
from 26th May,
2008 to 31st
March, 2009

	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Schedule 13			
OPERATING AND OTHER EXPENSES			
<u>Payments to and provisions for employees :</u>			
Salaries, wages and bonus	107,177,438		79,627,021
Contribution to provident and other funds	1,101,988		871,345
Staff welfare expenses	2,299,837		1,802,640
Gratuity	993,850		486,568
Leave encashment	617,238		781,300
		112,190,351	83,568,874
Logistic support services and management fees		21,871,509	27,013,548
Sales and customer support services		7,290,505	15,101,147
Power and fuel		1,978,340	2,145,021
Customs duty (Refer Note No. B2 of Schedule 15)		4,424,173	-
Rent		23,270,647	10,820,740
Operating lease rentals		222,780	222,780
Rates and taxes		1,126,298	137,291
Insurance		1,226,681	1,884,196
<u>Repairs and maintenance:</u>			
Office premises	447,367		1,307,724
Others	4,476,102		1,613,641
		4,923,469	2,921,365
Travelling and conveyance expenses		21,406,498	12,347,770
Communication expenses		7,008,366	5,878,424
Advertisement and sales development expenses		31,992,702	14,790,406
Commission on sales		8,103,534	1,345,015
Servicing expenses		30,556,921	8,655,159
Loss on sale/discard of fixed assets		23,970	353,077
Loss on sale of Current investments		-	948,818
Provision for doubtful debts and advances		236,737	4,268,841
Exchange loss (net)		-	37,209,612
Sundry balances written off		929,079	58,715
Legal and professional fees		25,040,263	19,618,924
Bad debts/Advances written off		7,748,165	5,563,424
Directors sitting fees		435,000	-
Miscellaneous expenses *		12,580,545	17,474,592
Total		324,586,533	272,327,739
* Includes Printing and stationery, Audit fees etc.			
Schedule 14			
INTEREST AND FINANCE CHARGES			
On security deposits from dealers		748,536	858,925
On short term loans from banks		-	982,538
On others		153,869	116,189
Total		902,405	1,957,652

Schedules Forming Part of the Accounts (contd.)

SCHEDULE 15

Significant Accounting Policies and Notes on Accounts

A SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of financial statements

The accounts have been prepared to comply in all material aspect with applicable principles in India, the Accounting Standards notified in the Companies (Accounting Standard) Rules 2006 and the relevant provisions of the Companies Act, 1956.

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/materialised.

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. Computer software is amortised over a period of five years.

Depreciation

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 Motor vehicles and Computers which are depreciated over a period of five and four years respectively. Asset costing less than Rs.5,000/- are depreciated @ 100%.

Impairment loss

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 Profit and Loss account 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.

Investments

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

Inventories

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

Revenue recognition

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

Employee Benefits

- i. Provident fund liability is determined on the basis of contribution as required under the statute/rules.
- ii. Provision for Gratuity is made on actuarial valuation done as at the period/year end.
- iii. Provision for Leave Encashment is made on actuarial valuation done as at the period/year-end.

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.

Schedules Forming Part of the Accounts (contd.)

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.

Taxes on income

Tax expense comprises of current tax, deferred tax and fringe benefits tax. Current tax is measured at the amount expected to be paid to/ recovered from the tax authorities, using the applicable tax rates. Deferred tax assets and liabilities are recognised for future tax consequences attributable to timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent years and are measured using relevant enacted tax rates. The carrying amount of deferred tax assets at each Balance Sheet date is reduced to the extent that it is no longer virtually certain that sufficient future taxable income will be available against which the deferred tax asset can be realized.

Fringe benefits tax is recognized in accordance with the relevant provisions of the Income-tax Act, 1961 and the Guidance Note on Fringe Benefits Tax issued by the Institute of Chartered Accountants of India. Tax on distributed profits is accounted in accordance with the provisions of the Income Tax Act, 1961 and is disclosed in accordance with the Guidance Note on Accounting for Corporate Dividend Tax issued by the Institute of Chartered Accountants of India.

Contingent Liability

These, if any, are disclosed in the notes on accounts. Provision is made in the accounts if it becomes probable that an out flow of resources embodying economic benefits will be required to settle the obligation.

B. Notes on accounts

	As at 31st March, 2009	
	<u>Rupees</u>	<u>Rupees</u>
1 Estimated amount of contracts remaining to be executed on capital account and not provided for	-	1,021,896
2 Contingent liabilities, in respect of Custom duty paid under protest. The same is included under advances recoverable in cash or in kind in Schedule 8 pending resolution of the dispute.	6,312,963	10,737,136

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.

During the year, the company has agreed to the classification done by the customs department and have withdrawn the protest with respect to one of the products as a result of which an amount of Rs. 4,424,173/- (Previous period Nil) has been debited to Profit and Loss Account

3. The Company was incorporated on 26th May, 2008 with the object of carrying on the business of sales and marketing of active networking products.

Pursuant to the Scheme of Arrangement (Scheme) entered into by Smartlink Network Systems Limited (Smartlink) [formerly known as D-Link (India) Limited] with the Company, the 'Marketing Business' of Smartlink, consisting of marketing and selling of "D-Link" branded active networking products etc. was transferred to the Company with effect from 1st April, 2008, the Appointed Date. In accordance with the Scheme, the relevant Assets, Liabilities and Reserves and Surplus were accounted in the books of the Company w.e.f 1st April 2008. The said Scheme, under section 391 to 394 of the Companies Act, 1956, had been approved by the Hon'ble High Court of Judicature of Bombay at Goa, vide its Order dated 27th February, 2009.

Schedules Forming Part of the Accounts (contd.)

The Scheme provided that it shall become effective upon satisfaction of the conditions set out in the Scheme therein, including receipt of necessary approvals from Government Authorities. Accordingly, upon receipt of the requisite approvals, as aforesaid, the Effective Date of the Scheme was 10th June, 2009.

The Scheme provided, inter alia, the transfer of the Marketing Business of Smartlink on a going concern basis to the Company in consideration for which, each shareholder of Smartlink whose name appeared in the Register of Members of Smartlink on the record date, shall receive one fully-paid Equity Share, of the face value Rs.2/- each in the Company aggregating to 30,004,850 Equity Shares of Rs.2/- each. The Company has completed the allotment of such shares on 26th June 2009.

As an integral part of the scheme, upon the effective date, the Authorised Share Capital of the Company was enhanced to Rs.70,000,000/- divided into 35,000,000 Equity Shares of Rs.2/- each.

As an integral part of the Scheme, upon the Effective Date, 250,000 Equity Shares of the face value Rs. 2/- aggregating to Rs.500,000/- held by the existing shareholders in the Company were extinguished and the amount paid thereon has been refunded to each of the said shareholders and the paid up Equity Share Capital of the Company was reduced accordingly. The reduction of Share Capital was undertaken in accordance with provisions of Sections 100 to 103 of the Act and the Order of the High Court sanctioning the Scheme was deemed to be also the Order under Section 102 of the Act for the purpose of confirming the reduction.

Smartlink carried on the business of the Company for the period from the Appointed Date to the Effective Date, in trust as per the requirements of the Scheme.

The Scheme further provided that, as an integral part of the Scheme, the foreign promoters of Smartlink viz. D-Link Holding Mauritius Inc. shall swap 7,216,166 Equity Shares of Rs. 2/- each in the Company held by Mr. K. R. Naik and his family members, the Indian promoters of Smartlink, in exchange for: (i) 10,898,497 Equity shares of Rs. 2/- each held by D-Link Holding Mauritius Inc. in Smartlink; and (ii) the payment of an additional cash consideration of USD 5,000,000 by D-Link Holding Mauritius to Mr. K. R. Naik and his family members.

The Share exchange as contemplated in the Scheme has been completed on 7th July 2009, as a result of which the Company has become a subsidiary of D-Link Holding Mauritius Inc.

Upon completion of all the formalities envisaged in the Scheme the name of the Company has been changed to D-Link (India) Limited w.e.f. 15th July, 2009 and the fresh certificate of incorporation issued by the Registrar of Companies - Goa, Daman and Diu has been received.

		As at 31st March, 2009
	Rupees	Rupees
4. <u>Payment to Auditors</u>		
a. As Auditors	920,000	895,000
b. As adviser or in any other capacity in respect of:		
(i) Taxation matters	60,000	100,000
c. For Other matters (certification, etc)	1,270,000	325,000
d. For Expenses	59,133	34,872
e. For Service tax	231,750	139,565
Total	2,540,883	1,494,437
5. <u>Managerial Remuneration under section 198 of the Companies Act, 1956, paid to a Director</u>		As at 31st March, 2009
	Rupees	Rupees
Service and Advisory Charges	-	3,426,400
<u>Remuneration to whole time Director (effective from 1st March 2010)</u>		
Salary	150,000	-
Contribution to Provident fund	-	-
Perquisites	2,700	-
	152,700	3,426,400

Schedules Forming Part of the Accounts (contd.)

For the period from
26th May, 2008 to
31st March, 2009

	Rupees	Rupees
6 The disclosure as required under Accounting Standard 15 on 'Employee Benefits' (AS-15) regarding the Company's defined benefit plan is as follows:		
I. Reconciliation of opening and closing balances of Defined Benefit obligation		
	Gratuity (funded)	Gratuity (unfunded)
Defined Benefit obligation at the beginning of the year/period	2,406,175	-
Defined Benefit obligation transferred pursuant to the Scheme of Arrangement	-	1,919,607
Current Service Cost	992,221	814,249
Interest Cost	166,877	153,569
Actuarial (gain) / loss	(130,444)	(481,250)
Benefits paid	(44,423)	-
Defined Benefit obligation at the end of the period	3,390,406	2,406,175
II. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	37,718	-
Actuarial gain/(loss)	(2,914)	-
Employer contribution	3,161,362	-
Benefits paid	(44,423)	-
Fair value of plan assets at year end	3,151,743	-
III Reconciliation of fair value of assets and obligations		
Present value of obligation as at 31st March, 2010/2009	3,390,406	2,406,175
Fair value of plan assets as at 31st March, 2010/2009	3,151,743	-
Amount recognized in Balance Sheet	(238,663)	(2,406,175)
IV Expense recognized during the year/period (Under the head "Payments to and Provisions for Employees" - Refer Schedule 13)		
Current Service Cost	992,221	814,249
Interest Cost	166,877	153,569
Expected return on plan assets	(37,718)	-
Actuarial (gain) / loss	(127,530)	(481,250)
Net Cost	993,850	486,568
V Actuarial assumptions		
Discount rate (per annum)	8%	7%
Expected rate of return on plan assets (per annum)	8%	NA
Rate of escalation in salary (per annum)	6%	6%
Employee Attrition Rate	5%	5%
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		
<u>Experience Adjustment</u>		
On plan liabilities		
(a) due to change in Actuarial assumption	(459,214)	-
(b) Experience (Gain)/Loss on obligation	328,770	-
On plan assets	(37,718)	-
Present value of benefit obligation	3,390,406	-
Fair value of plan assets	3,151,743	-
Excess of (obligation over plan assets) / plan assets over obligation	(238,663)	-
VII The contributions expected to be made by the Company during the financial year 2010-11 have not been ascertained.		
The plan assets are managed by the Gratuity trust formed by the Company. The management of funds is entrusted with MetLife India Insurance Co.Ltd. The details of investments made by them are not available.		
VIII The disclosure as required under AS-15 regarding the Company's defined contribution plans is as follows :		
i) Contribution to provident fund Rs.1,089,167/-.(Previous period Rs.857,199/-)		

Schedules Forming Part of the Accounts (contd.)

7 Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of part II of schedule VI to the Companies Act, 1956:

			For the period from 26th May, 2008 to 31st March, 2009	
	Quantity (nos.)	Value - Rs.	Quantity (nos.)	Value - Rs.
a. <u>Turnover</u>				
Networking products	709,942	1,314,765,692	773,010	1,324,781,401
b. <u>Traded goods</u> (networking products)				
Opening stock	112,216	190,109,595	-	-
Transferred pursuant to Scheme of Arrangement (Refer note B3 of schedule 15)	-	-	97,504	106,644,166
Closing stock	259,568	225,484,376	112,216	190,109,595
Purchases	857,294	976,001,075	787,722	1,098,261,852
		Rupees		Rupees
c. <u>C.I.F. value of goods imported</u>				
Traded goods		803,548,182		794,082,200
Capital goods		2,857,317		-
d. <u>Expenditure in foreign currency</u>				
Travelling expenses		1,644,567		324,495
Professional Fees		15,444,345		-
Others		-		108,137
e. <u>Earnings in foreign exchange</u>				
F.O.B. value of exports		106,357,480		92,104,174
f. <u>Amount remitted during the year in foreign currency on account of dividend</u>				
Number of non-resident shareholders		4		-
Number of shares held by them on which dividend is due		18,264,663		-
Year to which dividend relates		2008-09		-
Amount of dividend remitted in Rupees		18,264,663		-
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.				

8 As per information available with the Company, none of the creditors have confirmed that they are registered under the Micro, Small and Medium enterprises Development Act, 2006. Accordingly, disclosure as required by the said Act is made on that basis.

9 The tax effect of significant timing differences that has resulted in deferred tax assets and liabilities are given below:

	As at 31st March 2009	
	Rupees	Rupees
a. <u>Deferred Tax Liability</u>		
Depreciation	(1,969,930)	(917,833)
Total	(1,969,930)	(917,833)
b. <u>Deferred Tax Asset</u>		
Provision for doubtful debts	1,187,044	2,994,417
Others	636,286	1,246,196
Total	1,823,330	4,240,613
Deferred Tax (Liability)/Asset (net)	(146,600)	3,322,780

Schedules Forming Part of the Accounts (contd.)

- 10 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/period, as under:

	Rupees	Rupees
		For the period from 26th May, 2008 to 31st March, 2009
Profit attributable to equity shareholders (Rupees)	71,860,927	48,507,277
Number of Equity Shares outstanding at the beginning of the period	30,004,850	250,000
Number of Equity Shares extinguished pursuant to scheme of arrangement	-	(250,000)
Number of Equity Shares issued pursuant to scheme of arrangement	-	30,004,850
Weighted average number of Equity Shares outstanding during the period	30,004,850	30,004,850
Basic/ diluted earnings per share (Rupees)	2.39	1.62
Nominal value per share (Rupees)	2.00	2.00

- 11 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	-	-	-
	(110,000)	(5,579,200)	(Buy)

Figures in brackets are those of previous period

- b) The year/period 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:	Previous Period			
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Debtors	USD 249,285	11,068,255	USD 606,667	30,758,034
Loans and Advances	-	-	USD 19,929	851,445

Amount payable in foreign currency on account of the following:	Previous Period			
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Creditors	USD 2,061,872.06 EURO 7,341.14	} 94,968,723	USD 1,148,015 EURO 29,994	} 60,250,127

- c) Amount of exchange differences included in the Profit and Loss account

	Rupees	Rupees
		For the period from 26th May, 2008 to 31st March, 2009
Exchange gain	18,962,136	21,976,050
Exchange loss	8,712,476	59,185,662

Schedules Forming Part of the Accounts (contd.)

For the period from 26th May,
2008 to 31st March, 2009

12 Investments purchased and sold during the year/period.

	Rupees			
	Units	Amount	Units	Amount
UNITS IN MUTUAL FUNDS				
Units in HSBC Mutual fund				
HSBC Liquid plus-Inst-Daily Dividend	-	-	5,312,110.355	53,187,505
Units in ICICI Prudential Mutual Fund				
ICICI Mutual Fund-Floating rate plan D-Daily Dividend- Reinvestment	81,433.877	814,510	-	-
ICICI Flexible Income Plan Dividend - Daily Dividend-units Rs.10 each	12,998,892.531	137,443,793	3,379,241.050	35,730,405
ICICI IFMP Series 39-Six Months Plan A Retail Dividend -Pay Dividend	-	-	1,000,000.000	10,000,000
ICICI GILT Fund-Investment Plan-Dividend Reinvest	-	-	2,728,252.711	31,857,162
ICICI Ultra Short Term Plan Premium Plus - Daily Dividend	12,092,040.961	121,174,342	-	-
ICICI Liquid Plan Institutional Plus Daily Dividend option Dividend Reinvestment	1,856,619.578	220,037,270	-	-
ICICI Liquid Plan Institutional Daily Dividend option Dividend Reinvestment	84,439.061	10,006,198	-	-
ICICI Flexible Income Plan Dividend - Daily Dividend-units Rs.100 each	498,918.599	52,765,905	-	-
Units in Kotak Mahindra Mutual Fund				
Kotak Flexi Debt Scheme - Daily Dividend	-	-	2,369,656.093	23,770,258
Kotak Bond (Short Term) - Monthly Dividend	-	-	2,074,019.635	20,789,467
Kotak Bond (Regular) - Qrtly Dividend	-	-	2,189,893.416	24,097,839
Kotak Floater Long Term - Daily Dividend	309,334.191	3,118,027	-	-
Units in UTI Mutual Fund				
UTI Liquid Plus Fund Institutional Plan (Daily Dividend option) - Re-investment	-	-	105,087.233	105,107,471
UTI Money Market Mutual Fund - Institutional Daily Dividend - Re-Investment	14,950.765	15,001,379	-	-
UTI Floating Rate Fund - STP - Institutional Daily Dividend plan - Re-Investment	14,996.850	15,008,408	-	-
Units in Lotus Mutual Fund				
Lotus Quarterly Interval Fund - Plan C - Dividend	-	-	1,273,682.402	12,738,681
Lotus Liquid Plus Fund-Institutional Daily Dividend	-	-	1,578,701.691	15,811,802
Units in HDFC Mutual Fund				
HDFC FMP 181D December 2007 (VI) Wholesale Plan-Dividend Payout	-	-	1,000,000.000	10,000,000
HDFC Cash Management Savings Plan-Daily Dividend.Reinvested New folio	46,687.477	496,585	-	-
Units in Franklin Tempelton Mutual Fund				
Franklin Fixed Horizon Fund Series II-Plan A -Institutional - Growth	-	-	2,000,000.000	20,000,000
Franklin Short Term Income Retail Plan - Monthly Dividend Payout	17,938.991	20,000,000	-	-
Franklin Treasury Management Account Institutional Plan - Daily Dividend Reinvest.	19,988.430	20,001,882	-	-
Units in Birla Mutual Fund				
Birla Sun Life Cash Plus - Instl. - Daily Dividend - Reinvestment	925,814.563	10,000,927	-	-
Birla Sun Life Saving Fund - INSTL. - Daily Dividend - Reinvestment	12,589,159.945	125,977,206	-	-
Units in Reliance Mutual Fund				
Reliance Medium Term Fund - Daily Dividend Plan	1,789,838.637	30,598,186	-	-
Units in Canara Robeco Mutual Fund				
Canara Short Term Institutional Weekly Dividend	3,005,749.912	30,425,895	-	-
Canara Robeco Liquid - Dividend Reinvestment	497,993.152	5,000,349	-	-
Units in Religare Mutual Fund				
Religare Liquid Fund - Institutional Daily Dividend	999,438.288	10,000,779	-	-
Religare Short Term Plan - Institutional Daily Dividend - Re Investment	1,006,570.759	10,120,767	-	-
Units in Axis Mutual Fund				
Axis Liquid Fund - Institutional - Growth	9,893.905	10,000,000	-	-
Axis Short Term Fund - Institutional - Monthly Dividend	1,003,931.161	10,039,375	-	-

Note: Previous period figures represent investments transferred pursuant to Scheme of Arrangement and Sold during the period.

13 Lease transactions

Operating leases

The company has taken premises / vehicles 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 period charged to revenue are Rs. 23,493,427/- (Previous period Rs.222,780/-)

14 Related party disclosures

Name of related parties where control exists

D-Link Holding Mauritius Ltd

Holding Company

D-Link Corporation,Taiwan

Ultimate Holding Company

List of related parties with whom transactions have taken place during the period and nature of relationship

Schedules Forming Part of the Accounts (contd.)

Name of the related parties	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 International (Hong Kong)	Fellow Subsidiary
D-Link Middle East-FZCO	Fellow Subsidiary	D-Link International Pte.Ltd	Fellow Subsidiary
D-Link Latin America	Fellow Subsidiary	D-Link Systems, Inc	Fellow Subsidiary
Smartlink Network Systems Limited (Formerly known as D-Link (India) Ltd.) (Upto 15th July 2009)		Enterprise over which key management person and his relatives are able to exercise significant influence.	
Mr. Yao Chuan Yang (Gary Yang) (From 15th July 2009)		Key management person	
Mr. Chandrashekar M. Goankar (From 1st March, 2010)		Key management person	
Mr. Kamalaksha R. Naik (Upto 15th July 2009)		Key management person	
Mr. Jangoo Dalal (Upto 30th March 2009)		Key management person	

Details of Related party transactions	Ultimate Holding company	Fellow Subsidiary	Enterprise over which key management person and his relatives are able to exercise	Key management person	Total	Ultimate Holding company	Fellow Subsidiary	Enterprise over which key management person and his relatives are able to exercise	Key management person	Total	Amount in Rupees		
											For the period from 26th May, 2008 to 31st March, 2009	Total	
Logistic support services and management fees													
Sales and customer support services													
Purchase of traded goods													
D-Link International (Singapore)	102,812,672	102,812,672			102,812,672								
D-Link International Pte. Ltd	628,382,269	628,382,269			628,382,269								
Smartlink Network Systems Limited (Formerly known as D-Link (India) Ltd.).			11,267,569	-	11,267,569								
Others	3,645,755	29,266,047	-	-	32,911,802								
Purchase of DEEB License													
Smartlink Network Systems Limited (Formerly known as D-Link (India) Ltd.).			4,585,385		4,585,385								
Sale of traded goods													
D-Link International (Singapore)	23,728,010	23,728,010			23,728,010								
D-Link International Pte. Ltd	8,793,183	8,793,183			8,793,183								
D-Link Middle East-FZCO	11,861,866	11,861,866			11,861,866								
D-Link Corporation	641,520	641,520			641,520								
Others	-	267,408	-	-	267,408								
Smartlink Network Systems Limited (Formerly known as D-Link (India) Ltd.).			378,239		378,239								
Professional fees paid													
D-Link International (Singapore)	769,796	769,796			769,796								
D-Link International Pte. Ltd	2,908,132	2,908,132			2,908,132								
D-Link Corporation	11,766,417	11,766,417			11,766,417								
Reimbursement of expenditure													
D-Link Corporation	1,609,224	1,609,224			1,609,224								
Reimbursement of software license fees													
D-Link Corporation	2,857,317	2,857,317			2,857,317								
Recovery of expenses													
D-Link International (Singapore)	271,936	271,936			271,936								
D-Link International Pte. Ltd	69,768	69,768			69,768								

Schedules Forming Part of the Accounts (contd.)

Details of Related party transactions	Amount in Rupees									
	Ultimate Holding company	Fellow Subsidiary	Enterprise over which key management person and his relatives are able to exercise	Key management person	Total	Ultimate Holding company	Fellow Subsidiary	Enterprise over which key management person and his relatives are able to exercise	Key management person	Total
Logistic support services and management fees										
Price protection received D-Link International Pte. Ltd		1,313,598								-
Balance written back D-Link International (Hong Kong)		711,688								-
Balance written off D-Link International Pte. Ltd D-Link Corporation	140	164,394								-
Logistic support services and management fees Smartlink Network Systems Limited (Formerly known as D-Link (India) Ltd.).			4,071,380							27,013,548
Sales and customer support services. Smartlink Network Systems Limited (Formerly known as D-Link (India) Ltd.).			1,357,128							15,101,147
Servicing expenses Smartlink Network Systems Limited (Formerly known as D-Link (India) Ltd.).			4,071,380							-
Managerial Remuneration Mr.Chandrashekhar M. Goankar				150,000						-
Sitting Fees Mr.Kamalaksha R.Naik				40,000						-
Service and Advisory Charges. Mr.Jangoo Dalal									3,426,600	3,426,600
As at the year/ period end Amount due to D-Link International Pte. Ltd Others	9,735,101	77,490,749 5,950,331								-
Amount due from D-Link International (Singapore) Smartlink Network Systems Limited (Formerly known as D-Link (India) Ltd.). D-Link Middle East-FZCO D-Link International Pte. Ltd Others		432,522								-
		579,083 144,078 113,886								13,803,065
										-

Note

There is no provision for doubtful debts or amount written off or written back for debts due from related parties except disclosed above.

Schedules Forming Part of the Accounts (contd.)

15 Segment information

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

The Company has its operations in marketing and distributing 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

Information about secondary segments

Particulars	Domestic	Exports	Unallocated	Total
Revenues from external customers (net)	1,221,565,355	106,357,480	-	1,327,922,835
	(1,232,837,197)	(91,944,204)	-	(1,324,781,401)
Segment assets	520,813,818	11,068,255	376,368,540	908,250,613
	(492,039,470)	(30,758,034)	(275,396,862)	(798,194,366)
Additions to fixed assets during the year	14,960,043	-	-	14,960,043
	(3,762,261)	(-)	(-)	(3,762,261)

NOTE: Figures in brackets are those of previous period from 26th May, 2008 to 31st March, 2009/as at 31st March, 2009.

- 16 Cash Credit account with the bank is secured by hypothecation of stock and book debts both present and future.
- 17 Hitherto, the Company followed the policy of providing depreciation on computer software in accordance with Schedule XIV of the Companies Act, 1956. During the year, the Company, in order to have more appropriate presentation of the fixed assets and having regard to the extent of usage of the asset and its estimated useful life, has changed this policy and now follows the policy of depreciating it over its estimated useful life of five years. As the result of the change in the method of providing for depreciation, the charge for the year is higher by Rs.83,625/- and the profit for the year is lower by the like amount.
- 18 The figures in the Profit and Loss Account and in the Cash Flow Statement are for the year ended on 31st March, 2010 whereas the figures for the previous period are from 26th May, 2008 to 31st March, 2009, hence, they are not strictly comparable.
- 19 Previous period's figures have been regrouped, wherever necessary, to conform to the classification of the current year.

As per our attached report of even date

For Deloitte Haskins & Sells

Chartered Accountants

A. B. Jani

Partner

Signatures to Schedules 1 to 15

For and on behalf of the Board

A. P. Chen

Chairman

Gary Yang

Managing Director

Shrinivas Adkesar

Company Secretary

C. M. Gaonkar

Executive Director & CFO

Mumbai, dated : 28th May 2010

Mumbai, dated : 28th May 2010

Balance Sheet Abstract and Company's General Business Profile

I. Registration details

Registration no.

5 7 7 5

Balance sheet date

3 1 0 3 2 0 1 0

State code

2 4

II. Capital raised during the year

Public issue

N I L

Bonus issue

N I L

Other (Pursuant to the Scheme of Arrangement)

6 0 0 0 9 7 0 0

Rights issue

N I L

Private placement

N I L

III. Position of mobilisation and deployment of funds

Total liabilities

9 0 8 2 5 0 6 1 3

Sources of funds

Paid-up capital

6 0 0 0 9 7 0 0

Share application money

N I L

Unsecured loans

N I L

Application of funds

Net fixed assets

2 0 0 9 9 5 9 3

Net current assets

4 5 3 6 5 4 8 0 2

Accumulated losses

N I L

Total assets

9 0 8 2 5 0 6 1 3

Reserves and surplus

6 3 6 3 4 3 5 4 9

Secured loans

N I L

Net Deferred tax asset

N I L

Investments

2 2 2 7 4 5 4 5 4

Miscellaneous expenditure

N I L

IV. Performance of the Company

Turnover

1 4 0 9 5 8 8 9 8 0

+ (-) Profit/ (loss) before tax

1 0 4 3 3 0 3 0 7

Earnings per share (Rupees)

Refer note 9 of schedule 15

Total expenditure

1 3 0 5 2 5 8 6 7 3

+ (-) Profit/ (loss) after tax

7 1 8 6 0 9 2 7

Dividend %

5 0

V. Generic names of three principal products/ services of the Company (as per monetary terms)

Item code no. (ITC code)

8 4 7 1 8 0 . 0 0

Product description

N E T W O R K I N G P R O D U C T S

For and on behalf of the Board

A. P. Chen

Chairman

Gary Yang

Managing Director

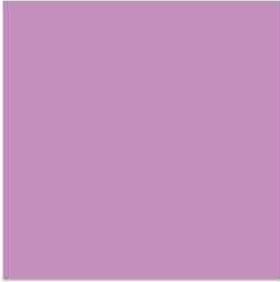
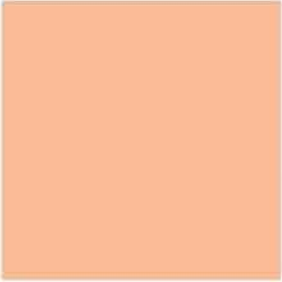
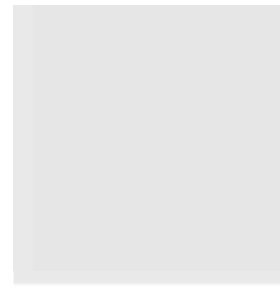
C. M. Gaonkar

Executive Director & CFO

Shrinivas Adkesar

Company Secretary

Mumbai, dated: 28th May 2010





www.dlink.co.in

D-Link (India) Limited

Registered Office:
L-5 Verna Electronic City
Verna Plateau, Verna
Goa - 403722

NETWORK SWITCHING

WIRELESS LAN

ROUTING

NETWORK SECURITY

IP SURVEILLANCE

NETWORK STORAGE

VOIP

BROADBAND

D-Link
Building Networks for People