

D-Link®

D-Link (India) Limited

(Formerly known as Smartlink Network Systems Limited)

Annual Report 2008-09



building strong relationships



Vision

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

building strong relationships



Mission

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.

The theme of our annual report this year is **"Building Strong Relationships"**. It stems from our drive to build endearing and long lasting associations with our customers, business partners, shareholders as well as the communities in which we operate within society at large.

We are in the networking and communications business. Our networks connect people all over the world. We too aim to connect with our stakeholders, in a way that not only meets but exceeds their expectations. At D-Link 'respect' is at the heart of all our relationships and also the glue that binds us together as a successful team.

With a more focused approach to our business, the adaptation of our global experience into local needs and by building enduring relationships, we aspire to create new value streams in the years ahead.

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Disclaimer/ Forward Looking statement

In this Annual Report we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements- written and oral that we periodically make, 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.

Chairman's Letter

Dear Shareholders,

Tough times are an acid test to measure the mettle of an organisation. While the gloom and doom surrounding the downturn spared none, the sound fundamentals of sturdier enterprises served as 'shock-absorbers'. Based on steadfast rudiments, we braved the challenges posed by a turbulent scenario. The D-Link brand business recorded a turnover of Rs. 1,324 million, resulting in a profit of Rs. 48.5 million. However, foreign exchange fluctuations and excess inventory resulted in unavoidable losses.

WELL-DIRECTED ZEAL TO CHART GROWTH

I'm pleased to say that sheer focus and advocated forward thinking has administered our course so far. The de-merger of erstwhile D-Link (India) Limited, during the bygone fiscal, is a result of our resolution towards delivering superior shareholder value. With this well-directed development, we are geared to further our focused approach towards the D-Link brand. Effective from 1st April 2008, the de-merger is a move to enhance our brand identity, which is already recognisable in the Indian as well as international marketplace.

At this juncture, I welcome Mr. Gary Yang as the Managing Director to lead this well-established entity. Mr. Yang has been associated with our parent company; D-Link, for more than 15 years and his vast experience will be instrumental in taking D-Link India to new heights.

RELATIONSHIPS THAT MATTER

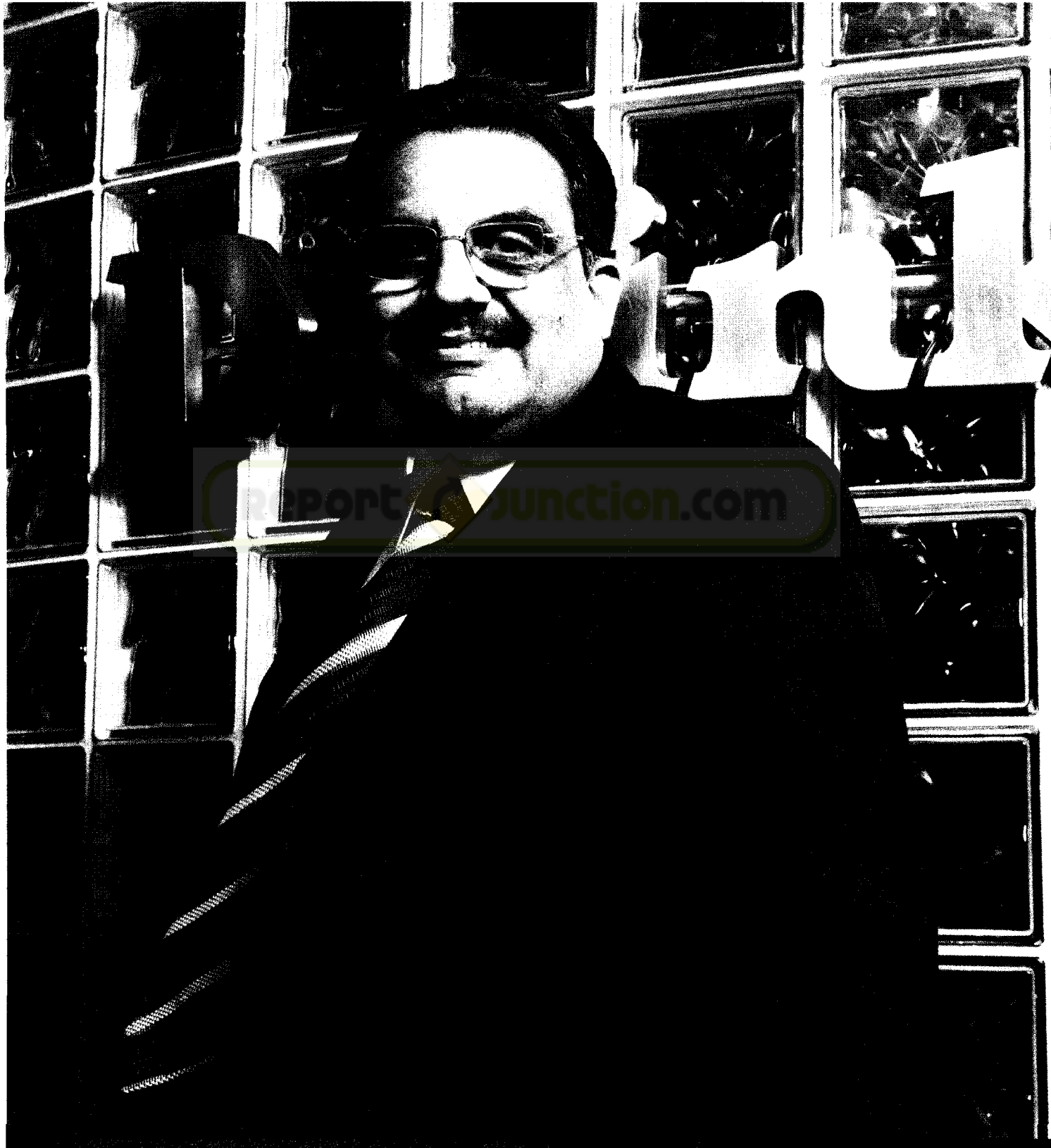
Driven by the fervour to develop effective products, we are not one-time solution providers, but enduring partners to our customers. Through our excellent distribution as well as services all over India and SAARC, we ensure close proximity and optimum care to our customers. Consequently, we are successfully building lasting relationships with our clients. We are now deploying our valuable over 22-year experience in the Networking industry to develop an all-encompassing product range - from networking NIC to Switches, Wireless, Broadband, SAN and Security - to consistently meet the varying requirements of our customers in times to come.

I would like to thank all our stakeholders and customers for their belief in our capabilities and their support in making our success a reality.

Yours truly,



K. R. Naik
Chairman





Managing Director's Letter

Dear Shareholder,

As I take on the baton of D-Link India, I gladly reveal that handling the reins of a flourishing company, perched on the threshold of an exciting future, is one of the most exciting undertakings of my career. I'm indeed fortunate to embark on a journey of leading a well-established and sound networking solutions business to greater heights of success. As a proud witness to the evolution of the D-Link Group, I aim to blend my learnings into the operations of D-Link India as it continues to chalk out winning strategies.

PRIMED TO RIDE THE IT WAVE

As a developing country, India harbours a ravenous appetite for advanced IT infrastructure. Consequently, the country has emerged as the centripetal force attracting business and investments from across the world.

At D-Link, it is not mere serendipity that we are always at the right place at the right time. We have earned this privilege through our insight, experience and determination. As the Indian IT industry, especially the telecom segment, continues to chart a growth trajectory, we are an integral part of this exhilarating ride. We are honoured to offer to this fast paced Indian market, our value driven, world-class services. Indeed, we aim to replicate the success of our various global business models on the domestic soil of India.

EVERY CONNECTIVITY NEED MET

Supporting our unwavering strides in the lucrative Indian market is our apposite basket of sophisticated, trend-centric offerings. The traditional product line of D-Link continues to remain strong. Our end-to-end solutions exemplify our determination to deliver excellence.

Our innate market understanding has empowered us to identify promising prospects and catalyse value-creation. Consequently, we have devised customised solutions meeting the needs of varied sectors such as Railway, Healthcare, Education, Telecom, Hospital as well as Government. With new and innovative wireless active networking solutions, we are expected to focus more on 3G and Wimax products.

Establishing rural connectivity is also on our radar. With almost sixty percent of Indian population living in the rural areas, we are looking at building a resilient wireless infrastructure backbone to connect the hinterlands to urban India. Leveraging our current standing, we will continue to provide the best price-performance propositions. Overall, I'm truly excited at what lays ahead.

ENDURING RELATIONSHIPS

I'm proud to state that delivering technology with the warmth of a human touch is our forte. This extra edge that our products as well as solutions are packaged with, serves as a tough binding agent between the Company and its stakeholders, be it customers, channel partners, employees and investors. We furbish the best-in-class training to our system integrators to further empower them in a competitive market place.

OUR EMPLOYEES AN INTEGRAL LINK TO OUR GOALS

Being associated with D-Link for 15 long years, I have been mentored by the organisation to emerge as a domain expert. I now have the opportunity to nurture many others within the Company to result in its overall growth. Exposed to work force belonging to diverse backgrounds, I am confident of cultivating a reasonably accommodative organisational culture.

FOCUS - THE GENESIS OF OUR GENIUS

Doubtlessly sky is the limit for success and we have begun our journey on this path. As we evolve with a more focussed approach, our de-merger with SMARTLINK will enable us to deliver progressively on our dedicated promises and objectives. However, we will continue to outsource the distribution and servicing centres from SMARTLINK. We will ensure strong bonds in spirit and substance and look forward to establishing longstanding relations with them.

GLOBAL EXPERTISE, LOCAL APPROACH

Our distinguished legacy has empowered us with global resources to synchronise our directions and drives in India. Leverage our internationally set platform, we are out to create new benchmarks on the domestic soil. Building market expansion, offering value-added services and high-end solutions for building communications infrastructure and standard networking products are key aspects of our localised approach towards garnering sustainable success.

Our stakeholder's continued support and belief in our capability is our inspiration and driving force to deliver the best. I would like to express my gratitude towards my stakeholders for instigating their confidence that drives us to reach uncharted heights.

Yours sincerely,

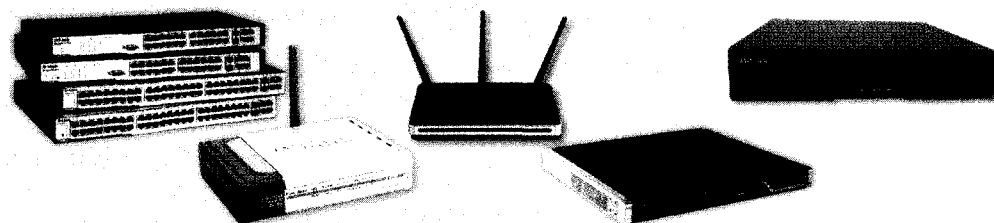
Gary Yang
Managing Director

About Us

D-Link India, a part of D-Link Corporation (Taiwan) is a global leader in designing, manufacturing and marketing of advanced networking, broadband, digital, voice and data communications solutions. D-Link continually meets the global networking and connectivity needs of digital home consumers, small office professionals, small- to medium-sized businesses, and enterprise environments. Today it is a key market player with a nationwide reach, robust product portfolio and superior services. The Company is firmly committed towards delivering high quality, efficiency and reliability to products, solutions and services.



OUR PRODUCTS AND SERVICES



SWITCHES

BROADBAND

WIRELESS
NETWORKINGNETWORK
SECURITY

ROUTERS

17

BRANCH OFFICES

22TERRITORY
DISTRIBUTORS IN
INDIA + 3 IN OTHER
SAARC**+500**

DEALERS

+5,000

RESELLERS

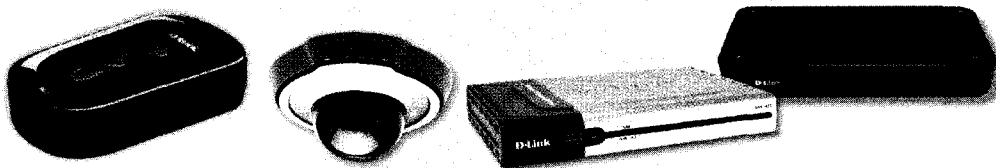
SALES
NETWORK
ACROSS THE
COUNTRYLIMITED
LIFE TIME
WARRANTY
FOR MOST OF
THE PRODUCTSPROVIDING
FREE
TELEPHONIC &
NET BASED
TECHNICAL
ASSISTANCEUNIQUE
DISTRIBUTION
SET UPSTRONG
PARTNER
RELATIONSRETAIL
PARTNERS**GROWTH DRIVERS**

A wide range of D-Link networking products which meet diverse networking needs, across a multiple market segment.

A strong Channel business with a unique distribution set-up.

A superior services team providing efficient customer and sales support.

Formulating and acting upon innovative strategies to sustain our markets and develop further customer outreach.

PERIPHERAL
SHARING

SURVEILLANCE STORAGE

IP TELEPHONY

DIGITAL HOME

D-LINK TAIWAN -
A GLOBAL PIONEER

NETWORKING
PRODUCTS -
THE WAY AHEAD

D-LINK FURNISHES HIGH-
LEVEL SUPPORT AT A
LOWER COST TO
WASHINGTON'S TOP
HOSPITAL

FURTHERING OUR LONG-
STANDING LINEAGE

D-Link (Taiwan) is a
prominent global
leader and a master
of the local pulse.

