

NETWORK SWITCHING

WIRELESS LAN

ROUTING

NETWORK SECURITY

IP SURVEILLANCE

NETWORK STORAGE

VOIP

BROADBAND

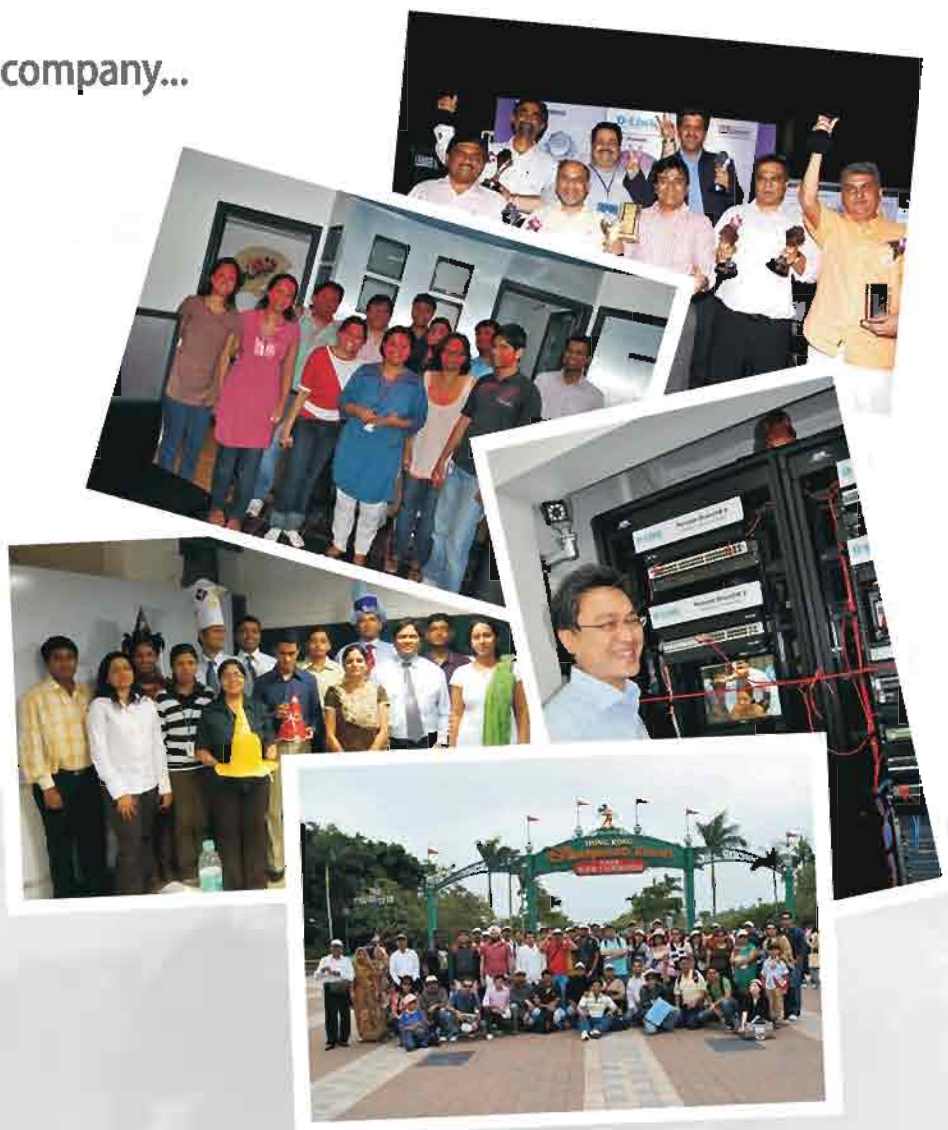
D-Link
Building Networks for People

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

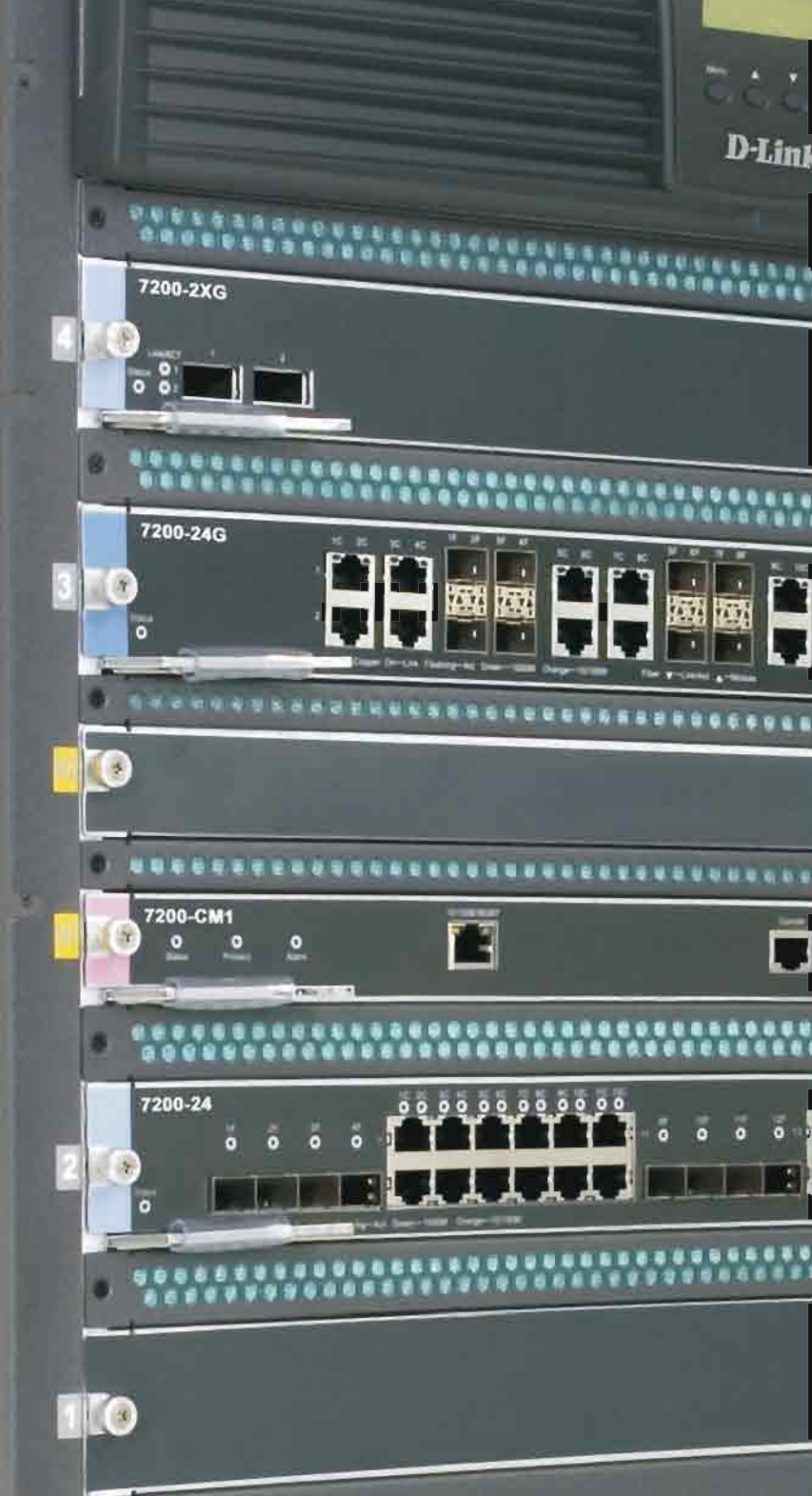
I must acknowledge here that our past achievement and our plans for the future must be significantly credited to the unconditional support of our partners which encompasses our customers, shareholders, bankers, vendors, channel partners and employees.

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

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