

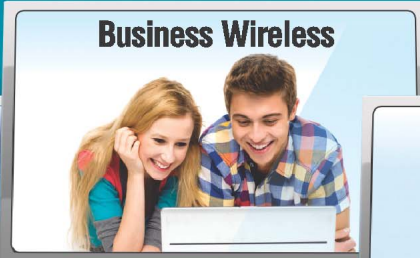
D-LINK'S HIGH-PERFORMANCE AND EASY TO MANAGE END-TO-END NETWORKING SOLUTIONS

Offers latest technology for more durability and flexibility at affordable costs

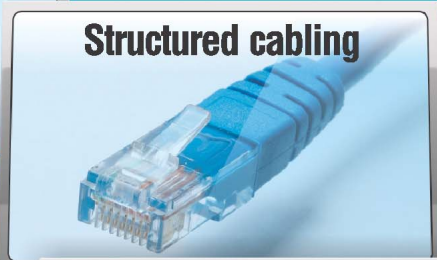
Switching



Business Wireless



Structured cabling



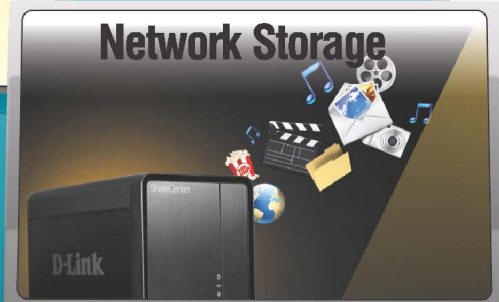
IP Surveillance



Network Security



Network Storage



We at D-Link provide:

- End-to-End Networking Solutions
- Feature rich in functionality, security & performance
- Low cost of ownership
- Local support staff
- Backed by D-Link Limited Lifetime Warranty
- World-class service support



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Disclaimer / Forward Looking Statement

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

Letter from Chairman



A.P. Chen, Chairman

Dear Fellow Stakeholders,

Financial Year 2011-12 was another challenging year as markets around the world continued to grapple with economic recovery. Fortunately, the cloud of turmoil in many emerging markets is slowly lifting.

D-Link's rigorous infrastructure, prudent fiscal policies and reliable brand image has allowed us to take full advantage of the conditions in these regions. These factors coupled with ongoing technical innovation, consistent product quality and excellent operational efficiency have helped D-Link to maintain stable growth.

D-Link remains a leading brand of global consumer networking products for the digital home. The design community has acknowledged D-Link innovation with multiple awards and distinctions. D-Link is also a formidable pioneer within the enterprise segment and powerful products with new features in areas such as surveillance technology and cloud services exemplify D-Link's proactive efforts to grow in these market segments.

IDC forecasts that the worldwide hardware spending will increase to \$767 billion in 2014. According to IDC, the hardware market in India accounts for 40% of the Indian IT-BPO industry and is expected to grow at a healthy rate. Spending by Government, BFSI and Telecom sectors will be the key drivers for the networking equipment segment.

D-Link's roots in India have allowed us to contribute to and benefit from the development and growth in the country. Our network, infrastructure, comprehensive market coverage and physical proximity in each region give us a deeper awareness of the subtle definitions among each customer requirements, culture and values. As India is a growing economic power, we will continue to strengthen our foothold and the opportunities will provide a good platform for stable and rapid growth.

As we look to the future of India operations, we see that digital content delivery, reliance on online applications and demand for broadband are all expected to grow considerably. The increasing consumer

dependence on the "cloud" affects the way families and friends interact, and the demand for networking equipment that can empower this new form of connectivity is set to grow rapidly.

D-Link will meet these demands through continued investment in D-Link's core technologies, research and development, and strategic global alliances. As always, ongoing improvements to logistics, operational efficiency and inventory management are a top priority. These factors assist D-Link in reaching the market with new products and technologies early on and subsequently dominating the competition.

Although the market for networking products has become more competitive, continuous innovation has sustained D-Link's brand leadership within the industry. Looking ahead, we anticipate stable growth momentum in the Indian market.

The executive team and staff pledge their continued dedication to responsible management, sustainable development, and corporate social responsibility. We maintain our determination to reach performance goals, strengthen growth, and enhance profitability.

As we look forward to the following year, D-Link's well established brand equity, a continuously evolving portfolio of world-class products, innovative technologies, strategic partners and talented and committed employees position us well for continued success.

In closing, I would like to extend my gratitude to the shareholders, partners and business associates for their enduring trust and support. I would also like to wish everyone at D-Link continued good health and good fortune.

Thank you.

Sincerely,

A. P. Chen
Chairman

About D-Link Corporation

Globalization through Localization

Meeting the World's Needs through Local Units



Local Market Understanding, International Presence

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

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



Letter from Managing Director



Gary Yang, *Managing Director*

“ We are well placed for continued success in a dynamic and growing market and committed to deliver value to all our stakeholders. ”

While Financial Year 2011-12 proved to be a much better year than previous year for the Indian IT industry, the environment continues to be challenging. The year started with great optimism, but as it progressed the Indian economy was faced with inflation, decelerating growth rate and sharp fall in the rupee. The investment climate became subdued and cautious and this adversely affected sentiments.

For us it was a year of transformation. We took stock of the market, the competition and our strengths and evolved a strategy to become a more focused company. We prioritized our markets and took action to become a more aggressive player. Finally, we strengthened our infrastructure to take the company into the next phase of growth and profitability.

A Challenging Year

Changing economic and business conditions, evolving consumer preferences, rapid technological innovation and adoption, and globalization are all driving companies to change the manner in which they operate. Companies are getting increasingly focused in their core business goals, revenue growth, profitability and asset efficiency. This has also led to greater cost consciousness which has become an important consideration on how IT investments are made.

The networking products industry is therefore facing the twin challenges of commoditization and scalability. Customers are increasingly turning to solution providers who understand their businesses and challenges. Demand is shifting from traditional horizontal offerings to industry-specific, technology driven solutions.

We are responding well to the market challenges and increasing our market share. Our broad product portfolio, nationwide coverage and our sales and service support are key reasons for our success.

D-Link (India) is now more focused and more innovative than ever before, and we are driving accountability on many levels - from revenue and margins to market share and profitability to ensure our continued growth and success.

The Power of Technology

Given the competitive environment, we are fortunate that we have the support of the multinational D-Link Corporation behind us. We have the advantage of the well established brand of this world-class products in networking and communications.

Well Positioned to Capitalize on Growth Opportunities

According to a NASSCOM report, the revenues for the Indian IT and BPO services companies will cross the \$100 billion mark in FY 12, in spite of the choppy business environment and gloomy global market conditions. Technology spends are expected to grow by over 4%. Growth will be driven by various factors such as new business models, services around new technologies like cloud, mobility, analytics, social media and verticalised solutions. The broadband market in India too, is expected to leapfrog from its current base of around 20 million wireless and wire-line subscribers.

We, therefore remain optimistic about our future. Moving forward, we believe we are well positioned to capture greater market share through our comprehensive portfolio of world-class products, our leadership team and our market penetration. As a company, our focus has always been on high-quality growth and profitability. We strongly believe that both margins and growth are important for an organization and will ensure that our strategic roadmap will drive the company to new heights in the future.

Our shareholders, our clients, our partners, our employees and our well wishers have supported our strategies and have stood by us through these challenging times. At the end of this eventful year, I thank each one of you and look forward to your continued support and trust.

Sincerely,

Gary Yang
Managing Director

Letter from CEO



Tushar Sighat, CEO

“ Our mission is to maximise our potential in the growing Indian market.

Our determination is backed by the power of D-Link Corporation - with its global presence and long established brand equity. ”

Dear Stakeholders,

Financial Year 2011-12 has been a year of dynamic growth and challenges for D-Link India. During the year, we succeeded in restructuring our business to more effectively serve all of our customers and to further strengthen our position in the Indian market. I am extremely glad to share with you the promising growth we had this year in terms of our revenues and the profitability.

When I look at the growth of this year, I am proud of what we have achieved, and even more excited about our outlook for an equally promising future. We have successfully executed our well defined strategies to deliver impeccable growth and commenced a new journey towards success, garnering business from Pan

India and SAARC, while earning our client's trust along the way.

It is satisfying to know that we are able to help our clients build networks that enable them to connect and operate pivotal aspects of their business more efficiently and economically. Customer satisfaction is the hallmark by which we measure our performance and we hold ourselves, as do our clients, to the highest standards of quality.

In this constantly evolving marketplace, our clients are more informed than ever about their solutions provider options. Even so, they continue to select D-Link as their partner of choice because of our experience, commitment to quality and integrity.

“When conveying D-Link India successes, I always return back to three guiding principles - Innovation, People and Honest Perspective- each one has helped to define who we are today.”

Innovation

At D-Link it has always been our endeavor to provide innovative products and solutions to drive the highest customer satisfaction.

Keeping in line with this mantra of Innovation and the extensive growth in Smart Phone users in India. I am glad in sharing with you the introduction of ground breaking “mydlink Cloud services” in India. Moving ahead most of our products will be powered by the mydlink cloud platform giving customer the power to access D-Link products from anywhere in the world using innovative mydlink applications for their iPhones and Android smartphones.

I am sure, since we are the only one and the first to introduce this concept in India this will definitely differentiate us from the others.

Talented People

Among our most important assets are the extensive knowledge base, deep-rooted professionalism and unwavering commitment of our highly-qualified and diverse staff.

The D-Link India staff is at the core of who we are and what we do. From our Sales Executives, Technical Executives to our Product Management Experts, Logistics and Quality Assurance Teams to our Senior Management. The D-Link India team is committed to delivering the highest quality products and providing unparalleled service to our customers.

Honest Perspective

As we continue to grow, each new day offers a chance for us to work together, pursue new opportunities and improve upon the past. We establish in-depth relationships with our clients by learning their environments, challenges and goals firsthand, so that we can offer tangible solutions with a candid perspective. We continue to manage our business around the evolving needs of our customers, so that we can be at the forefront of change and deliver value, because value is what stakeholders and constituents demand.

I appreciate the loyalty and support of our shareholders and wish to assure you that all D-Link members are equally excited as I am, to achieve our goals and to deliver sustainable growth .

Sincerely,

Tushar Sighat
CEO

D-Link (India): A commitment to high quality, efficiency and reliability.

D-Link (India) Limited is part of D-Link Corporation and one of the largest networking company in India. The Company is engaged in the marketing and distribution of networking products in India and SAARC countries. D-Link (India) Limited is listed on NSE and BSE. D-Link Holding Mauritius Inc., a 100% subsidiary of D-Link Corporation holds 60.37% shareholding in D-Link (India) Limited.

D-Link (India) Limited has a nationwide reach, robust product portfolio and is firmly committed towards delivering high quality, efficient and reliable networking products, solutions and services.

Innovation and Design Excellence

D-Link is a designer of network devices aimed towards benefiting the digital lifestyle. With strengths in product design, visual technology and mobile technology, the company offers unrivalled product range and integrated technology across platforms for all different environments. Adhering to our brand philosophy of delivering enjoyment and quality to life, D-Link offers high technology and innovative products to enhance the lifestyles of users.

Many of the company's pioneering concepts have redefined market expectations for technology, design and style. D-Link products have received honors for design excellence from leading design associations and international design organizations.

Awards & Accolades

The spirit of building connectivity for people is applied throughout all of D-Link.

Principles:

- To introduce convenience, reliability and savings to SoHo / workgroup / enterprise networking.
- To deliver high-performance solutions that reflect the commitment of a team aimed at building connectivity for people.
- To meet people's demands for easier communication with a fair investment.
- To design valuable, high-quality and user-friendly products to reach out to all kinds of people.
- To believe in the desire of individuals to easily access information, entertainment and communication at home, school or work.
- To find ways to connect business partners with new markets and opportunities, helping them to attain success and growth objectives.

Values:

- World-class quality.
- Fastest response time on the market.
- The most competitive costs.
- The best customer service.



Winner of Editor's Choice Award in 'Best Router' category



Winner of DQ Channels-Cybermedia Research Channel Satisfaction survey in Networking Category



'The Best Networking for SME' - Winner of SME Channel Achievers Awards 2010-11



VarIndia Awards: 'Best Networking Switch Company' Best Layer Two Switches



'Digit Icons of Trust in Networking Segment': Winner of 'Icon of the year 2012' in networking category



Computer Active Awards 2012 - Winner of 'Best Networking Manufacturer of the Year 2012'



CRN Channel Champions 2011: Winner of 'No.1 in SMB Networking'



Channel World MVP (Most Valuable Principal) Awards 2012: 'Most Valued Principal - Silver' in Enterprise Networking - Hardware Category



North-East CompuVar Channel Awards 2011: Winner of 'The Most popular Vendor (Networking - Active) of North East India'



Channel World MVP (Most Valuable Principal) Awards 2012: 'Most Valued Principal - Silver' in Enterprise Networking - Wireless Networking Category

A wide range of powerful networking and connectivity solutions.

Consumer Solutions

D-Link has introduced a number of new products to satisfy the evolving needs of the consumer market segment. The recent surge in online video streaming and social networking has caused an increased demand for high-speed connectivity. Similarly, the introduction of mobile applications and devices means that users need access to the Internet everywhere and anywhere, thus driving the demand for bandwidth to an all time high.

D-Link recognized this new digital lifestyle trend and subsequently focused on enhancing home entertainment, connectivity, monitoring and storage product lines.

Consumers are increasingly accustomed to working from home or on the road. To satisfy the needs of these consumers, D-Link has introduced new mobile devices that empower users to maintain their productivity wherever and whenever 3G/4G coverage is available. The latest series of mobile devices like the MyPocket Router even allow users to share their mobile connections with colleagues via Wi-Fi.

D-Link looks to expand its consumer base by growing its product lines, providing innovative solutions at competitive prices. Diversified offerings and innovative technologies will allow D-Link to maintain its position as a leader in the Consumer and Digital Home segment.

Business Solutions

With many exciting opportunities arising from the business market segment, D-Link India remains committed to providing Small and Medium Enterprises (SMEs) and Small Office/Home Office (SOHO) customers with powerful and cost-effective solutions that facilitate success in today's evolving networking environment.

D-Link's primary focus has been on solutions for the small to medium business segment with an emphasis on End to End Networking Solutions. D-Link India has further extended its reach, especially in the mid-to-large enterprise segment by offering L3 managed Switches to Chassis series switches. This extensible switch portfolio supports core-to-edge applications for larger enterprise network environments.

Ahead of the competition, D-Link has already attained IPv6-ready certification for all of its Managed Switch products, including its full line of Smart Switches. D-Link L3 switches currently support IPv6 routing in addition to IPv6 management.

Security has been a primary concern for networking administrators. However, the complexity of creating a secure

network environment can prove to be a daunting task. With this in mind, D-Link developed its Unified services Routers to provide everything needed for comprehensive management, superior wireless performance, robust security, and flexible deployment.

Similarly, D-Link's NetDefend UTM Firewalls also offer an extensive feature set that includes Intrusion Prevention (IPS), Antivirus (AV), and Web Content Filtering (WCF) for managing, monitoring, and maintaining a healthy and secure network.

The increased dependence on wireless technologies has fostered many opportunities for D-Link as a provider of a unified wireless solutions. In particular, D-Link's unified access points, unified wireless switches and wireless controllers for management and roaming control have seen considerable growth. D-Link offers a wide range of indoor and outdoor wireless access points to enable businesses to deploy and expand their networks seamlessly.

D-Link Unified Network Accessed Storage (NAS) and Storage Area Network (SAN) solutions serve businesses that require iSCSI (Internet Small Computer System Interface) capabilities alongside standard file based storage systems. Furthermore, D-Link's xStack storage solutions achieved both Citrix Ready certification and VMware Ready status to accommodate to future needs of the business environment to assure for virtualization compatibility with enterprise applications. The next generation of D-Link storage products will include added integration with cloud backup services, making them particularly attractive to channel partners and customers.

IP surveillance has begun to overtake CCTV as the preferred method for surveillance because of the quality and convenience that it provides. The latest generation of switches includes support for Auto Surveillance VLAN, a sophisticated feature that offers advantages for businesses establishing a combined switching and surveillance infrastructure. D-Link IP cameras can be installed on the same network used for data transfers without any degradation in network performance. Auto Surveillance VLAN provides the benefit of zero configuration combined with quality of service (QoS) improvements.

D-Link is further strengthening its Structured Cabling solutions portfolio with Copper & Fiber solutions to cater to the increasing need of datacenters, corporates and SMBs. D-Link's current cabling portfolio includes end-to-end cabling solution (Cat 5e & Cat6), UTP/STP LAN Cables, Patch

Panels and Patch Cords. The fiber range includes Fiber cables, Fiber connectors, couplers etc. D-Link's cabling products adhere to international standards. ROHS compliant products are backed by international product warranty performance in certified projects implemented by D-Link Certified Cabling Expert (DCCE). DCCE program to train partners is one of the initiatives to empower and educate partners on the structured cabling solutions.

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

mydlink Cloud

The mydlink cloud product line is D-Links' commitment to enhance its numerous consumer networking products with fresh and innovative cloud functionality that aims to personalize consumer internet experience like never before



With the launch of mydlink cloud services, D-Link embarks on a new paradigm in consumer cloud space. D-Link

Cloud products will definitely enable us in enhancing customer experience and gaining maximum mind-share.

mydlink cloud platform will allow consumers to control, view, share and access their network devices, anytime, anywhere. Under the umbrella of mydlink cloud services, the company has introduced a gamut of devices like Cloud Routers, Cloud Camera and Cloud Storage. All D-Link Cloud products are based on its mydlink platform and can be managed easily through mydlink website.

D-Link has developed mydlink application for iOS and Android mobile devices, to allow consumers to control, view and share via any computer or portable device like an iPad or smartphone.

With D-Link cloud products, consumers create a personal cloud using which they enjoy their home network no matter where they are. Use mobile applications to access favorite media files, manage wireless network or keep an eye on home and loved ones, anytime and anywhere. D-Link's family of affordable wireless cloud-enabled devices makes it easy to set up a complete wireless network to access on-the-go. Whether one wants to look in on children or pets, see who is on the network, or enjoy favorite videos, music and photos, D-Link keeps consumers cloud covered.

D-Link Academy

D-Link Academy is committed to providing our customers with high-quality training courses. D-Link Academy provides access to D-Link's training and certification program to promote D-Link technology and respond to market demands. D-Link Academy will help to educate employees, customers, channel partners, and students about D-Link solutions. D-Link has experienced instructors with extensive knowledge of new technologies, who are able to provide informative training sessions, which will thoroughly educate users about networking technology. Candidates will have the opportunity to gain practical knowledge via hands-on practice. Our courses will help candidates to improve their job skills and give them a better understanding of complex technical topics.

D-Link's Academy's training program is specially designed for Academy Training Institutes that would like to offer networking certification courses to their students. D-Link Academy's collaboration with training partners will provide outstanding opportunities for students to improve their knowledge of networking and business solutions. Training partners will provide a training plan for D-Link Network Fundamentals and Advanced Networking at their institutes spread across the country. D-Link Academy's main mission is to provide accelerated courses while developing special new courses based on innovative technologies.

D-Link will deliver D-Link Certified Specialist (DCS) classroom training and will issue customized training including special courses through Academy Partner/Training Partner and their franchisee training partners. D-Link Academy will work closely with training partners to hone customer skills and develop future network professionals.

Stay connected to what matters most...

Keep an eye on all that's important to you.

'mydlink cloud' is a revolutionary platform from D-Link that allows consumers to effortlessly control, view, share and access their network devices – anytime, anywhere. Under the umbrella of mydlink cloud services, the company has introduced a gamut of devices like Cloud Routers, Cloud Camera and Cloud Storage. All D-Link Cloud products are based on its mydlink platform and can be managed easily through mydlink website www.mydlink.dlink.com.



D-Link Cloud Cameras

Whether you're out for an evening, at the office, or away on vacation, cameras with D-Link Cloud Services allow you to stay connected to your home - and everything in it - from virtually anywhere using a laptop or mobile device.



Your Home Network in the Palm of Your Hand

- D-Link Cloud Services are about allowing you to effortlessly access, share, view and control the devices on your home network from anywhere, anytime.
- Wi-Fi routers, cameras and storage devices can all be reached instantly using a computer or portable device like an iPhone® or tablet, putting you in control of your network no matter where you happen to be.



D-Link Cloud Storage

D-Link Cloud Storage is simple and easy to use. Save your confidential content at home and maintain full control of it. Only your family and friends who have been granted access to can download, play or upload these files. Access your files from anywhere using your Internet-enabled devices, such as a smartphone, tablet, or laptop.



D-Link Cloud Routers

Routers with Cloud Services are simple to set up and easy to use. With D-Link Cloud Services, controlling and managing your network is no longer a hassle. Routers that are mydlink-enabled allow you to remotely control Internet access for all of the computers and devices on your network.



D-Link Green Commitment

At D-Link, being “Green” starts with the proper eco-friendly mindset of each and every one of our world-class staff.

Whether it is at the office where ideas are generated, or at the sites where our products are manufactured, we strive to provide more energy-efficient products that allow consumers to upgrade their network equipment and immediately experience dramatic energy savings. We are proud of D-Link’s current leadership position for Green products and are committed to reaching even greater heights to protect the environment.

Many consumers have already begun to make environmentally conscious decisions to reduce their energy consumption. Based on these needs, companies have been striving to create products that are more appropriate for the environment, reducing energy used and making the transition to Green products easier for the user.

We at D-Link are proud that we have been able to deliver a range of products that offer an eco-friendly alternative to

our competitors in the market. When making the move to more energy efficient “Green” devices, however, it was paramount that achieving such goals did not come at a cost of performance and affordability for our products. We have succeeded in these goals and offer devices that operate with low power and are subsequently more environment friendly.

D-Link remains committed to strengthening its leadership position in developing high-quality Green networking solutions for the office and home. “Building Networks for People” has always been a motto that D-Link believes in, but the Company also believes in being a responsible leader for the public. In conjunction with both new and previous environmental initiatives, D-Link strives to create environment friendly solutions today for a better future.



Board of Directors



A.P. Chen
Chairman

A.P. Chen possesses a Bachelor's degree in Electronics Engg. and a Masters Degree in Business Administration from the National Chiao-Tung University in Taiwan. He has over 32 years of industry experience and has held a number of senior positions in Citi Bank, Bank of Boston's Taiwan Branch. Mr. A.P. Chen is presently Director & President of D-Link Corporation, Taiwan.



Gary Yang
Managing Director

Gary Yang is in-charge of India, Middle East and African countries for D-Link. Mr. Yang has contributed 22 years to the IT field of which he has worked for 18 years with D-Link. He possesses Bachelors degree in Management from Cheng Kung University.



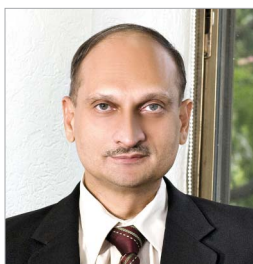
C.M. Gaonkar
Executive Director & CFO

C.M. Gaonkar is a Chartered Accountant and has over 27 years of industry experience. He has been instrumental in the successful launch of IPO for erstwhile D-Link (India) Limited in 2001.



Rajaram Ajgaonkar
Director

Rajaram Ajgaonkar is a Chartered Accountant in practice with 33 years of post qualification experience. He is also qualified as LLB (Gen) from Government Law College in Mumbai.



Satish Godbole
Director

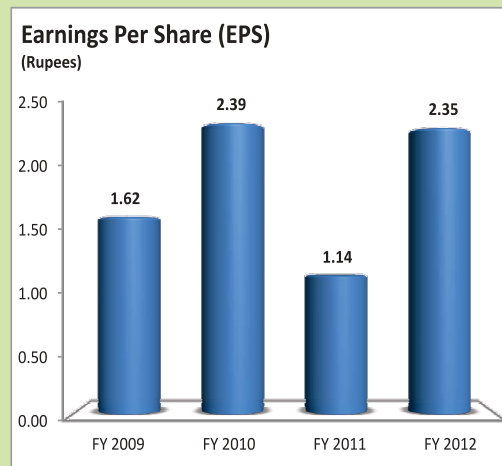
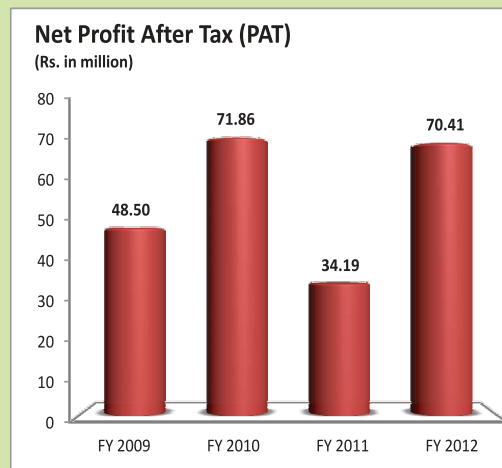
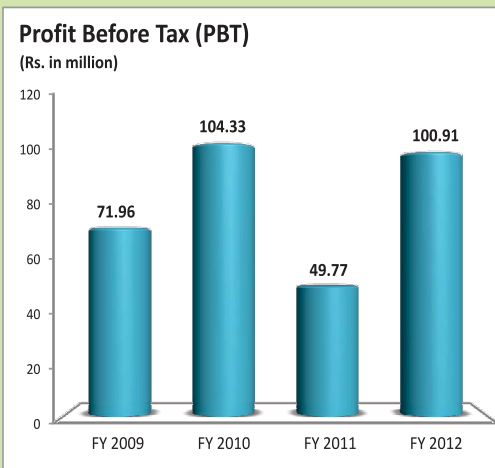
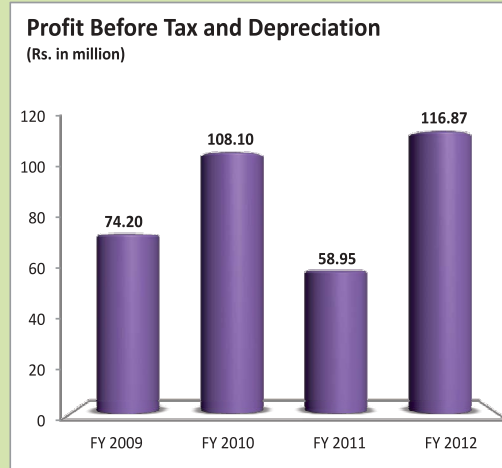
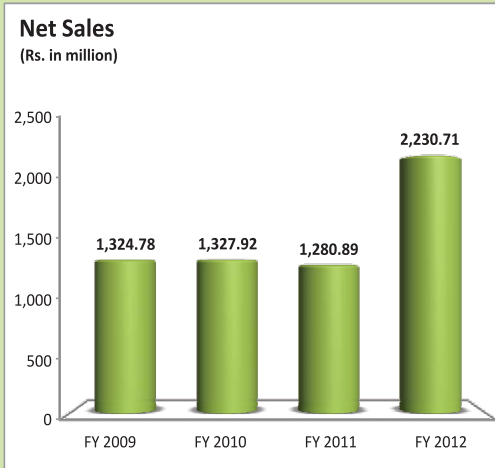
Satish Godbole is a Chartered Accountant in practice with 31 years of experience. He has specialized in Company Law, Mergers & Amalgamation and FEMA.



Anil Bakshi
Director

Mr. Anil Bakshi is a qualified Chartered Accountant and Company Secretary. He is an Industrialist and has over 27 years of experience in overall business management.

Financial Performance



Directors' Report

To the Members,

The Board of Directors of your Company takes pleasure in presenting the Fourth Annual Report together with Audited Balance Sheet and Statement of Profit and Loss for the financial year ended March 31, 2012.

1. Financial Results and Appropriations:

(Rs. in million)

Particulars	F.Y. 2011-2012	F.Y. 2010-2011
Revenue from operations	2,230.71	1,280.89
Profit Before Depreciation and Tax	116.87	58.95
Less: Depreciation for the year	15.96	9.18
Profit Before Tax (PBT)	100.91	49.77
Less: Provision for Tax		
a) Current Tax	28.05	12.50
b) Deferred Tax	2.45	3.08
Profit After Tax	70.41	34.19
Balance brought forward from previous year	435.62	415.35
Amount available for Appropriations	506.03	449.54
Transfer to General Reserve	7.05	3.42
Proposed Dividend	12.00	9.00
Tax on Dividend	1.95	1.50
Balance carried forward to Balance Sheet	485.03	435.62
Earnings per Share (Rs.)	2.35	1.14

2. Operations Review:

The fiscal year under review was one of the significant achievements in turnover of the Company. Despite higher costs, competition and entry of a number of players in the market, turnover has reached a record high of Rs. 2,230.71 million as compared to Rs. 1,280.89 million in the previous year.

The net profit of the Company stood at Rs. 70.41 million as compared to Rs. 34.19 million in the previous year. Your Company has shown significant growth in its core networking products business and also increased its market share in Structured Cabling Products during the year.

Your Company during the year introduced 'personal cloud' networking solution. The mydlink Cloud product line is to enhance its consumer networking products with fresh and innovative cloud functionality that aims to personalize consumer internet experience.

The Company launched its new global training program christened 'D-Link Academy'. Through 'D-Link Academy', the Company aims to train individuals and transform them into certified networking professional and eventually respond to the ever growing market demand for networking products and solutions.

3. Dividend:

Your Directors have recommended for your consideration the payment of dividend of Re. 0.40 per share for the year ended March 31, 2012, (i.e. @ 20% on the paid up equity capital) to be paid, if approved by members at the Fourth Annual General Meeting.

4. Awards and Recognition:

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

- NCN Editor's Choice award - 'Best Router category'.
- DQ Channels-Cybermedia Research Channel Satisfaction Survey - 'Winner in Networking category'.
- SME Achievers' Awards - 'The Best Networking Brand for SME'.
- Var India Awards - Best Networking Switch Company.
- Digit Icon of Trust 2012 in Networking segment.
- Computer Active - Best Networking Manufacturer of the year 2012.
- CRN Channel Champion 2011 - No. 1 in SMB Networking.
- CompuVar Channel Awards 2011 - The most popular Vendor (Networking - Active) of North East India.
- Channel World MVP Awards 2012: 'Most Valued Principal - Silver' in Enterprise Networking - Hardware Category

5. Directors:

Mr. A. P. Chen, Director, of the Company who retires by rotation at the Fourth Annual General Meeting and being eligible offers himself for re-appointment. The Board recommends his re-appointment as Director of the Company.

Ms. Hui Lin Chen Lin, resigned as Director of the Company with effect from May 3, 2012. The Board places on record its appreciation for the services rendered by Ms. Hui Lin Chen Lin during her tenure as Director of the Company. Mr. Anil Bakshi who acted as 'Alternate Director' to Ms. Hui Lin Chen Lin vacated his office in terms of Section 313 of the Companies Act, 1956 with effect from May 3, 2012.

Mr. Anil Bakshi is appointed as an Additional Director on the Board of the Company effective from May 3, 2012 to hold office up to the date of the Fourth Annual General Meeting.

6. 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.

7. Management Discussion and Analysis:

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

8. Corporate Governance:

It has always been the Company's endeavour to exceed and excel through better Corporate Governance and fair and transparent practices. The Compliance Report on Corporate Governance forms part of the Annual Report.

9. Auditors:

The Statutory Auditors M/s Deloitte Haskins & Sells., Chartered Accountants, hold office upto the conclusion of the Fourth Annual General Meeting. The Board recommends the re-appointment of M/s Deloitte Haskins & Sells., Chartered Accountants, having Firm Registration No.117366 as Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting until conclusion of the next Annual General Meeting.

10. Conservation of Energy, Research and Development, Technology Absorption, Foreign Exchange Earnings and Outgo:

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

Your Company is primarily engaged in Marketing and Trading activities and has not consumed energy of any significant level and no additional investment is required to be made for reduction of energy consumption. However, the Company will continue with its efforts to conserve the energy. No comment is being made on technology absorption considering the nature of activities undertaken by your company during the year under review.

b) Foreign Exchange Earnings and Outgo:

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

11. Particulars of Employees:

Particulars of Employees as required under the provisions of Section 217 (2A) of the Companies Act, 1956 read with Company (Particulars of Employees) Rules, 1975 and as amended, forms part of this Report. However, in pursuance of section 219(1)(b)(iv) of the Companies Act, 1956, this report is being sent to all the members of the Company excluding the aforesaid information and the said particulars are made available at the registered Office of the Company. The members desirous of obtaining such particulars may write to the Company Secretary at the registered office of the Company.

12. Director's Responsibility Statement:

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

- 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 a true and fair view of the state of affairs of the Company as at March 31, 2012 and the profit of the Company for the year ending on March 31, 2012;
- 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.

13. Acknowledgements:

Your Directors wish to thank and place on record their appreciation for all the employees at all levels for their hard work, solidarity, co-operation and support during the year. Your Directors wish to place on record their appreciation to Customers, Shareholders, Vendors, Business Distributors/ Partners and Bankers for their continued support.

For and on behalf of the Board of Directors

Gary Yang
Managing Director

C. M. Gaonkar
Executive Director & CFO

Mumbai, Dated: May 3, 2012

Management Discussion and Analysis Report

INDUSTRY STRUCTURE & DEVELOPMENTS

GLOBAL SCENARIO:

The worldwide IT spending was forecast to total US\$3.8 trillion in 2012, a 3.7% increase from 2011, by Gartner Inc. at the beginning of this year. Recently (in April, 2012), Gartner has revised its forecast for overall global IT spending growth in 2012 from 3.7% to 2.5%. However, this reduction is due to the strengthening in the value of the U.S. dollar versus other currencies.

Early signs in 2012 suggest the global economic outlook has brightened a little, with no more than a 25% risk of a return to recession. Nevertheless, uncertainties remain, and global real GDP growth is forecast at a modest 2.4% for 2012.

In the small and midsize business market, which represents approximately a quarter of all enterprises, IT spending is forecast to reach \$874 billion in 2012 and will grow to \$1 trillion by 2016. Throughout the forecast period, midsized business IT spending outperforms other sectors in each of the next five years, driven by growth in spending on enterprise software.

The worldwide telecom equipment market is forecast to show the strongest growth with spending reaching \$472 billion in 2012, a 6.9% increase from 2011. Gartner attributes this growth to the continued health of the mobile devices market as well as a more positive outlook for enterprise network equipment, which is being driven by spending on application, acceleration equipment, network security, WLAN and Ethernet switches.

The global IT infrastructure market has been growing across diverse industry verticals including manufacturing, retail,

hi-tech, media/publishing, telecom and financial sectors. Industry watchers term it as the segment with the greatest offshore potential, ahead of application development maintenance and BPO.

INDIAN IT INDUSTRY:

Indian enterprise IT spending across all industry markets is forecast to surpass \$39 billion in 2012, a 10.3% increase from 2011 spending of \$36 billion, according to Gartner. The growth of IT in India is expected to continue with an annual increase to exceed this level through to 2015.

The pace of economic growth in India, with a mild, by global standards, dip during the worldwide recession in late 2008 and 2009 has brought the role of IT into sharp focus within many enterprises.

Business is increasingly looking towards IT to help support the challenges of rapid growth for customer support, supply chain management, optimizing business processes or helping to drive innovation in the business. These demands are being placed while the IT infrastructure within many enterprises may not be entirely in place. IT is also in transition from being viewed as a back-office support function to a frontline business-focused function.

The Indian enterprise market is quite distinct from other markets in Asia Pacific. The retail industry is expected to achieve the strongest growth in percentage terms in 2012, where IT spending is forecast to grow 11.8%.

The best growth opportunities will remain within the large manufacturing, government, state-owned enterprises, communications and financial services sector.



Enterprise IT Spending by Vertical Market in India (Billions of U.S. Dollars)

	2010	2011	2012	2013	2014	2015	2010-2015 CAGR (%)
Banking & Securities	4.5	5.2	5.6	6.2	7.1	8	11.6
Communications, Media & Services	5.5	6.3	6.8	7.5	8.4	9.3	10.3
Education	0.8	0.9	1	1.1	1.2	1.4	12.3
Government	5	5.8	6.6	7.3	8.3	9.3	12.5
Healthcare Providers	0.9	1.1	1.1	1.2	1.2	1.3	5.9
Insurance	1.2	1.4	1.5	1.6	1.9	2.1	9.8
Manufacturing & Natural Resources	5.7	6.6	7.3	8.1	9.1	10.1	11.2
Retail	1.4	1.7	1.9	2.1	2.4	2.7	12.8
Transportation	1.5	1.7	1.8	2	2.3	2.6	11.6
Utilities	1.1	1.3	1.4	1.6	1.8	2	12.3
Wholesale Trade	0.8	1	1	1.1	1.3	1.4	9.7
Grand Total	28.5	32.9	36	39.7	45	50.2	11.2

Source: Gartner (January 2012)

THE INDIAN NETWORKING INDUSTRY:

The Indian government is clearly focused on taking development to the masses. This opens up the opportunity to extend the ICT revolution beyond the major metropolises to the Tier II and Tier III cities, which will give a further boost to the networking industry.

The fast growth is evident across a string of verticals such as telecom, retail, aviation, hospitality, government, manufacturing and education which are increasingly deploying sophisticated networking infrastructure and consider investment in networking as extremely strategic. This along with increasing PC penetration has made India the fastest growing IT networking product market in Asia Pacific region. Increasing investment in infrastructure projects and the surge in 3G investments has further accelerated the growth of networking system and devices.

Further with the renewed growth in the India economy, there is expected to be a corresponding upscaling of businesses, especially in terms of personnel strength. In such a scenario, networking will be of prime importance in yielding both efficiencies and economies and thus offering D-Link (India) Limited with expanded scope and opportunity. As more and more networking vendors jockey to make their presence felt in India and adopt cut-throat pricing to garner some market share, products are increasingly becoming commoditized.

Another key observation from the rapidly changing market dynamics is that while growth in many verticals has led to vast increase in the market for Voice solutions, Routers,

Switches, Wireless LAN, Storage, Modem, Network Management and Integration, Network Security and Surveillance, growth has been more pronounced in larger enterprises (500+ nodes network) and has remained comparatively sluggish in the Small and Medium (SMB) segment.

With more and more people availing internet connections, increase in popularity and usage of mobile devices like Laptop, Smart phone, gaming consoles, etc. has also resulted in increased demand of networking products in the consumer space. Similarly companies these days are making huge investments in creating safe, secure and reliable networking Infrastructure, leading to growing demand for networking products/ solutions from enterprise segment. Therefore increase in demand for networking products is not a phenomenon restricted to foreign shores alone, as it is clearly evident in India also. It is believed that India adds more than 15 million wireless subscribers a month and is the second-largest market after China for wireless services with more than 771 million users. Hence there is absolutely no doubt that India holds huge opportunities.

THE YEAR UNDER REVIEW:**‘mydlink’ Cloud Services:**

Cloud computing system is growing in prominence. Gartner defines cloud computing as a style of computing where massively scalable IT-related capabilities are provided “as a service” using Internet technologies to multiple external customers.



The impact of cloud computing on IT vendors will be enormous. Established vendors have a great presence in traditional software markets and as cloud business models evolve and expand outside of consumer markets, a great deal could change.

mydlink is an easy to use application giving users a simple and convenient way to keep an eye on the things that matter to them the most. For this, D-Link has created a dedicated and very comprehensive website. So now all mydlink-enabled cameras can be viewed and managed online, thus enabling the consumer to enjoy the freedom of remote monitoring on his/her terms. 'mydlink' is D-Link's effort to make home monitoring a truly simple experience as one can access live camera feed online through hand-held devices or a Laptop or PC anytime, anywhere.

D-Link Academy:

D-Link Academy is a global education program that teaches students how to design, build, troubleshoot and secure computer networks for increased access to career and economic opportunities in communities around the world. D-Link Academy provides courses, interactive tools and hands-on learning activities to help individuals prepare for ICT and networking careers in virtually every type of industry.

D-Link Academy aims to provide a consistently enriching learning experience by partnering with public and private institutions such as schools, universities, businesses, nonprofits and government organizations to develop and deliver innovative ICT courses, improve the effectiveness and accessibility of the program, increase access to education and career opportunities and help ensure that students and instructors have the resources they need to accomplish their goals.

D-Link Academy provides access to D-Link's training and certification program as part of a management initiative to

promote D-Link technology and respond to market demands. D-Link Academy will help to educate employees, customers, channel partners, and students about D-Link solutions and D-Link Academy is committed to providing our customers with high-quality training courses. We have experienced instructors with extensive knowledge of new technologies, who are able to provide informative training sessions, which will thoroughly educate users about networking technology. Candidates will have the opportunity to gain practical knowledge via hands-on practice. Our courses will help candidates to improve their job skills and give them a better understanding of complex technical topics.

GEARED FOR A RESURGENT TOMORROW:

From a market place standpoint, D-Link had selected certain segments and has continually invested to strengthen its capabilities in those chosen niches. As a result, D-Link's opportunity landscape has close semblance to its strategy of focused leadership.

D-Link (India) Limited has recently streamlined its internal business structure and has appointed separate business teams for Channel and enterprise segments. As a result, D-Link India has delivered remarkable growth during the year.

D-Link (India) Limited follows a strategy of meeting the needs both real and potential of key industry verticals, by forging solutions based on new and innovative technologies. For customers, such end-to-end solutions are means to their ends, i.e. enablers of their own missions and objectives, aligned to the prevailing technologies of the day. One such technology is broadband access, whose penetration is rapidly growing and building its own burgeoning subscriber base. That translates into a customer base for CPE (Customer Premise Equipment), in which the company already has a strong presence serving the SOHO/SMB segment and is therefore excellently placed to seize the growing opportunities.

D-Link (India) Limited is also a principal player in the Enterprise segment, primarily as an application service provider closely aligned with System Integrators. In parallel, the company also targets other key verticals, including Government, Education, BFSI and Manufacturing, among others.

There are also significant opportunities in the switching business, especially for cross-selling through integration with IP surveillance systems, further strengthening the

company's presence in the surveillance and security market.

The surveillance segment is also rapidly gaining importance and in many organizations, migrating from administration to IT functions. This logical new generation surveillance systems have to be effectively integrated into the company's overall network infrastructure. In such a scenario, D-Link India enjoys significant competitive advantage with products and capabilities to provide solutions spanning the entire networking infrastructure.

In line with its techno-centric orientation, D-Link (India) Limited continually seeks to add new dimensions to its offerings by incorporating new technologies, especially in the Telecom sector. By introducing 3G CPEs, the company could leverage its entrenched placement in the SOHO/SMB segment, thus creating a promising new revenue stream.

e-governance, too, is a promising avenue for D-Link (India) Limited, especially given the accelerated pace of implementation being seen in several States under the National e-Governance Plan (NeGP).

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

D-Link enterprise product offering comprises of Switching, Storage, Surveillance, Structured Cabling and Business Wireless. For day-to-day network operations, businesses are ideally on a look out for one stop solution and D-Link's innovative enterprise solution brings an efficient and effortless offering with high flexibility and scalability for any deployment. Further, it gives the benefit of reducing the effort of integration and provides professional and extensive training to help businesses.

As part of its renewed strategy, D-Link is in the process of revitalizing its go-to-market strategy with renewed focus on channel, telco, lifestyle, etc. It has streamlined its internal business structure and has appointed separate business teams for channel and enterprise segment.

Moving forward, the main agenda this year would be to

energize and re-engage with the existing system integrators, and at the same time also identify and recruit new partners. The company also plans to categorize system integrators based on their specialization in business verticals and product lines.

The Company is also in the process of setting up an online portal that will act as a knowledge centre and one stop reference point, giving complete details about new product introduction, scheme/incentive program, etc. and D-Link's end-to-end network solution offerings, with special highlight on enterprise product range.

HUMAN RESOURCE DEVELOPMENT:

At D-Link, employees form the key focus of business management and development to establish future growth and stability. As a company, our investment in employees' career path can be clearly defined in the initiatives taken towards Talent Acquisition, Talent Management, Talent Development and Talent Engagement.

Aligning HR towards business needs, there has been a concentrated shift to retention of potential talent through various motivational and career development initiatives being implemented.

The recent past has seen D-Link focus on training initiatives not only in the form of classroom initiatives but also outbound experiential learning programs as well as the self-learning support system provided through the eLearning hub.

Motivational levels at D-Link is well maintained through well-deserved performance appreciations recognized via the 'iAppreciate' Program which is on a continuous basis and most recently the D-Link Awards Function held to felicitate star performers under the two major categories such as 'D-Link Business Champions Award' and 'D-Link Business Accelerator Award'. Deserving Departments have also been awarded for dedicated efficiency and commitment.

The practices, processes and policies being implemented at D-Link India have been well appreciated by the Headquarter unit and is further considered as a framework for other OBU's across the globe.

At D-Link, employees are given opportunities to develop their competence towards challenging roles by leveraging on the exposure and responsibilities entrusted to them. The total number of employees as on March 31, 2012 were 135 employees.

OPERATIONAL REVIEW:

During the financial year 2011-12, the company reported revenues of Rs. 2230.71 million. The company has this revenue in the face of severe competition resulting from entry of a large number of new players.

During the year under review, the company posted Profit before Depreciation and Tax of Rs. 116.87 million. Depreciation for the year stood at Rs. 15.96 million, Profit Before Tax for the year stood at Rs. 100.91 million while Net Profit for the year stood at Rs. 70.41 million.

RISKS AND CONCERNS:

Technological Obsolescence:

D-Link operates in an ever evolving and dynamic technological environment and it is of utmost importance that the Company continuously reviews and upgrades its technology, resources and processes lest it faces technology obsolescence.

Competition:

New competitors are emerging from adjacent markets and distant geographies. The Company faces competition not only from the India based IT services providers but increasingly from the multinational IT vendors. D-Link's differentiation strategy incorporating its unique business approach has led to its emerging as a leader in the rapidly dynamic IT industry. D-Link has developed competencies in various technologies, platforms and operating environment offering a wide range of product options to customers based on their needs.

Exchange Rate Risks:

The global financial position continues to remain volatile with wide swings in both directions in currencies impacting the IT industry. This trend is expected to continue during the year too. D-Link has taken proper precautions to protect its payables and forecast revenues against the foreign currency fluctuations.

Rising Costs:

The company ranks among the leaders in many of its networking product lines. This gives the company economies of scale; thereby enabling it to maintain a certain degree of control over input costs.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Your Company has established proper and adequate systems

of internal control to ensure that all resources are put to optimum use and are well protected against loss and that all transactions are authorized, recorded and reported correctly and there is proper adherence to policies, guidelines and processes in terms of efficiencies and effectiveness.

The Company has appointed qualified professionals for Internal Audit which ensures that:

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

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

Communication to Members on Green initiatives in Corporate Governance.

In terms of the Circulars No. 17/2011 of 21 April 2011 and 18/2011 of 29 April 2011 issued by the Ministry of Corporate Affairs (MCA) as part of its "Green Initiative in Corporate Governance", MCA allows paperless compliances including service of a notice/document by companies to their shareholders through electronic mode.

The Company proposes to send documents required to be sent to shareholders like Notices of General Meetings (including AGM), Audited Financial Statements, Directors' Report, Auditors' Report, etc. to the shareholders in electronic form to the e-mail IDs provided by them and made available to the Company by the Depositories.

This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents will also be available on the Company's website www.dlink.co.in for download by the shareholders.

The physical copies of the Annual Report 2011-12 will also be available at the Company's Registered Office in Goa for inspection during office hours. Shareholders will be entitled to be furnished, free of cost, with a copy of the Balance Sheet of the Company and all other documents required by law to be attached thereto, upon receipt of a requisition from the shareholders, any time as a Member of the Company.

Once again, we take this opportunity to appeal to those of you who are yet to register their email-id to do so at the earliest.

You can register your e-mail ID;

- by registering with your Depository Participant (DP) if you hold shares in demat form;
- by sending an email or writing to or the R&T Agent if you hold shares in physical form at the following address;

The Company Secretary
D-Link (India) Limited.
Plot No. U02B,
Verna Industrial Estate,
Verna, Goa - 403722
Phone Nos: 0832-2885800/811
Fax Nos: 0832-2885823
Email : shares@dlink.co.in

Registrars & Share Transfer Agents
Karvy Computershare Private Limited
Unit: D-Link (India) Limited
Plot No.17 to 24 Vittalrao Nagar
Madhapur, Hyderabad - 500 081
Phone No. 040-44655000
Fax No. 040-23420814
Email: einwards.ris@karvy.com

Report on Corporate Governance

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

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

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

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

2. Board of Directors:

a) Composition and Category of Directors:

The composition of the Board of Directors is in conformity with the Corporate Governance norms as on March 31, 2012. The Company at present has six Directors on its Board (excluding the Alternate Director), comprising of two Executive Directors and four Non Executive Directors out of which three are Independent Directors. The name and category of each Director is given below:

Name of the Director	Category
Mr. A. P. Chen	Non Executive Director and Chairman
Mr. Gary Yang	Executive Director
Mr. C. M. Gaonkar	Executive Director and Chief Finance Officer
Mr. Rajaram Ajgaonkar	Non-Executive and Independent
Ms. Hui Lin Chen Lin*	Non-Executive and Independent
Mr. Satish Godbole	Non-Executive and Independent
Mr. Anil Bakshi#	Alternate Director to Ms. Hui Lin Chen Lin

* Ms. Hui Lin Chen Lin ceased to be a Director of the Company with effect from May 3, 2012.

Mr. Anil Bakshi ceased to be 'Alternate Director' to Ms. Hui Lin Chen Lin and appointed as an Additional Director of the Company with effect from May 3, 2012.

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

Name of the Director	No. of Board Meetings Held	No. of Board Meetings attended	Attendance at last AGM
Mr. A. P. Chen	4	2	Present
Mr. Gary Yang	4	4	Present
Mr. C. M. Gaonkar	4	4	Present
Mr. Rajaram Ajgaonkar	4	4	Present
Ms. Hui Lin Chen Lin*	4	Nil	Absent
Mr. Satish Godbole	4	4	Present
Mr. Anil Bakshi#	4	3	Present

* Ms. Hui Lin Chen Lin ceased to be a Director of the Company with effect from May 3, 2012.

Mr. Anil Bakshi ceased to be 'Alternate Director' to Ms. Hui Lin Chen Lin and appointed as an Additional Director of the Company with effect from May 3, 2012.

c) Number of other Directorship and Chairmanship/ Membership of Committees of each Director in other Companies and shareholding as at March 31, 2012:

Name of the Director	No. of Directorships held in other Companies (excluding private / foreign Companies)	No. of Chairmanship / Membership in other Board Committees*	
		Chairman	Member
Mr. A. P. Chen	Nil	Nil	Nil
Mr. Gary Yang	Nil	Nil	Nil
Mr. C. M. Gaonkar	1	Nil	Nil
Mr. Rajaram Ajgaonkar	1	Nil	1
Ms. Hui Lin Chen Lin*	Nil	Nil	Nil
Mr. Satish Godbole	Nil	Nil	Nil
Mr. Anil Bakshi#	Nil	Nil	Nil

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

* Ms. Hui Lin Chen Lin ceased to be a Director of the Company with effect from May 3, 2012.

Mr. Anil Bakshi ceased to be 'Alternate Director' to Ms. Hui Lin Chen Lin and appointed as an Additional Director of the Company with effect from May 3, 2012.

d) Number of Board Meetings held and the dates of the Board Meetings:

The gap between two Board Meetings held during the financial year did not exceed four months. Four Board Meetings were held during the Financial Year 2011-12 on the following dates:

May 24, 2011	November 8, 2011
August 10, 2011	February 2, 2012

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 its considered 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 Auditors 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 Boards 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.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with Listing and other Legal Requirements relating to financial statements.

- Disclosure of any related party transactions.
 - Qualifications in draft Audit Report.
- Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
 - Reviewing, with the Management, performance of the Statutory and internal auditors, and the adequacy of internal control systems.
 - 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.
 - Discussion with internal auditors any significant findings and follow up thereon.
 - 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.
 - 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.
 - 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.
 - To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 - Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b) Composition:

The composition of the Audit Committee is as under:

Mr. Rajaram Ajgaonkar – Chairman
Mr. A. P. Chen
Mr. Satish Godbole
Ms. Hui Lin Chen Lin*
Mr. Anil Bakshi#

* Ms. Hui Lin Chen Lin ceased to be a Director of the Company with effect from May 3, 2012.

Mr. Anil Bakshi ceased to be 'Alternate Director' to Ms. Hui Lin Chen Lin and appointed as an Additional Director of the Company with effect from May 3, 2012.

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

c) Meetings and Attendance during the year:

During the financial year under review, the Company held four Audit Committee meetings on May 24, 2011, August 10, 2011, November 8, 2011 and February 2, 2012 and the gap between two meetings did not exceed four months. The attendance of each member at these Committee Meetings is given below;

Name of the Director	Meetings held	Meetings attended
Mr. Rajaram Ajgaonkar - Chairman	4	4
Mr. A.P. Chen	4	2
Ms. Hui Lin Chen Lin*	4	Nil
Mr. Satish Godbole	4	4
Mr. Anil Bakshi [#]	4	3

* Ms. Hui Lin Chen Lin ceased to be a Director of the Company with effect from May 3, 2012.

Mr. Anil Bakshi ceased to be 'Alternate Director' to Ms. Hui Lin Chen Lin and appointed as an Additional Director of the Company with effect from May 3, 2012.

The necessary quorum was present at each of above Audit Committee meetings. The Chairman of the Audit Committee Mr. Rajaram Ajgaonkar was present at the Annual General Meeting of the Company held on August 10, 2011.

4. Remuneration Committee:

During the year under review, the Company has set up a Remuneration Committee at the Board Meeting held on May 24, 2011 in accordance with the requirement of Clause 49 of the Listing Agreement.

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

1. To make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and Senior Management and on the establishment of a formal and transparent procedure for developing policy on such remuneration.
2. To have the delegated responsibility to determine

the specific remuneration packages, of all Executive Directors and Senior Management etc, if necessary.

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

B) Composition of Remuneration Committee:

The composition of the Remuneration Committee is as under:

Mr. Satish Godbole - Chairman
Mr. A. P. Chen
Mr. Rajaram Ajgaonkar
Ms. Hui Lin Chen Lin*
Mr. Anil Bakshi [#]

* Ms. Hui Lin Chen Lin ceased to be a Director of the Company with effect from May 3, 2012.

Mr. Anil Bakshi ceased to be 'Alternate Director' to Ms. Hui Lin Chen Lin and appointed as an Additional Director of the Company with effect from May 3, 2012.

C) Meetings held and Attendance during the year:

During the year under review, the Company held one Remuneration Committee meeting on August 26, 2011. The attendance of each member at the Committee Meeting is given below;

Name of the Director	Meetings held	Meetings attended
Mr. Satish Godbole - Chairman	1	1
Mr. A. P. Chen	1	Nil
Ms. Hui Lin Chen Lin*	1	Nil
Mr. Rajaram Ajgaonkar	1	Nil
Mr. Anil Bakshi [#]	1	1

* Ms. Hui Lin Chen Lin ceased to be a Director of the Company with effect from May 3, 2012.

Mr. Anil Bakshi ceased to be 'Alternate Director' to Ms. Hui Lin Chen Lin and appointed as an Additional Director of the Company with effect from May 3, 2012.

D) The remuneration paid to the Directors for the year ended March 31, 2012 is given below:

a) Executive Directors:

Executive Directors	Salary, contribution to P.F & Perquisites
Mr. C. M. Gaonkar	Rs. 2,663,400/-

Salient features of terms of appointment of Executive Directors:

Name of the Directors	Mr. C. M. Gaonkar	Mr. Gary Yang
Salary	Rs. 45,000/- per month with such annual increment in the salary as the Board may decide from time to time subject to the ceiling of Rs. 100,000/- per month.	Nil
Special Allowances	Rs. 85,750/- per month with such annual increment in the allowances as the Board may decide from time to time 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 and the same may be made on a pro-rata basis every month or on an annual basis at the discretion of the Board subject to maximum of Rs. 400,000/- per annum.	Nil
House Rent Allowances	Housing Rent Allowance equivalent to 40% of the Basic Salary.	Nil
Perquisites	<ul style="list-style-type: none"> a) Company car for official use. b) Reimbursement of medical expenses incurred for self and family subject to the ceiling of Rs. 15,000/- p.a. c) Use of telephone/internet/mobile. d) Entitled to Provident Fund, Gratuity and 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/Committee from time to time. g) For the purpose of calculating the above ceiling, perquisites, shall be evaluated as per Income Tax Rules wherever applicable and in the absence of any such rule, perquisites shall be evaluated at actual cost. 	Nil
Terms of appointment	Appointed for a period of five years with effect from March 1, 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

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

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

Non-Executive Directors	Sitting Fees
Mr. A. P. Chen	Rs. 50,000/-
Mr. Rajaram Ajgaonkar	Rs. 110,000/-
Ms. Hui Lin Chen Lin	Nil
Mr. Satish Godbole	Rs. 120,000/-
Mr. Anil Bakshi	Rs. 95,000/-

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

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

Name of the Non-Executive Director	Number of Shares held	Amount of Dividend Paid during the year 2011 -2012 (Amt in Rs.)
Mr. A. P. Chen	50,000	15,000/-
Mr. Rajaram Ajgaonkar	Nil	Nil
Ms. Hui Lin Chen Lin	Nil	Nil
Mr. Satish Godbole	50	16/-
Mr. Anil Bakshi	500	150/-

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

A) Terms of Reference:

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

B) Composition:

The composition of the Investor Grievance Committee is as under:

Mr. Satish Godbole - Chairman
Mr. Gary Yang
Ms. Hui Lin Chen Lin*
Mr. Rajaram Ajgaonkar
Mr. Anil Bakshi#

* Ms. Hui Lin Chen Lin ceased to be a Director of the Company with effect from May 3, 2012.

Mr. Anil Bakshi ceased to be 'Alternate Director' to Ms. Hui Lin Chen Lin and appointed as an Additional Director of the Company with effect from May 3, 2012.

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

C) Meetings and Attendance during the year:

During the year under review, the Company held One Investor Grievance Committee meeting on November 28, 2011. The attendance of each member at the Committee Meetings is given below:

Name of the Director	Meetings held	Meetings attended
Mr. Satish Godbole - Chairman	1	1
Ms. Hui Lin Chen Lin *	1	Nil
Mr. Rajaram Ajgaonkar	1	1
Mr. Anil Bakshi #	1	1
Mr. Gary Yang	1	1

* Ms. Hui Lin Chen Lin ceased to be a Director of the Company with effect from May 3, 2012.

Mr. Anil Bakshi ceased to be 'Alternate Director' to Ms. Hui Lin Chen Lin and appointed as an Additional Director of the Company with effect from May 3, 2012.

During the year Company had received 47 complaints from the shareholders and the same were attended and resolved to the satisfaction of the shareholders.

The Chairman of the Committee Mr. Satish Godbole was present at the previous Annual General Meeting held on August 10, 2011.

6. General Body Meetings:

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

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

Location	Date	Time
Kesarval Gardens, Verna, Salcette, Goa - 403722	August 10, 2011	11.00 a.m
Kesarval Gardens, Verna, Salcette, Goa - 403722	September 3, 2010	11.00 a.m.
L-7, Verna Electronic City, Verna Plateau, Verna, Goa - 403722	September 25, 2009	10.00 a.m.

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

1) Details of Special resolutions:

Year	Date of AGM	Particulars of Special Resolution
2010-11	August 10, 2011.	Nil
2009-10	September 3, 2010.	Nil
2008-09	September 25, 2009	Resolution for Setting up of Employee Stock Option Scheme for employees of the Company

2) Details of special resolution passed through Postal Ballot:

The Company had obtained the approval of the shareholders through voting by postal ballot dated October 28, 2010 in terms of provisions of Section 192A of the Companies Act, 1956 read with the provisions of Companies (Passing of Resolutions by Postal Ballot) Rules, 2001, to amend/alter the main object clause of the Memorandum of Association of the Company for trading in "passive networking copper and fiber structured cabling products".

Date of Postal Ballot Notice	Details of the Resolutions passed	Details of voting pattern	Result of the Postal Ballot
October 28, 2010	Special Resolution for amendment in Main Object clause of Memorandum of Association of the Company.	Total number of votes polled in favour of the Resolution was 96.84% and the number of votes polled against the Resolution was 3.16% out of the valid votes.	The resolution was passed by requisite majority.

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

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

7. Disclosures:

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

8. Means of communication:

Quarterly Results	Published in Newspapers.
Newspapers normally published in	<ul style="list-style-type: none"> Financial Express / Business Standard, The Navhind Times / Times of India (in English) Gomantak / Tarun Bharat (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	None
Whether MD & A is a part of Annual Report or not	Yes

9. General Shareholder Information:

1. Annual General Meeting:

Date: Saturday, the August 11, 2012

Time: 11.00 a.m.

Venue: Kesarval Gardens, Cortalim, Verna, Salcette, Goa – 403722

2. Financial Year 2012-13:

For the year ending March 31, 2013, the results will be announced as per the tentative schedules below:

Particulars	Date
First Quarter Results	On or before August 14, 2012
Second Quarter Results	On or before November 14, 2012
Third Quarter Results	On or before February 14, 2013
Audited Annual Results	On or before May 30, 2013

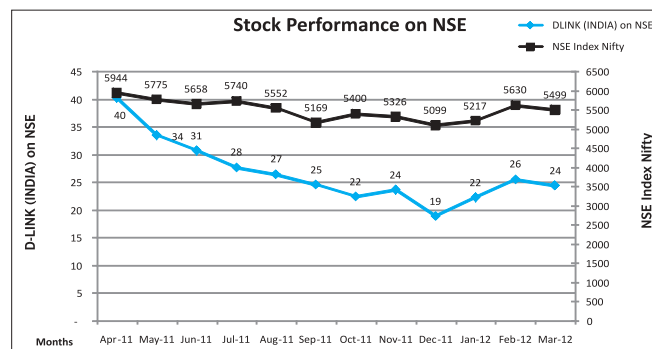
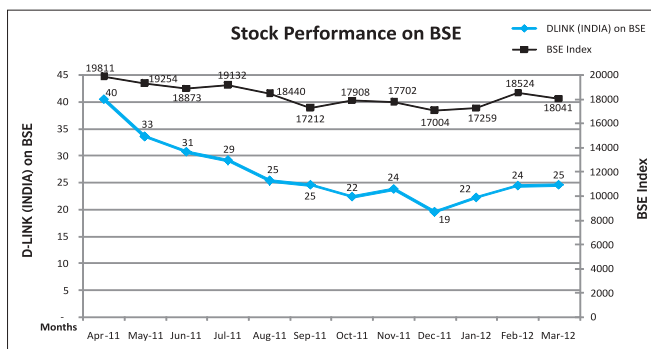
3. Dates of Book Closure:

The Register of Members and the Share Transfer Register will remain closed for a period of 7 days from Tuesday, July 03, 2012 to Monday, July 09, 2012 (both days inclusive).

4. Market Price Data:

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

Month	D-LINK (INDIA) on BSE		BSE Index		D-LINK (INDIA) on NSE		NSE Index Nifty	
	High	Low	High	Low	High	Low	High	Low
	Rs.	Rs.			Rs.	Rs.		
Apr-11	40.35	30.50	19,811.14	18,976.19	40.25	30.40	5,944.45	5,693.25
May-11	33.40	28.40	19,253.87	17,786.13	33.50	28.50	5,775.25	5,328.70
Jun-11	30.60	24.10	18,873.39	17,314.38	30.70	24.45	5,657.90	5,195.90
Jul-11	29.00	24.55	19,131.70	18,131.86	27.70	23.30	5,740.40	5,453.95
Aug-11	25.20	18.40	18,440.07	15,765.53	26.50	18.50	5,551.90	4,720.00
Sep-11	24.50	20.10	17,211.80	15,801.01	24.60	20.00	5,169.25	4,758.85
Oct-11	22.30	19.35	17,908.13	15,745.43	22.45	19.30	5,399.70	4,728.30
Nov-11	23.75	16.00	17,702.26	15,478.69	23.65	16.00	5,326.45	4,639.10
Dec-11	19.40	15.15	17,003.71	15,135.86	18.90	15.15	5,099.25	4,531.15
Jan-12	22.20	15.20	17,258.97	15,358.02	22.25	15.10	5,217.00	4,588.05
Feb-12	24.35	20.10	18,523.78	17,061.55	25.60	20.25	5,629.95	5,159.00
Mar-12	24.50	16.95	18,040.69	16,920.61	24.40	19.55	5,499.40	5,135.95



5. Dividend Payment Date:

The Dividend will be paid to all shareholders on or after August 16, 2012.

6. Listing on Stock Exchanges:

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

7. Stock Code:

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

8. Registrar and Share Transfer Agent:

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

9. Share Transfer System:

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

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

10. Distribution of Shareholding:

Distribution of Shareholding as on March 31, 2012:

Sl. No	Category (Shares)	No. of Holders	%to Holders	No. of Shares	% to Equity
1	1 - 500	16,685	86.17	2,416,496	8.05
2	501 - 1000	1,426	7.36	1,202,045	4.01
3	1001 - 2000	610	3.15	959,732	3.20
4	2001 - 3000	221	1.14	576,816	1.92
5	3001 - 4000	76	0.39	273,355	0.91
6	4001 - 5000	95	0.49	450,311	1.50
7	5001 - 10000	128	0.66	968,591	3.23
8	10001 and above	124	0.64	23,157,504	77.18
	TOTAL	19,365	100.00	30,004,850	100.00

11. Shareholding Pattern as on March 31, 2012:

Category code	Category of Shareholder	Number of Shareholders	Total number 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 Individuals / 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 of Promoter and 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	2	2,030	0.01
(c)	Central Government / State Government(s)	-	-	-
(d)	Venture Capital Funds	-	-	-
(e)	Insurance Companies	-	-	-
(f)	Foreign Institutional Investors	1	50,000	0.17
(g)	Foreign Venture Capital Investors	-	-	-
(h)	Any Other (specify)	-	-	-
	Sub-Total (B)(1)	3	52,030	0.18
B 2	Non-institutions			
(a)	Bodies Corporate	428	1,744,030	5.81
(b)	Individuals			
I	Individual shareholders holding nominal share capital up to Rs. 1 lakh	18,676	7,737,685	25.79
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	12	1,714,372	5.71
(c)	Trusts	3	417,575	1.39
(c-i)	Non Resident Indians	205	205,675	0.69
(c-ii)	Clearing Members	37	18,820	0.06
	Sub-Total (B)(2)	19,361	11,838,157	39.45
(B)	Total Public Shareholding (B) = (B)(1)+(B)(2)	19,364	11,890,187	39.63
	TOTAL (A)+(B)	19,365	30,004,850	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-
	GRAND TOTAL (A)+(B)+(C)	19,365	30,004,850	100.00

12. Dematerialization of Shares and Liquidity:

The total number of shares held in dematerialized form as on March 31, 2012 is 29,977,134 equity shares representing 99.91% of the total number of shares of the Company.

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

13. Plant Location: Not applicable.

14. Address for Correspondence :

Shareholders Correspondence should be addressed to:

The Company Secretary D-Link (India) Limited Plot No. U02B, Verna Industrial Estate, Verna, Goa - 403722 Phone Nos: 0832-2885800/811 Fax Nos: 0832-2885823 E-mail: shares@dlink.co.in	Registrars & Share Transfer Agents Karvy Computershare Private Limited Plot No.17 to 24 Vittalrao Nagar Madhapur, Hyderabad - 500 081 Phone No: 040-44655000 Fax No: 040-23420814 Email: einward.ris@karvy.com
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15. Compliance with Non Mandatory requirements.

a) The Board of Directors:

The Company has Non-Executive Chairman. No separate office is maintained for Non- Executive Chairman and the expenses incurred by him during performance of duties are reimbursed to him.

No specific tenure has been specified for the Independent Directors.

b) Remuneration Committee:

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

c) Shareholder's Rights:

The Company does not send half yearly declaration of financial performance to its shareholders. The financial results are displayed on the Company's website.

d) Audit Qualifications:

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

For and on behalf of the Board of Directors

Gary Yang
Managing Director

Mumbai, Dated: May 3, 2012

Auditors' Certificate on Compliance of Conditions of Corporate Governance

To,

The Members of D-Link (India) Limited

We have examined the compliance of conditions of Corporate Governance by D-Link (India) Limited ("the Company") for the year ended on 31st March, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

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

A. B. Jani
Partner
Membership no. 46488

Mumbai, dated: June 15, 2012

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, 2012, received from all the members of the Senior Management of the Company and of the Board, a declaration of compliance with the code of conduct as provided under clause 49 of the Listing Agreement.

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

Gary Yang
Managing Director

Mumbai, dated May 3, 2012

Auditors' Report

To,

The Members of D-Link (India) Limited

1. We have audited the attached Balance Sheet of D-Link (India) Limited ("the Company"), as at 31st March, 2012, the Statement of Profit and Loss 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 Statement of Profit and Loss and the Cash-Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash-Flow statement 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, 2012;
 - (ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - (iii) in the case of the Cash-flow statement, of the cash-flows of the Company for the year ended on that date.
5. On the basis of written representations received from the Directors, as on 31st March, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2012 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

Mumbai
Dated: 3rd May, 2012

A. B. Jani
Partner
Membership no. 46488

Annexure to the Auditors' Report

Re: D-Link (India) 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. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii.) In respect of its 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 our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 particulars of which need to be entered in the Register maintained under that section. Consequently, the question of commenting on reasonableness of prices in respect of the transactions exceeding Rs. 500,000/- in respect of each party does not arise.
- (vii.) The Company has not accepted deposits from the public.
- (viii.) In our opinion, the internal audit function carried out during the year, by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (ix.) According to the information and explanations given to us, the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 are not applicable to the Company.
- (x.) According to the information and explanations given to us in respect of statutory dues:
- a) The Company has generally been regular in depositing undisputed statutory dues including provident fund, Investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues, where applicable, with the appropriate authorities;
- b) Details of undisputed amounts payable in respect of Income-tax, Wealth Tax, Custom Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31st March, 2012 for a period of more than six months from the date they became payable are given below:-

Name of the Statue	Nature of dues	Financial Year to which amount relates	Amount (Rs.)
West Bengal State Tax on Professions, Trades, Callings and Employment's Act, 1979	Professional Tax	2009-2010	14,125
Gujarat Panchayats, Municipalities, Municipal Corporations and State Tax on Professions, Traders, Callings And Employment's Act, 1976	Professional Tax	2009-2010	1,400
Tamil Nadu Tax on Professions, Trades Callings and Employment's Act, 1992	Professional Tax	2009-2010	1,140

- c) 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.
- (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 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

Mumbai
Dated: 3rd May, 2012

A. B. Jani
Partner
Membership no. 46488

Balance sheet as at 31st March, 2012

Sl. No.	Particulars	Note No.		As at 31st March, 2012	As at 31st March, 2011
			Rupees	Rupees	Rupees
I. EQUITY AND LIABILITIES					
(1) Shareholder's funds					
	(a) Share capital	3	60,009,700		60,009,700
	(b) Reserves and surplus	4	716,502,431		660,037,455
				776,512,131	720,047,155
(2) Non-current liabilities					
	(a) Deferred tax liabilities (net)	5	5,668,000		3,225,400
	(b) Other long term liabilities	6	109,003		584,228
	(c) Long term provisions	7	1,481,328		1,501,696
				7,258,331	5,311,324
(3) Current Liabilities					
	(a) Trade payables	8	440,711,581		177,075,042
	(b) Other current liabilities	9	4,304,625		3,213,682
	(c) Short-term provisions	10	18,767,586		10,692,726
				463,783,792	190,981,450
	Total			1,247,554,254	916,339,929
II. ASSETS					
(1) Non-current assets					
	(a) Fixed assets				
	(i) Tangible assets	11A	213,117,560		221,648,415
	(ii) Intangible assets	11B	2,789,598		3,907,259
				215,907,158	225,555,674
	(b) Long-term loans and advances	12		30,201,499	29,602,574
(2) Current assets					
	(a) Current investments	13	-		80,187,667
	(b) Inventories	14	419,801,478		272,393,697
	(c) Trade receivables	15	478,639,969		211,682,161
	(d) Cash and cash equivalents	16	58,594,840		35,957,922
	(e) Short-term loans and advances	17	44,409,310		60,492,277
	(f) Other current assets	18	-		467,957
				1,001,445,597	661,181,681
	Total			1,247,554,254	916,339,929

See accompanying notes forming part of the financial statements.

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. B. Jani
Partner

For and on behalf of the Board of Directors

A.P. Chen
Chairman

Gary Yang
Managing Director

Shrinivas Adkesar
Company Secretary

C.M. Gaonkar
Executive Director & CFO

Mumbai, dated: May 3, 2012

Mumbai, dated: May 3, 2012

Statement of profit and loss for the year ended 31st March, 2012

Sl. No.	Particulars	Note No.	For the year ended 31st March, 2012	For the year ended 31st March, 2011
			Rupees	Rupees
1	Revenue from operations	19	2,230,705,593	1,280,885,258
2	Other income	20	8,299,195	20,189,691
3	Total Revenue (1+2)		2,239,004,788	1,301,074,949
4	Expenses			
	Purchases of traded goods		1,915,985,502	963,246,833
	Changes in inventories of traded goods	21	(147,407,781)	(46,909,321)
	Employee benefits expense	22	131,536,403	121,696,560
	Finance cost	23	1,612,206	121,638
	Depreciation and amortisation expenses	11	15,960,637	9,176,485
	Other expenses	24	220,411,290	203,973,564
	Total Expenses		2,138,098,257	1,251,305,759
5	Profit before tax (3-4)		100,906,531	49,769,190
6	Tax expenses			
	- Current tax		28,050,000	12,500,000
	- Deferred tax		2,442,600	3,078,800
			30,492,600	15,578,800
7	Profit for the year (5-6)		70,413,931	34,190,390
	Earnings per share (Face value of Rs. 2/- per share)			
	Basic and Diluted		2.35	1.14
	(Refer Note 33)			
	See accompanying notes forming part of the financial statements.			

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. B. Jani
Partner

Mumbai, dated: May 3, 2012

For and on behalf of the Board of Directors

A.P. Chen
Chairman

Shrinivas Adkesar
Company Secretary

Mumbai, dated: May 3, 2012

Gary Yang
Managing Director

C.M. Gaonkar
Executive Director & CFO

Cash flow statement for the year ended 31st March, 2012

	For the year ended 31st March, 2012	For the year ended 31st March, 2011
	Rupees	Rupees
A. Cash flows from operating activities		
Profit before tax	100,906,531	49,769,190
Adjustments for:		
Depreciation/Amortisation	15,960,637	9,176,485
Loss on sale/discard of fixed assets (net)	926,506	1,965,425
Profit on sale of current investments (non-trade)	(5,897,971)	(2,753,077)
Bad debts/Advances written off	898,412	3,127,867
Unrealised exchange differences (net)	4,040,634	(411,383)
Sundry balances written back	(11,030)	(460,743)
Sundry balances written off	-	826
Provision for doubtful debts written back	-	(2,856,389)
Provision for doubtful debts and advances	55,469	-
Interest and finance charges	1,612,206	121,638
Interest income on fixed deposits/Bond	(778,064)	(3,611,824)
Interest on delayed payments	-	(191,643)
Dividend income	(1,591,021)	(4,548,966)
Operating profit before working capital changes	116,122,309	49,327,406
(Increase) in Trade receivables	(267,845,274)	(1,274,985)
(Increase) in inventories	(147,407,781)	(46,909,321)
Decrease/(Increase) in loans and advances	15,493,142	(2,224,395)
Increase in trade payables, other liabilities and provisions	261,332,199	6,926,472
Cash generated from Operations	(22,305,405)	5,845,177
Direct taxes paid	(24,633,040)	(18,154,525)
Net cash (used in) operating activities	(46,938,445)	(12,309,348)
B. Cash flows from investing activities		
Purchase of fixed assets	(8,045,654)	(216,607,991)
Purchase of investments	(376,591,019)	(1,642,201,301)
Sale of investments	462,676,657	1,787,512,165
Sale of fixed assets	807,027	10,000
Dividend received	1,591,021	4,548,966
Interest received	1,246,021	8,487,261
Net cash generated from/(used in) investing activities	81,684,053	(58,250,900)
C. Cash flows from financing activities		
Dividend paid (including Corporate Dividend tax)	(10,496,484)	(34,988,281)
Interest paid	(1,612,206)	(121,638)
Net cash (used in) financing activities	(12,108,690)	(35,109,919)
Net Increase/(Decrease) in cash and cash equivalents	22,636,918	(105,670,167)
Cash and cash equivalents at the beginning of the year	35,957,922	141,628,089
Cash and cash equivalents at the end of the year	58,594,840	35,957,922

Notes :

- Components of cash and cash equivalents include cash, bank balances in current and deposit accounts as disclosed under Notes no. 16 of the financial statements.
- Balance with Banks in current accounts include restricted Bank Balance on account of unpaid dividends aggregating to Rs.356,551/- (Previous year Rs.299,563/-).

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

A. B. Jani

Partner

Mumbai, dated: May 3, 2012

For and on behalf of the Board of Directors**A. P. Chen**

Chairman

Shrinivas Adkesar

Company Secretary

Mumbai, dated: May 3, 2012

Gary Yang

Managing Director

C.M. Gaonkar

Executive Director & CFO

Notes forming part of the financial statements

Note 1: Background of the Company

D-Link (India) Limited (the 'Company') is a subsidiary of D-Link Holding Mauritius Inc. and is a part of D-Link Corporation, Taiwan. The Company is engaged in Marketing and Distribution of D-Link branded Networking products in India and SAARC Countries. The Company operates through a distribution network with a wide range of products portfolio and solutions with a nationwide reach across India.

Note 2: Significant Accounting Policies

a. Basis of preparation of financial statements

The financial statements have been prepared to comply 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. The financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956.

b. Use of estimates

The preparation of financial statements, in conformity with the generally accepted accounting principles, requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reported year. Differences between the actual results and estimates are recognised in the year in which the results are known/materialised.

c. Fixed assets

i) Tangible assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and impairment loss, if any.

ii) Intangible assets

Intangible assets are stated at cost less accumulated amortisation. Computer software is amortised over a period of five years.

d. 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 for following assets

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

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

e. Impairment of assets

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

f. Investments

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

g. Inventories

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

h. Revenue recognition

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

i. 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 year end.
- iii. Provision for Leave Encashment is made on actuarial valuation done as at the year-end.

Notes forming part of the financial statements

j. Foreign currency transactions

Transactions in foreign currencies are recorded at the original rates of exchange in force at the time the transactions are effected. In case of forward exchange contracts or other financial instruments that is in substance a forward exchange contract, other than for trading or speculation purposes, the premium or discount arising at the inception of the contract is amortised as expense or income over the life of contract.

Gains/losses on settlement of transactions arising on cancellation/renewal of forward exchange contracts are recognised as income or expense.

At the year-end, monetary items denominated in foreign currency and the relevant foreign exchange contracts are reported using the closing rate of exchange. Exchange difference arising thereon and on realization/payments of foreign exchange are accounted as income or expenses in the relevant year.

k. Borrowing costs

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

l. Taxes on income

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961.

Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future income will be available except that deferred tax assets in case there are unabsorbed depreciation and losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

m. Contingent Liability

These, if any, are disclosed in the notes on financial statements. 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.

Note 3: Share Capital

	As at 31st March, 2012		As at 31st March, 2011	
	Rupees		Rupees	
a. Authorised share capital				
35,000,000 Equity Shares of Rs. 2/- each		70,000,000		70,000,000
b. Issued, subscribed and paid up				
30,004,850 Equity Shares of Rs. 2/- each, fully paid-up.		60,009,700		60,009,700
c. Rights, preferences and restrictions attached to each class of shares				
The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each holder of equity shares is entitled to one vote per share and each equity share carries an equal right to dividend.				
d. Details of shares held by the Holding Company				
	As at 31st March, 2012		As at 31st March, 2011	
	Number	Rupees	Number	Rupees
D-Link Holding Mauritius Inc.	18,114,663	36,229,326	18,114,663	36,229,326
e. Details of shareholders holding more than 5% shares in the Company				
Equity shares of Rs.2/- each fully paid up	As at 31st March, 2012		As at 31st March, 2011	
	Number	% holding	Number	% holding
Name of the Shareholders				
D-Link Holding Mauritius Inc., holding company	18,114,663	60.37%	18,114,663	60.37%
f. Details of five years immediately preceding the date of balance sheet				
Equity Shares allotted without payment being received in cash *		As at 31st March, 2012		As at 31st March, 2011
		30,004,850 *		30,004,850 *

* Equity shares allotted pursuant to the Scheme of Arrangement by capitalisation of reserves.

Notes forming part of the financial statements

	As at 31st March, 2012	As at 31st March, 2011
	Rupees	Rupees
Note 4: Reserves and surplus		
Securities Premium Account		
As per last Balance sheet	205,134,440	205,134,440
General Reserve		
Opening balance	19,280,563	15,860,563
Add: Transferred from surplus in Statement of Profit and Loss	7,050,000	3,420,000
Closing Balance	26,330,563	19,280,563
Surplus in Statement of Profit and Loss		
Opening balance	435,622,452	415,348,546
Profit for the year	70,413,931	34,190,390
Less: Appropriations		
Proposed dividend (Re.0.40 per share [Previous year: Re. 0.30/-])	12,001,940	9,001,455
Tax on dividend	1,947,015	1,495,029
Transferred to General reserve	7,050,000	3,420,000
Sub Total	20,998,955	13,916,484
Closing balance	485,037,428	435,622,452
Total	716,502,431	660,037,455
Note 5: Deferred Tax Liabilities (net)		
(a) Deferred Tax Liability		
Depreciation	(6,770,961)	(4,027,612)
Total	(6,770,961)	(4,027,612)
(b) Deferred Tax Asset		
Provision for doubtful debts	250,680	238,223
Others	852,281	563,989
Total	1,102,961	802,212
Deferred Tax (Liabilities) (net)	(5,668,000)	(3,225,400)
Note 6: Other long term liabilities		
Others:		
Security deposits received	109,003	584,228
Total	109,003	584,228

Notes forming part of the financial statements

	As at 31st March, 2012	As at 31st March, 2011
	Rupees	Rupees
Note 7: Long term provisions		
Provision for employee benefits		
- Provision for leave encashment	1,481,328	1,501,696
Total	1,481,328	1,501,696
Note 8: Trade payables		
Trade payables (Refer note 35)	440,711,581	177,075,042
Total	440,711,581	177,075,042
Note 9: Other current liabilities		
Unearned revenue	45,904	223,300
Unpaid dividends	356,551	299,563
Statutory dues	3,550,195	2,632,319
Advance from customers	351,975	58,500
Total	4,304,625	3,213,682
Note 10: Short-term provisions		
Provision for employee benefits		
- Provision for gratuity	-	107,144
- Provision for leave encashment	1,392,571	89,098
	1,392,571	196,242
Other provisions		
- Income tax (net of advance tax)	3,426,060	-
- Proposed dividend	12,001,940	9,001,455
- Corporate dividend tax	1,947,015	1,495,029
	17,375,015	10,496,484
Total	18,767,586	10,692,726

Notes forming part of the financial statements

Note 11: Fixed Assets

(Rupees)

Nature of assets	Gross block				Depreciation/Amortisation				Net block	
	As at 1 April, 2011	Additions	Deletions/ Adjustments	As at 31 March, 2012	Upto 31 March, 2011	For the year	Deletions/ Adjustments	Upto 31st March, 2012	As at 31st March, 2012	As at 31st March, 2011
<u>A. Tangible assets</u>										
Office Premises	190,343,442		-	190,343,442	2,346,700	9,517,172	-	11,863,872	178,479,570	187,996,742
Plant and Equipments	628,783	1,718,966	-	2,347,749	2,412	188,728	-	191,140	2,156,609	626,371
Electrical Installations	2,284,450	150,914	-	2,435,364	42,809	118,680	-	161,489	2,273,875	2,241,641
Furniture and Fixtures	14,744,379	3,959,622	-	18,704,001	1,750,350	999,142	-	2,749,492	15,954,509	12,994,031
Office Equipment	22,547,122	2,216,152	-	24,763,274	7,381,758	3,719,824	-	11,101,582	13,661,692	15,165,362
Vehicles	4,385,838	-	2,442,696	1,943,142	1,761,570	299,430	709,163	1,351,837	591,305	2,624,268
	234,934,014	8,045,654	2,442,696	240,536,972	13,285,599	14,842,976	709,163	27,419,412	213,117,560	221,648,415
<u>B. Intangible Assets</u>										
Computer Software	5,657,498		-	5,657,498	1,750,239	1,117,661	-	2,867,900	2,789,598	3,907,259
Total	240,591,512	8,045,654	2,442,696	246,194,470	15,035,838	15,960,637	709,163	30,287,312	215,907,158	225,555,674
Previous year	28,400,767	216,607,991	4,417,246	240,591,512	8,301,174	9,176,485	2,441,821	15,035,838		

Notes forming part of the financial statements

	As at 31st March, 2012	As at 31st March, 2011
	Rupees	Rupees
Note 12: Long-term loans and advances (Unsecured, considered good)		
Security deposits paid	5,455,205	4,865,380
Advance payment of taxes (net)	12,506,871	12,497,771
Customs duties recoverable	12,239,423	12,239,423
Total	30,201,499	29,602,574
Note 13: Current investment		
Other investments (At lower of cost and fair value)		
(i) In Bonds (non-trade) (quoted)		
Nil Bonds (Previous year 5) of Rs.1,000,000/- each in 10.10% IVRCL Assets December, 2011	-	5,054,040
	-	5,054,040
(ii) In Mutual funds Units (non-trade) (unquoted)		
Nil (Previous year 183,877.090) units of Rs. 10/- each in Birla sun life Savings Fund - IP DDR	-	5,082,491
Nil (Previous year 974,877.410) units of Rs. 10/- each in PNB Paribas Bond Fund-Inst-Growth	-	10,000,000
Nil (Previous year 1,981,875.691) units of Rs.10/- each in Franklin Templeton Mutual Fund-Templeton India Income Opportunities Fund-Growth	-	20,001,882
Nil (Previous year 1,910,356.020) units of Rs. 10/- each in Franklin Templeton Mutual Fund-Templeton India Short Term Income Fund-Retail Plan-Growth	-	20,000,906
Nil (Previous year 428,234.162) units of Rs. 10/- each in Kotak Quarterly Interval Plan Series 8 Growth	-	5,000,000
Nil (Previous year 394,975.910) units of Rs. 10/- each in UTI Fixed Income Interval Fund-Monthly Interval Plan II Growth plan	-	5,000,000
Nil (Previous year 7,270.298) units of Rs. 1,000/- each in IDFC Saving Advantage Fund-Plan A Growth	-	10,048,348
	-	75,133,627
Total	-	80,187,667
Aggregate value of investments		
Unquoted - Cost/fair value	-	75,133,627
Quoted - Cost/fair value	-	5,054,040
Market value of quoted investments	-	5,054,040
Note 14: Inventories (valued at lower of cost and net realisable value)		
Traded goods [including Goods-in-transit Rs.144,839,954/- (Previous year Rs. 97,015,522/-)]	419,801,478	272,393,697
Total	419,801,478	272,393,697

Notes forming part of the financial statements

	As at 31st March, 2012	As at 31st March, 2011
	Rupees	Rupees
Note 15: Trade receivables (Unsecured)		
a. Debts outstanding for a period exceeding six months from the due date		
Considered good	140,526	17,529
Considered doubtful	5,000	717,162
	<u>145,526</u>	<u>734,691</u>
Less: Provision	(5,000)	(717,162)
	140,526	17,529
b. Other Trade receivables		
Considered good	478,499,443	211,664,632
Considered doubtful	767,631	-
	<u>479,267,074</u>	<u>211,664,632</u>
Less: Provision	(767,631)	-
	478,499,443	211,664,632
Total	<u>478,639,969</u>	<u>211,682,161</u>
Note 16: Cash and Cash equivalents		
Cash on hand	43,332	23,405
Balances with banks		
- In current accounts	2,365,090	15,146,284
- In cash credit account (Refer note 37)	55,829,867	10,488,670
- In deposit accounts (Refer note below)	-	10,000,000
- In earmarked accounts		
- Unpaid dividend accounts	356,551	299,563
	<u>58,551,508</u>	<u>35,934,517</u>
Total	<u>58,594,840</u>	<u>35,957,922</u>
Note: Includes deposits amounting to Rs. Nil (Previous year Rs. 10,000,000/-) which have an original maturity for more than 12 months.		
Note 17: Short-term loans and advances (Unsecured, considered good)		
Security deposits paid	232,040	1,812,200
Customs and other duties recoverable	39,258,135	54,544,670
Prepaid expenses	3,979,067	3,419,272
Advances to suppliers	499,861	375,706
Advances to employees	193,313	340,429
Prepaid gratuity	246,894	-
	<u>44,409,310</u>	<u>60,492,277</u>
Note 18: Other Current assets		
Accrued interest on deposits	-	467,957
Total	-	<u>467,957</u>

Notes forming part of the financial statements

	As at 31st March, 2012	As at 31st March, 2011
	Rupees	Rupees
Note 19: Revenue from operations		
Sale of traded goods (Networking products)	2,216,142,508	1,270,889,535
Sale of services	3,534,737	2,694,915
Other operating revenues		
- Duty drawback	9,512,194	4,092,588
- DEPB licence income	1,516,154	351,831
- Provision for doubtful debts written back (net)	-	2,856,389
	11,028,348	7,300,808
Total	2,230,705,593	1,280,885,258
Note 20: Other income		
<u>Interest</u>		
- On fixed deposits with banks	397,584	3,234,111
- Interest income from current investments (non-trade)	380,480	377,713
- Interest on delayed payments by customers	-	191,643
	778,064	3,803,467
Dividend on current investments (non-trade)	1,591,021	4,548,966
Profit on sale of current investments (non-trade) (net)	5,897,971	2,753,077
Sundry balances written back	11,030	460,743
Exchange gain (net)	-	8,551,552
Miscellaneous income	21,109	71,886
Total	8,299,195	20,189,691
Note 21: Changes in inventories of traded goods		
Closing Stock	419,801,478	272,393,697
Less: Opening Stock	272,393,697	225,484,376
Increase	(147,407,781)	(46,909,321)
Note 22: Employee benefits expenses		
Salaries, wages and bonus	126,002,854	117,038,872
Contribution to provident and other funds	1,762,821	1,707,893
Staff welfare expenses	3,770,728	2,949,795
Total	131,536,403	121,696,560

Notes forming part of the financial statements

	As at 31st March, 2012	As at 31st March, 2011
	Rupees	Rupees
Note 23: Finance Cost		
Interest		
- on cash credit	978,532	-
- on security deposits from dealers	-	121,638
- on delayed/deferred payments of Income Tax	633,674	-
Total	1,612,206	121,638
Note 24: Other Expenses		
Logistic support services and management fees	-	15,584,282
Sales and customer support services	6,947,439	7,279,054
Power	2,779,027	1,951,404
Rent including lease rentals	16,824,404	21,626,380
Rates and taxes	426,293	552,729
Insurance	4,959,998	4,764,425
<u>Repairs and maintenance:</u>		
- Office premises	2,246,262	1,478,396
- Others	2,996,252	2,553,989
	5,242,514	4,032,385
Travelling and conveyance expenses	18,942,563	17,286,161
Communication expenses	7,874,271	7,931,834
Advertisement and sales development expenses	40,887,679	56,112,553
Commission on sales	49,204,451	9,667,810
Servicing expenses	11,317,456	25,529,060
Loss on sale/discard of fixed assets	926,506	1,965,425
Provision for doubtful debts and advances (net)	55,469	-
Exchange loss (net)	24,362,377	-
Legal and professional fees	16,021,183	14,320,643
Bad debts/Advances written off	898,412	3,128,693
Miscellaneous expenses	12,741,248	12,240,726
Total	220,411,290	203,973,564
Note 25: Contingent liabilities and commitments (to the extent not provided for)		
Contingent Liabilities		
Contingent liabilities, in respect of Custom duty paid under protest. The same is included under "customs and other duties recoverable", pending resolution of the dispute.	6,312,963	6,312,963
The trading material/software imported are subjected to different rates of customs duty based on classification under respective Tariff Head. The Customs department has objected to the classifications adopted for certain items and has demanded additional duty for the same. The differential duty has been paid under protest.		

Notes forming part of the financial statements

Note 26:

- 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	39,800 (300,000)	2,024,626 (13,436,000)	Sell Buy

Figures in brackets are those of previous year

- b) The year end foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

Amount receivable in foreign currency on account of the following:

	Current Year		As at 31st March 2011	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Debtors	USD 33,253	1,691,576	USD 121,377	5,315,099

Amount payable in foreign currency on account of the following:

	Current Year		As at 31st March 2011	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Creditors	USD 5,774,377 EURO Nil	293,800,301	USD 2,903,592 EURO 3,411	131,713,731

	As at 31st March, 2012	As at 31st March, 2011
	Rupees	Rupees
Note 27: Payment to Auditors		
As Auditors-Statutory Audit	800,000	800,000
For Other services.	530,000	430,000
For Reimbursement of expenses	8,959	16,502
For Service tax	154,393	126,690
Total	1,493,352	1,373,192

Note 28:

a. Details of Sale of traded goods

Networking products

2,216,142,508

1,270,889,535

b. Details of purchase of traded goods

Networking products

1,915,985,502

963,246,833

c. Details of inventory of traded goods

Networking products

419,801,478

272,393,697

Notes forming part of the financial statements

	As at 31st March, 2012	As at 31st March, 2011	
	Rupees	Rupees	
Note 29:			
A 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 (funded)	
Defined Benefit obligation at the beginning of the year	4,004,119	3,390,406	
Current Service Cost	1,010,210	982,904	
Interest Cost	283,036	267,786	
Actuarial (gain)/loss	(432,579)	(550,803)	
Benefits paid	(932,327)	(86,174)	
Defined Benefit obligation at the end of the year	3,932,459	4,004,119	
II. Reconciliation of opening and closing balances of fair value of plan assets			
Fair value of plan assets at beginning of the year	3,896,975	3,151,743	
Expected return on plan assets	314,465	206,019	
Actuarial gain/(loss)	(99,760)	(24,613)	
Employer contribution	1,000,000	650,000	
Benefits paid	(932,327)	(86,174)	
Fair value of plan assets at year end	4,179,353	3,896,975	
III. Reconciliation of fair value of assets and obligations			
Present value of obligation as at 31st March, 2012/2011	3,932,459	4,004,119	
Fair value of plan assets as at 31st March, 2012/2011	4,179,353	3,896,975	
Amount recognized in Balance Sheet	246,894	(107,144)	
IV. Expense recognized during the year (Under the head employee benefits expenses-Refer Note 22)			
Current Service Cost	1,010,210	982,904	
Interest Cost	283,036	267,786	
Expected return on plan assets	(314,465)	(206,019)	
Actuarial (gain)/loss	(332,819)	(526,190)	
Net Cost	645,962	518,481	
V. Actuarial assumptions			
Discount rate (per annum)	8.57%	8%	
Expected rate of return on plan assets (per annum)	8%	8%	
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;			
	As at 31st March, 2012	As at 31st March, 2011	As at 31st March, 2010
Experience Adjustment			
a. due to change in Actuarial assumption	(217,675)	-	(459,214)
b. Experience (Gain)/Loss on obligation	(214,904)	(550,803)	328,770
c. Actuarial gain/(loss) on plan assets	(99,760)	(24,613)	(2,914)
Present value of benefit obligation	3,932,459	4,004,119	3,390,406
Fair value of plan assets	4,179,353	3,896,975	3,151,743
Excess of (obligation over plan assets)/plan assets over obligation	246,894	(107,144)	(238,663)

VII The contributions expected to be made by the Company during the financial year 2012-13 is Rs. 1,000,000/-.

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.

B The disclosure as required under AS-15 regarding the Company's defined contribution plans is as follows:

- i) Contribution to provident fund Rs.1,116,859/- (Previous year Rs.1,189,412/-)

Notes forming part of the financial statements

Note 30: 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 year charged to revenue are Rs.16,824,404/- (Previous year Rs. 21,626,380/-)

Note 31: Related party disclosures

a) Name of related parties where control exists

D-Link Holding Mauritius Inc.	Holding Company
D-Link Corporation, Taiwan	Ultimate Holding Company

b) List of related parties with whom transactions have taken place during the year and nature of relationship

Name of the related parties	Nature of relationship
D-Link Corporation	Ultimate Holding Company
D-Link (Europe) Ltd	Fellow Subsidiary
D-Link International (Singapore)	Fellow Subsidiary
D-Link Canada Inc.	Fellow Subsidiary
D-Link Middle East-FZCO	Fellow Subsidiary
D-Link Japan K K (DJP)	Fellow Subsidiary
D-Link International Pte. Ltd	Fellow Subsidiary
D-Link Latin America	Fellow Subsidiary
D-Link Brasil LTDA	Fellow Subsidiary
Mr. Yao Chuan Yang (Gary Yang)	Key management person
Mr. Chandrashekhar M. Goankar	Key management person

c) Details of transactions with related parties during the year;

(Rupees)

Nature of transactions	Ultimate Holding Company / Holding Company	Fellow Subsidiary	Key management person	Total
Purchase of traded goods				
D-Link International (Singapore)		31,224,026 (16,325,486)		31,224,026 (16,325,486)
D-Link International Pte. Ltd.		1,483,036,511 (795,972,922)		1,483,036,511 (795,972,922)
D-Link Corporation	3,045,526 (3,097,753)			3,045,526 (3,097,753)
Others		21,626,077 (10,493,936)		21,626,077 (10,493,936)
Sale of traded goods				
D-Link International (Singapore)		21,577,237 (2,478,551)		21,577,237 (2,478,551)
D-Link International Pte. Ltd		3,897,397 (-)		3,897,397 (-)
D-Link Middle East-FZCO		15,221,889 (2,573,790)		15,221,889 (2,573,790)
D-Link Corporation	1,013,503 (-)			1,013,503 (-)
D-Link Latin America		- (755,895)		- (755,895)
D-Link (Europe) Ltd.		2,167,081 (-)		2,167,081 (-)
Others		2,014,648 (551,154)		2,014,648 (551,154)
Professional fees paid				
D-Link Corporation	8,752,728 (8,395,096)			8,752,728 (8,395,096)
Reimbursement of expenditure				
D-Link Corporation	- (317,781)			- (317,781)
D-Link Middle East-FZCO		220,224 (213,715)		220,224 (213,715)
D-Link International Pte. Ltd.		140,330 (-)		140,330 (-)
Others		- (4,638)		- (4,638)

Notes forming part of the financial statements

(c) Details of transactions with related parties during the year; (contd)

(Rupees)

Nature of transactions	Ultimate Holding Company / Holding Company	Fellow Subsidiary	Key management person	Total
Reimbursement of software license fees				
D-Link Corporation	(881,458)			(881,458)
Managerial Remuneration				
Mr. Chandrashekhar M. Goankar			2,663,400 (2,286,400)	2,663,400 (2,286,400)
Dividend paid				
D-Link Holding Mauritius Inc.	5,434,399 (18,114,663)			5,434,399 (18,114,663)
Mr. C.M.Gaonkar			22,764 (77,106)	22,764 (77,106)
As at the year end				
Amount due to				
D-Link International Pte. Ltd.		281,697,837 (127,852,772)		281,697,837 (127,852,772)
D-Link Corporation	9,187,187 (8,864,437)			9,187,187 (8,864,437)
Others		1,244,815 (5,307,579)		1,244,815 (5,307,579)
Amount due from				
D-Link International (Singapore)		2,477,301 (9,905)		2,477,301 (9,905)
D-Link Middle East-FZCO		615,438 (-)		615,438 (-)

Figures in brackets are those of previous year ended 31st March, 2011.

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

Note 32: 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:

- Domestic
- Export

Information about secondary segments

(Rupees)

Particulars	Domestic	Exports	Unallocated	Total
Revenues from external customers (net)	2,110,098,754 (1,223,593,990)	109,578,491 (49,990,460)	- -	2,219,677,245 (1,273,584,450)
Segment assets	1,172,736,341 (781,913,513)	3,716,202 (5,315,099)	71,101,711 (129,111,317)	1,247,554,254 (916,339,929)
Additions to fixed assets during the year	8,045,654 (216,607,991)	- (-)	- (-)	8,045,654 (216,607,991)

Figures in brackets are those of previous year ended 31st March, 2011.

Note 33:

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

	Year ended 31st March, 2012	Year ended 31st March, 2011
Profit attributable to equity shareholders (Rupees)	70,413,931	34,190,390
Weighted average number of Equity Shares outstanding during the year	30,004,850	30,004,850
Basic/diluted earnings per share (Rupees)	2.35	1.14
Nominal value per share (Rupees)	2.00	2.00

Notes forming part of the financial statements

	Year ended 31st March, 2012	Year ended 31st March, 2011
	Rupees	Rupees
Note 34: Other disclosures		
a. <u>C.I.F. value of goods imported</u>		
Traded goods	1,574,244,911	863,324,214
Capital goods	-	881,458
b. <u>Expenditure in foreign currency</u>		
Travelling expenses	543,550	748,767
Professional Fees	8,752,728	8,395,096
c. <u>Earnings in foreign exchange</u>		
F.O.B. value of exports	109,578,491	49,990,460
d. <u>Amount remitted during the year in foreign currency on account of dividend</u>		
Number of non-resident shareholders	3	4
Number of shares held by them on which dividend is due	18,214,663	18,264,663
Year to which dividend relates	2010-11	2009-10
Amount of dividend remitted in Rupees	5,464,399	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.

Note 35:

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.

Note 36:

During the previous year, the Company had changed the policy for providing for slow moving and obsolete inventory having regard to the nature of items in inventory and movements thereof by rationalising the criterias for provision which is based on ageing, saleability, actual sales etc. As a result of this change, the provision for the previous year was lower by Rs. 8,333,683/- and the profit was higher by the like amount.

Note 37:

Cash Credit account with the bank is secured by hypothecation of stock and book debts both present and future.

Note 38:

Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification in line with the Revised Schedule VI to the Companies Act, 1956.

Signatures to Notes 1 to 38

For and on behalf of the Board of Directors

A. P. Chen
Chairman

Gary Yang
Managing Director

Shrinivas Adkesar
Company Secretary

C.M.Gaonkar
Executive Director & CFO

Mumbai, dated: May 3, 2012

FORM OF PROXY

Proxy No.	:
Ledger Folio/DP & Client ID No(s)	:
No. of Shares	:

I/We of Being a member/(s) of D-Link (India) Limited hereby appoint of as my/our* proxy to vote for me/us on my/our* behalf at the Fourth ANNUAL GENERAL MEETING of the Company to be held on Saturday, the August 11, 2012 at 11.00 a.m., and at any adjournment thereof.

Signed this day of, 2012.

Affix Revenue
Stamp

NOTE: The Proxy Form duly completed must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
All those members wishing to ask questions during the Annual General Meeting are requested to forward the questions to the Registered Office of the Company, atleast 7 days before the date of the Annual General Meeting.

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ATTENDANCE SLIP

(To be filled in and presented at the entrance of the meeting venue)

I hereby record my presence at the Fourth Annual General Meeting of the Company held on Saturday, the August 11, 2012 at 11.00 a.m., at Kesarval Gardens, Verna, Salcette, Goa - 403722.

Name & Address of the shareholder/proxy*
(In block letters)

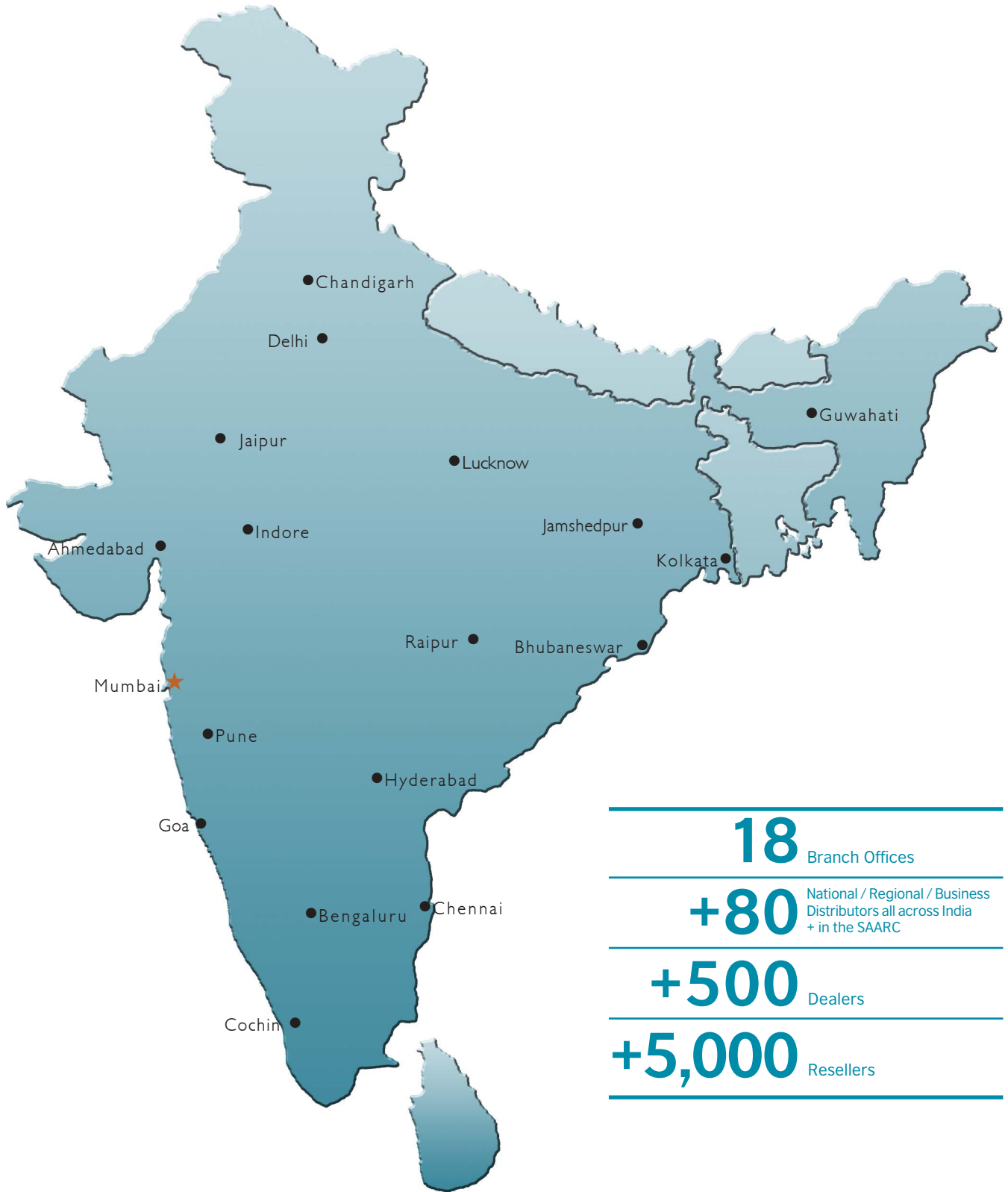
Signature of shareholder/proxy*

* strike out whichever is not applicable

Ledger Folio/DP & Client ID No.(s) :
No. of Shares :

NOTE: Members who have multiple folios/demat accounts with different joint-holders may use copies of this attendance slip.

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D-Link®
Building Networks for People

D-Link (India) Limited

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