



Annual Report 2012-13



Enterprise Solutions



Consumer Solutions

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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.

Message from Chairman



A.P. CHEN
Chairman

“The strength of our brand continues to command trust and respect as the standard bearer of innovation, product quality, and efficiency in service.”

Dear Fellow Stakeholders,

We have come through another year in which the struggle for economic recovery has continued to dampen markets and businesses. Nevertheless, there is clearly light at the end of the tunnel. In many regions, economies are getting back on their feet, and D-Link has been there to feed the rising energies of an optimistic and progressive outlook. Our infrastructure has been in place, and our sound fiscal planning has helped see us through. The strength of our brand continues to command trust and respect as the standard bearer of innovation, product quality, and efficiency in service.

In both homes and enterprises, D-Link has remained synonymous with leading edge systems that deliver appropriate solutions for varied networking needs including those on the fringe, in niche markets, and even those emerging on the horizon. Surveillance & security, for one and cloud-enabled services, for another these are substantially new and growing markets in which we are already taking our place as leaders and pioneers.

India, as always, has a special place in D-Link's global view. The hardware market alone constitutes 40% of the entire IT-BPO industry and brisk growth is expected. However depressed the investment climate, spending has been sustained in key sectors – Government, BFSI (Banking, Financial Service and Insurance) and Telecom and will only accelerate with the growth of industrial and commercial sectors.

This is a scenario in which D-Link's deep market penetration has always given us an edge. Just as critical as our technology has been its public face: our extensive network, ready accessibility and unmistakable presence. We have also a well developed listening culture that constantly pays heed to market inputs. We are thus guided by a precise and subtle understanding of shifting and varying customer needs in diverse cultural contexts. That insight helps us shape our products, pricing, positioning, and planning.

We can look ahead to stable growth at a brisk and steady pace, aligned with the nation's own advance towards its destiny as a great economic power. It's a future that will inevitably rely heavily on digital content delivery, with more

and more services and activities dependent on a broadband infrastructure. The 'cloud' is becoming pervasive, and is accepted as a commonplace fact of life in a wide spread of consumer segments. It reaches us all, touches us and empowers us. And D-Link will be vital to that empowerment.

Obviously we cannot afford to be complacent. We cannot take our market for granted. We must – and will – continue to invest in our core technologies, and expand our capabilities through strategic global alliances. We will persist in our pursuit of greater efficiency, speed and reliability in all aspects of operations – from those that keep our markets growing, to those that keep our customers smiling. We will push forward in our quest for new products and solutions that anticipate the market's needs and outguess the competition. Through that kind of creative thinking, D-Link will continue to prevail in an increasingly crowded field.

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.

In the year ahead, I can state without hesitation that D-Link's diverse strengths augur well for secure and stable growth. We have our entrenched reputation and brand equity, our continuously evolving line-up of world-class products, our creative and forward-thinking technologies, our close ties with strategic partners...and of course our talented and dedicated employees. These are not fleeting advantages but the lasting strengths on which we build our future.

In closing, I would like to extend my gratitude to the shareholders, partners and business associates for their enduring trust and support. Together, we have much to look forward to as we strive to make our Company even stronger and continue to focus on delivering for our customers.

Thank you.

Sincerely,

A. P. Chen
Chairman



Fountain Valley, U.S.A.

London, U.K.

Sao Paulo, Brazil

LOCAL MARKET UNDERSTANDING, INTERNATIONAL PRESENCE

Unity: a strategy for success executed on a global scale. D-Link is the award-winning designer, developer, and 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. D-Link's innovative products provide solutions for home and business, 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.

Globalization through Localization

Meeting the World's Needs through Local Units



Message from Managing Director



GARY YANG
Managing Director

“ We will move ahead, with greater vigour to tap into the enormous opportunities presented by the Indian market, execute our plans seamlessly and sustain the growth momentum. ”

Dear Stakeholders,

D-Link's reorganization and refocusing delivered resounding results in 2012-13. In the previous year namely 2011-12 we had prioritized our various market segments, and restructured ourselves to address their unique needs in a more aggressive, more optimal manner. This was in response to a paradigm shift in the marketplace, whereby companies themselves were becoming more internally focused, goal-oriented, cost-conscious and in search of solutions designed for their particular verticals.

That response paid dividends in the form of superior performance across all our product categories, racing ahead of the industry's growth rate, with turnover and profitability rising to a new high. D-Link's innovative and future-oriented products comfortably retained customers' preference while attracting a new following. In the face of rising competitive pressures, D-Link proved its clear differential as a truly global networking company.

The year's performance has been creditable and demonstrates that D-Link is well-aligned and well-positioned for the growth that will surely follow complete economic recovery. Investments and expenditures that have hitherto been deferred will be once again on the table, in a market whose expectations have quite radically altered.

One of those expectations most certainly will be solutions that are almost customized. Government, manufacturing, services, retail, finance, education, healthcare, telecom vertical needs its own set of products and systems, configured and calibrated for their particular demands. Businesses and organizations are no longer content with general purpose across-the-board providers; instead they seek to work with those who have insight into their businesses and needs. They require not technology providers so much as strategic business partners.

That, of course, is our strong suit. D-Link has always prided itself on its extensive market reach coupled with deep and subtle understanding of the forces that shape and drive it.

Whoever the customer, we can talk his language. We can hear his concerns. And, with our portfolio of products, with our unceasing innovation, with our access to the global resources of the multinational D-Link Corporation – with all these unique strengths, we can address those market realities.

This internal transformation could not have been more timely. According to NASSCOM the Indian IT-BPO industry is on the verge of remarkable growth, as high as 12-14% in FY14. Domestic revenues are projected to grow at 13-15% to reach possibly Rs. 1.20 lakh crores, in line with the growth of global spending on technology. In India, the industry will have to focus on efficiency, vertical structures, physical reach, and a more closely-knit working ethos amongst all stakeholders. That list will surely sound familiar to anyone who knows D-Link... because these supposed priorities of the day have long been articles of faith amongst us, wired into the company's very DNA. We have always been ready for the future.

We will move ahead, with greater vigour to tap into the enormous opportunities presented by the Indian market. The evolving economic landscape and the growing aspirations of the people will drive us to aim higher execute our plans seamlessly and sustain the growth momentum.

At the close of this memorable year, I wish to thank our shareholders, our clients, our partners, our employees and our well wishers, who have provided their support and guidance in facing our challenges and formulating our strategies, and who have stood by us in all weathers. I look forward to your continued support and trust.

Sincerely,

Gary Yang
Managing Director

Message from CEO



TUSHAR SIGHAT
CEO

“We have successfully executed our well defined strategies to deliver impeccable growth and commenced a new journey towards greater success.”

Dear Stakeholders,

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.

Once again, we look back on yet another eventful and exciting year for all of us at D-Link. After all, what could be more thrilling than the surging energy of growth? And it's all the more so when the market itself seems to be still sluggish.

In one category after another, we sustained our momentum. In the switches segment, against the backdrop of a virtually flat market, our market share continued to swell, reaching the leadership position at nearly 37% in terms of unit shipments. In routers, we hit the 2nd place with 31% market share. In wireless, D-Link held on to 1st place with 40% market share, while taking a healthy bite of the growth arising from increasing wireless adoption in both large enterprises and SMBs. In the emergent domain of IP Surveillance, D-Link has established itself as notable contender, and is now at 4th place and climbing. In the newborn 'Cloud' space too, we have established our credentials and seriousness of purpose.

Behind the scenes, our market performance reflects our own internal evolution. It is the outcome of our commitment to adding genuine value to our offerings, and thereby raising the D-Link brand equity yet another notch.

There's a certain chemistry that produces such growth energies. It takes a reaction between our people, and those whom they serve – namely customers. That's why 'customer focus' is our first pillar. Our quest is for superior ways to improve our customers' experience, elevate their satisfaction levels, and help them obtain precisely the results and rewards they seek. We are after all in the business of delivering consumer solutions. All our varied operations come down to that – our intricate technologies, market reach, service infrastructure, R&D pursuits, and everything else that calls on our various specialized skills.

Service is especially critical when it comes to enhancing customer satisfaction. This year we will be investing in that area and setting up our own Call Center facility to serve customers in India, and later expanding to serve D-Link

Corporation's other English-speaking markets. We have already set up RMA repair facility for India and going forward, this facility would assist other D-Link OBUs with their repair, thereby providing outsourced business to us and adding to our service revenues.

Customer focus is also the reason we attach such importance to our second pillar, which is 'innovation'. It's the specific activity whose only purpose is to create products, systems and solutions aligned to customer needs. Increasingly, our innovative output is being tailored for the unique demands of specific business verticals, and particular consumer segments, in the context of where the industry is today, and where it is headed tomorrow. 'Innovation' is our key differential. It's what distinguishes D-Link in an increasingly competitive market, and it will always remain our edge. We propose to set up an R&D Center in India, to innovate new products which can be rolled out in the market to enhance our revenues in the years ahead.

More importantly, it's the visible manifestation of our people's personal growth – in terms of skills, knowledge, understanding, insight, responsibilities and values. 'Prioritizing people' is in fact the credo of our operating philosophy and the third pillar that supports our performance as a company. Our people's forward journey will be sustained, and even accelerated – and so, I expect, will the velocity of our growth in the marketplace, in market share as well as other parameters.

It goes without saying that, in the final analysis, it's our stakeholders that we serve. In that spirit, D-Link has every intention and expectation of keeping its EPS on its upward trajectory, as seen over the last two years. Our performance in EPS terms will be the outcome of our growth in revenues and market share, and in a way is our ultimate bottom line...and our foremost commitment.

In closing, as always, I'd like to express my appreciation for the firm loyalty and staunch support of our shareholders, along with our partners, dealers, associates and other allies. Having taken a retrospective look at an exceptional year, we can all look forward to even more in the year ahead.

Sincerely,

Tushar Sighat
CEO

D-Link: A Commitment to Integrity, Reliability & Innovation

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

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.

Core Values

There are several core values that form the foundation for D-Link's success.

Integrity

We understand integrity is at the heart of a truly successful enterprise. D-Link does all it can to earn and keep customer trust.

Reliability

Reliability helps build a strong brand and D-Link nurtures a customer-focused culture by providing service with a personal touch. D-Link strives to serve customers with respect, knowledge, and personal attention regardless of whether the customer is an individual or a large corporation. This spirit enables D-Link to provide a consistently high quality of service and care. In everything it does, D-Link strives to help its customers to connect with more: more experience, excitement, productivity and opportunity.

Innovation

Throughout D-Link's history, its focus on innovation has been the catalyst in driving change. From hubs and switches to connect desktops, to wireless access point in the laptop era, and now to wireless mobile companions for the smart phone age, D-Link has always been ahead with innovative products to satisfy the need of the market.



A Renewed Business Strategy for Accelerated Growth

As a result of our highly focused approach, D-Link achieved unprecedented growth and recorded the highest annual sales turnover since its inception in India.

We have revitalized our business with a host of focused activities like:

- Introducing 5S (Switching Infrastructure, Structured Cabling, Surveillance & Storage, Security and Software) networking solution for enterprises along with enhanced service support.
- Renewing focus on structured cabling, telco and large enterprise business.
- Enhancing our focus on IP surveillance business.
- Successfully conducting channel engagement programs through our roadshow 'Connections'.
- Introducing professional networking courses through 'D-Link Academy'.
- Unveiling of innovative consumer networking products like 11AC router, mydlink cloud range.

As a result, we achieved the highest annual turnover since the inception of D-Link in India. While all product categories contributed to growth, consumer & SMB businesses witnessed exceptional upswing.

Our products have been well received across diverse verticals including retail, manufacturing, telecom, hospitality and BFSI (Banking, Financial Service and Insurance), with the government and education verticals showing stupendous growth. We bagged several large projects during the year, a testimonial to the markets' confidence in our brand.

Channel Initiatives

'Channel engagement' has always been accorded top priority at D-Link. Our prime objective is to create a healthy business ecosystem, wherein both D-Link and its partners reap maximum benefit in keeping with our channel mantra "Lets Grow Together". We continue to make significant efforts to reach out to our existing set of channel partners and rope in new partners into the system.

We regularly introduce schemes for our partners and system integrators. Our incentive programs are formulated considering the partners in both large and small cities, and we ensure that partners in the smaller cities also benefit from these schemes. In 2012-13 we introduced numerous schemes for channel partners like 'Winter Cabling Bonanza' and 'Paris Calling', an enterprise scheme for system integrators. Our customized regional level schemes included 'Poila Baisakh Offer' for Kolkata, 'Malabar Magic' in Kerala and 'Vibrant Gujarat Offer'.

To support partners sell better, we also ensure that they are better equipped to meet customer needs relating to technology through various training and technology upgradation programs. We successfully conducted road shows in over twenty 2-tier and 3-tier cities like Agra, Kottayam, Hisar, Dehradun and Allahabad to educate partners about mydlink cloud services. We conduct training programs for our structured cabling business to educate partners with the technical know-how of cabling. We have recently rolled out 'D-Link Certified Cabling Expert'(DCCE) program across India. This program provides participants with in-depth information on technical aspects, evaluates trends for both copper and fiber products, and trains them to design, install and conduct post-implementation testing of D-Link passive networking components for infrastructure projects.

We have been working tirelessly towards fostering a healthy business eco-system for our partners/system integrators to grow and establish a long term association with the D-Link brand. Not surprisingly, all our partners have witnessed significant growth in the past year and continue to contribute towards D-Link's overall success.

Consumer Solutions

As consumers discover new ways to utilize the Internet, ties to their digital lifestyle have become stronger than ever before. D-Link has always been a pioneer in the digital home, releasing groundbreaking products to accommodate the evolving needs of consumers.

A string of innovative products

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.

Customers today are looking for products that offer the best functionality and quality at competitive price point. The market is continually expanding, with new products being introduced consistently.

D-Link has recognized this continuing trend for the digital lifestyle, and has been in the forefront of introducing innovative products at reasonable price points to satisfy the evolving needs of the consumer market segment.

Keeping in mind the growing popularity of smartphones, tablet computers and other Internet-ready devices, D-Link has rolled out a wide range of 3G enabled devices like unlocked dongles, dongle based home routers and SIM based pocket routers. D-Link's latest portable routers allow users to share favorite movies, songs, and photos. The All-In-One Mobile Companion plugs in to the wall, while the Pocket Cloud Router can be powered from a USB port on a computer or its built-in rechargeable battery and can also be used to top up another mobile device!

Under the umbrella of mydlink cloud services, D-Link has introduced a range of devices like Cloud Routers, Cloud Camera and Cloud Storage. 'mydlinkcloud' is a revolutionary platform from D-Link that allows consumers to effortlessly control, view, share and access their network devices – anytime, anywhere.

D-Link's new Wireless AC (also known as 5th generation wireless) Routers, are easy to set up, offer much faster speed and greater coverage and are ideal for flawless HD video streaming speed, downloading faster gaming and lag free Skype and Facetime calls.



The wireless AC range of dual band Cloud Routers include the flagship DIR-868L, the world's fastest cloud router; the premium DIR-850L and DIR-810L ensuring that there is a feature packed wireless AC Cloud Router for everyone, including students and others at a limited budget.

D-Link has also introduced mydlink app for iOS and android mobile devices, which allows consumers to control, view and share via any computer or portable device like an iPad or smartphone from anywhere, anytime. D-Link's latest line of networking devices are powered by modern technologies and are apps driven.

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.

Enterprise Solutions

Anticipating exciting opportunities arising from the enterprise segment, D-Link remains committed to providing enterprise customers with powerful and cost-effective solutions that facilitate success in today's evolving networking environment.

Enterprise Solutions

Substantial investments are being made by small, medium and large enterprises in building a safe, secure and reliable networking infrastructure.

D-Link has defined itself as an end-to-end solution provider, offering products that extend across all areas of network infrastructure including switching, security, wireless, IP surveillance, 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.

5S Solution for Enterprises

D-Link's 5S Solution comprises of Switching, Structured Cabling, Surveillance & Storage, Security and Software that form the major components of secure, reliable and manageable networks. D-Link's 5S Solution aims to offer streamlined integration, centralized management, simplified troubleshooting, guaranteed interoperability and ease of use.

Switch Infrastructure

D-Link switches are particularly suited for deployment in a mixed environment that includes both data and IP Surveillance traffic. The surveillance network, though using the same network infrastructure, is designed to ensure critical bandwidth is available for surveillance traffic regardless of the performance of the data network. This means that, even in the event of packet storms, heavy traffic, and other disruptive events, a reliable surveillance feed is always maintained.

Structured Cabling

D-Link has an entire range of high-end copper and fiber range of cables for high end applications like data centers and server farms. D-Link cables and components conform to the highest international standards, are ETL & UL certified and backed by international 25 years product performance warranty.

Surveillance & Storage

D-Link has an extensive line of IP surveillance cameras suitable for deployment in a variety of installation scenarios, both indoor and outdoor, day and night. Combined with D-Link's wireless solutions, cameras can be placed virtually anywhere for comprehensive monitoring of premises.

Surveillance systems call for specialized storage designed to cope with a constant stream of surveillance data. D-Link Storage Accessible Networks (SAN) and Network Video Recorder (NVR) solutions are designed specifically to handle IP Surveillance records. D-Link storage solutions are also highly scalable, so storage can be expanded as needed.

Security

Companies are constantly striving to safeguard their networks from numerous threats. D-Link NetDefend Unified Threat Management (UTM) firewalls meet this challenge with a powerful security solution to protect business networks from a variety of threats.

Software

Modern surveillance solutions require management software and D-Link's D-View and D-ViewCam software offer an intuitive graphical user interface to manage the network and the IP surveillance infrastructure.

Enhanced Support Infrastructure

D-Link has set up a comprehensive infrastructure to make its unique brand of service and support accessible to businesses and consumers throughout the country.

D-Link Academy

D-Link Academy is a global education program designed specifically to provide training on topics like how to design, build, troubleshoot, and secure computer networks. D-Link Academy educates employees, customers, channel partners, and students about networking solutions through its high quality training courses. D-Link Academy helps candidates to improve their job skills and gives them a better understanding of complex technical topics pertaining to Networking.



The programs offered under D-Link Academy are D-Link Certified Network Engineer (DCNE), D-Link Certified Specialist (DCS), and D-Link Certified Professional (DCP). These certification courses bring valuable rewards to students, IT professionals and the organizations that employ them. D-Link Academy provides the recognition one needs to excel in their career, and provide employers with validation of necessary IT networking skills.

D-Link Academy has a dedicated e-Learning website <http://academy.dlink.com.tw> that provides convenient, simple, and consistent learning material. D-Link e-Learning portal helps participants to share ideas, thoughts, and experiences by connecting them with other students and trainers around the world. D-Link will introduce online exams for all the Certifications. Moving ahead, D-Link Academy will tie up with colleges, universities, and other private technical institutes to offer networking certification courses to students.

D-Link Direct Service (DDS)



D-Link Direct Service (DDS) is a revolutionary service initiative from D-Link designed to offer customers complete peace of mind. In keeping with the motto 'Service at your door-step', D-Link Direct Service (DDS) eliminates the hassle of customers going to the service centre with the faulty product unit and again going back to collect the repaired unit. Once the customer logs-in the complaint with D-Link toll free support, D-Link arranges for the product to be picked from customers' door-step and replaced with a working model right there.



Unveiling of DDS initiative in Goa

Awards & Accolades

The industry has acknowledged our performance with multiple distinctions and awards... including the prestigious Asia-Pacific Enterprise Leadership Award.

APELA Award 2013 for D-Link India CEO



(L to R): Prof Ian Wilkinson, AP-EC President Mr Li Dai Yi, Interim Chairman Alex Wong, and award recipient, Mr Tushar Sighat, CEO, D-Link India.

Mr. Tushar Sighat, CEO, D-Link was the recipient of an honorary mention in the 'Build to last' category at Asia-Pacific Enterprise Leadership Awards (APELA) 2013 for demonstrating exemplary leadership skills and unparalleled vision for Company's growth.

'Build to last' recipients are outstanding individuals who have demonstrated entrepreneurial attributes that serve as role models for emerging entrepreneurs, including the tenacity and perseverance to continue innovating. These individuals provide unparalleled vision and direction to their companies and demonstrate corporate values which have been established over the decades.

APELA recognizes and honors the achievements of Enterprise Leaders who are "Doing Good" by bringing together some of Asia-Pacific's best leadership examples in the areas of sustainable development, corporate responsibility, and CSR.



Info-friend Annual Awards 2012:
Winner of 'Best Networking Company Award'



VarIndia Awards:
Winner of 'Best Networking Company' Award



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



IC Chip - India's most trusted guide to technology & gadgets

D-Link DCS-930L certified as 'Chip Test Center Recommended' in its June 2012 issue.



SME Channel Achievers Awards 2012:
Winner of Best Networking Brand - 'SME' Award



Computer Active Awards 2013
- Winner of Networking Manufacturer of the Year 2013



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

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 manufacturing sites where our products are assembled, we strive to provide 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 suite of products that offer an eco-friendly alternative to our competitors. When making the move to more energy efficient “Green” devices, however, it was paramount that achieving such goals did not come at a cost to the performance and affordability of our products. We have succeeded in these goals, and offer devices that operate with low power, and are subsequently more environmentally friendly.

D-Link remains committed to strengthening its position as a market leader by 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 publicly responsible leader. In conjunction with both new and ongoing environmental initiatives, D-Link strives to create environmentally-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 33 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 23 years to the IT field of which he has worked for 19 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 28 years of industry experience. He has been instrumental in the successful launch of IPO for erstwhile D-Link (India) Limited in 2001.



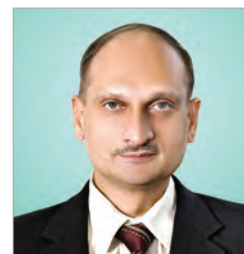
Rajaram Ajgaonkar Director

Rajaram Ajgaonkar is a Chartered Accountant in practice with 34 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 32 years of experience. He has specialized in Company Law, Mergers & Amalgamation and FEMA.



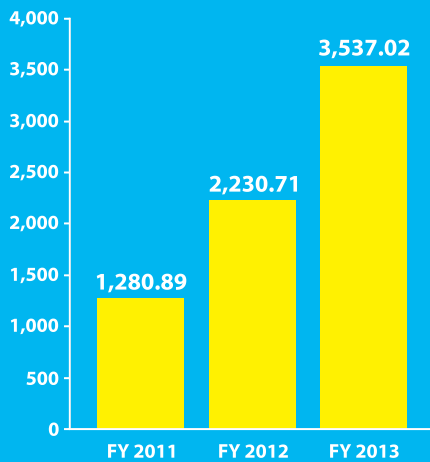
Anil Bakshi Director

Mr. Anil Bakshi is a Chartered Accountant and Company Secretary. He is an Industrialist and has over 28 years of experience in overall business management.

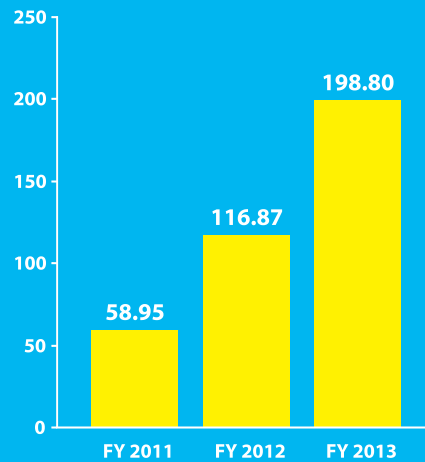


Financial Performance

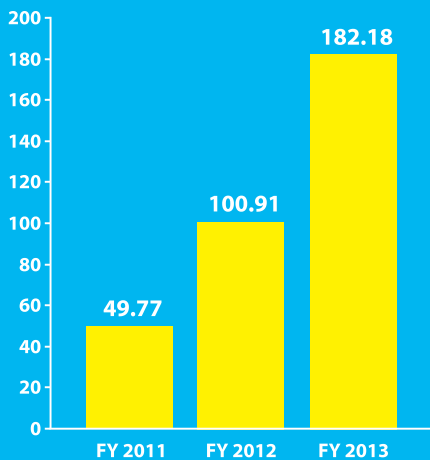
Net Sales
(Rs. in million)



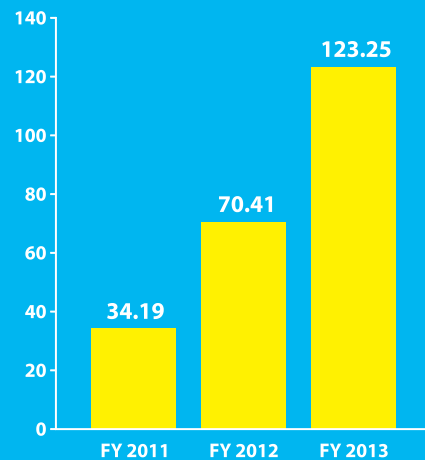
Profit Before Tax and Depreciation
(Rs. in million)



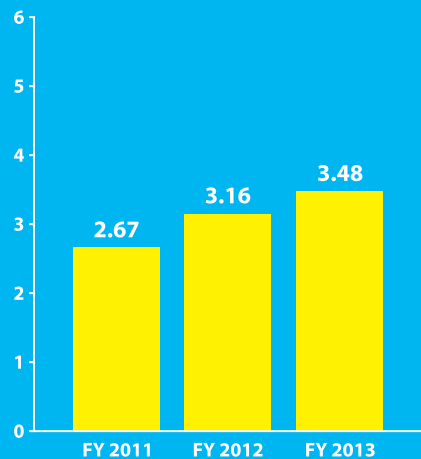
Profit Before Tax (PBT)
(Rs. in million)



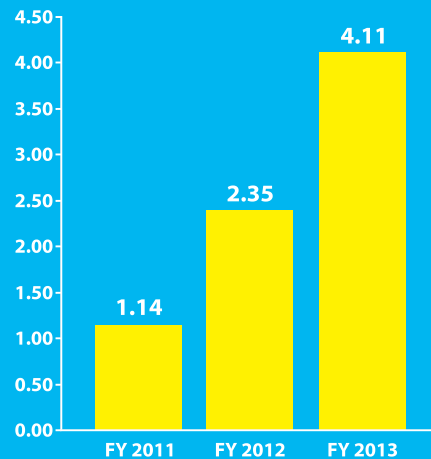
Net Profit After Tax (PAT)
(Rs. in million)



Net Profit Margins
(Percentage)



Earnings Per Share (EPS)
(Rupees)



Directors' Report

To the Members,

The Board of Directors of your Company takes pleasure in presenting the Fifth Annual Report together with Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2013.

1. Financial Results and Appropriation

(Rs. in million)

Particulars	F.Y. 2012-2013	F.Y. 2011-2012
Revenue from Operations	3,537.02	2,230.71
Profit Before Depreciation and Tax	198.80	116.87
Less: Depreciation for the year	16.62	15.96
Profit Before Tax (PBT)	182.18	100.91
Less: Provision for Tax		
a) Current Tax	60.47	28.05
b) Deferred Tax	(1.54)	2.45
Profit After Tax	123.25	70.41
Balance brought forward from previous year	485.03	435.62
Amount available for Appropriation	608.28	506.03
Transfer to General Reserve.	12.35	7.05
Proposed Dividend	15.00	12.00
Tax on Dividend	2.55	1.95
Balance carried forward to Balance Sheet	578.38	485.03
Earnings per Share (Rs.)	4.11	2.35

2. Operating Results & Business Operations

Your Company built-up on the momentum of growth achieved in the previous year resulting in 58.56% increase in the sales turnover to Rs. 3,537.02 million for the year ended March 31, 2013 as compared to Rs. 2,230.71 million achieved in the previous year. The growth was broad based with both Active and Passive networking products contributing to increased turnover. The Operating Profit (Earnings Before Tax and Depreciation) increased by 70.11% to Rs.198.80 million as compared to Rs.116.87 million in the previous year.

Your Company has earned a net profit of Rs.123.25 million for the current year as compared to Rs.70.41 million for last financial year registering a growth of 75.04% on yearly basis.

3. Dividend

Your Directors have recommended for your consideration the payment of dividend of Rs.0.50/- per share for the year ended March 31, 2013, (i.e. @ 25% on the paid up equity capital) to be paid, if approved by members at the Fifth Annual General Meeting.

4. Composition Of Board Of Directors

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

Mr. Gary Yang had been initially appointed as the Managing Director of the Company by the Shareholders at the Extraordinary General Meeting of the Members held on June 19, 2009 for a period of 4 years, effective from July 15, 2009. His term of office expires on July 14, 2013, and the Board of Directors have recommended the re-appointment of Mr. Gary Yang as the Managing Director for a further period of 5 years effective from July 15, 2013.

5. 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 date of Balance Sheet.

6. 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.

7. Corporate Governance

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Corporate Governance as well as the Auditors' Certificate regarding compliance of conditions of Corporate Governance forms a part of the Annual Report.

8. Auditors

The Statutory Auditors, M/s.Deloitte Haskins & Sells, Chartered Accountants holds office up-to the conclusion of the Fifth Annual General Meeting. The Board recommends the re-appointment of M/s.Deloitte Haskins & Sells, Chartered Accountants as the Statutory Auditors of the Company to hold office from the conclusion of Fifth Annual General Meeting until the conclusion of next Annual General Meeting.

9. 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.

10. 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.

11. 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, 2013 and the profit of the Company for the year ending on March 31, 2013;
- 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.

12. Acknowledgements

The Directors wish to convey their appreciation to Business Associates, Business Distributors/ Partners and Bankers for their support and contribution during the year. The Directors thank the Company's employees for their hard work and customers, vendors, investors, 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 1, 2013

Management Discussion and Analysis Report

Industry Structure & Developments

Global Scenario

The worldwide IT spending is projected to increase to US\$ 3.7 trillion in 2013, a 4.1% increase from 2012 spending of US\$ 3.6 trillion according to a forecast by Gartner Inc. at the beginning of 2013. Gartner analysts attribute a large part of this spending increase to result from projected gains in the value of foreign currencies versus the dollar. When measured in constant dollars, 2013 spending growth is forecast to be 3.9%.

According to Gartner, "Uncertainties surrounding prospects for an upturn in global economic growth are the major retardants to IT growth. This uncertainty has caused the pessimistic business and consumer sentiment throughout the world. However, much of this uncertainty is nearing resolution, and as it does, we look for accelerated spending growth in 2013 compared to 2012".

The global telecom services market continued to be the largest IT spending market. Gartner analysts predict that growth will be predominately flat over the next several years as revenue from mobile data services compensates for the declines in total spending for both the fixed and mobile voice services markets.

Recently, in April 2013, Gartner revised the forecast to a dollar value growth of 4.1% stating that uncertainties surrounding the global economy are the ever present anchor to IT growth but signs indicate gradual improvement in sentiment about prospects for future economic growth.

IDC predicts that IT spending in emerging markets will grow by 8.8% in 2013 to more than \$730 billion. While this figure represents 34% of all IT spending worldwide, it represents more than 50% of all new growth in the IT marketplace. The BRIC countries (Brazil, Russia, India and China) will continue to dominate IT spending among the emerging markets with China capturing more than a quarter of this spending. Equally important, developments in emerging markets will start to reshape key global markets because of their oversized share of industry growth.

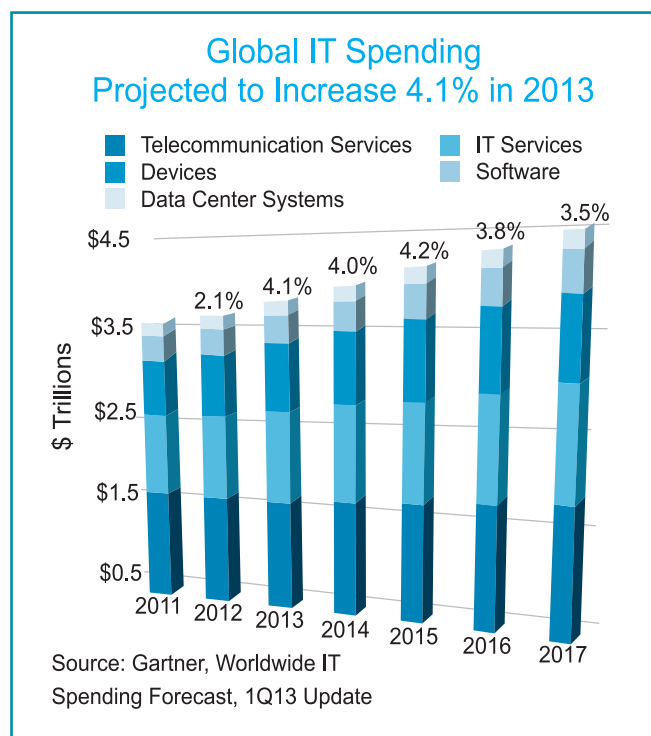
The Indian IT Industry

According to NASSCOM (National Association of Software and Services Companies), FY13 could be characterised as the year of rapid transition and transformation, leading the industry into expanding into newer verticals and geographies, attracting new customer segments, and transforming from technology partners to strategic business partners.

The Indian IT-BPM industry has demonstrated resilience and agility in the past year. Technology has today become an integral enabler for growth across all sectors and the industry is continuously evolving and innovating to emerge as a strategic partner to its customers.

In FY14, NASSCOM projects the information technology and IT-enabled services sectors to grow by 12-14% and clock export revenues of US \$84 to 87 billion while domestic revenues are expected to grow at 13-15% to reach Rs. 1.18 - Rs.1.20 lakh crore. Growth is expected to be propelled by increase in global technology spending and opportunities created through adoption of disruptive technologies.

To achieve this growth, Indian IT-BPM industry is focusing on greater efficiencies, verticalised structures, geographical presence, IP based solutions, domain and increased collaboration across all stakeholders.



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 networking industry is undergoing a rapid transformation with the advent of new technologies, higher bandwidth and high speed wireless connectivity. The growth is likely to be accelerated as the economy steadily moves to a higher gear in 2013-14 driven by a gradual revival in industrial production, stable agrisector activity, steady services growth and easing inflation.

With the economy poised to grow at a steady pace, Enterprises are investing towards setting up a strong networking infrastructure that can deliver reliable and efficient end-to-end solutions to eventually transform their business operations.

The roll out of 3G services and the significant government initiatives in aggressively promoting broadband usage in the country are driving the demand of networking products like routers, switches and access points to storage and surveillance products across all verticals.

The number of computing devices, PCs, tablets, smart phones has increased rapidly and networks, especially wifi networks, need to be deployed to share information and resources across users and devices.

Users are upgrading their networks to take advantage of complex applications, advanced communication capabilities and rich multimedia content. They need the convenience and flexibility of operating their various devices in an increasingly mobile or wireless manner. Similarly, market demand for television connectivity products has increased as users seek to connect their televisions to internet and for entertainment content.

These developments augur well for D-Link India, and with the networking industry in an expansion mode, the company looks forward to sound long term growth prospects.

Operational Review

D-Link delivered superior performance in all product categories and scaled new heights in turnover and profitability during the year under review. Despite increasing competition in the field, D-Link's cutting edge networking solutions continued to enjoy market preference, and the company maintained its competitive edge that it derives from being part of a truly global networking company that delivers innovative products to consumers, businesses and service providers.

Your company made several organizational changes in order to focus its efforts better on the specific needs of each of market segments – consumer, SMB/SME and Enterprises. As a result, D-Link outperformed the industry growth rates in all product categories.

Leadership across categories

Switch

In the 'Switch' category, while the overall market remained virtually flat, D-Link continued to increase market share and attained the leadership position in terms of port shipments with nearly 37% market share (Source: IDC). The major drivers were bandwidth intensive applications like streaming video, VoIP and high-end multimedia and increased demand for gigabit switches from large enterprises and service providers. Verticals like government, retail, manufacturing, services, financial, education, healthcare and telecom contributed to the revenues.

Wireless

In the 'Wireless' category, D-Link maintained its strong leadership position with a market share of 40% in terms of unit shipments. This category showed spirited growth with wireless adoption constantly increasing in both large enterprises as well as SMBs. Mobility trends like BYOD (Bring Your Own Device) are accelerating growth in this category with sectors like education, hospitality and retail being the early adopters. The influx of smart mobile devices like smart phones and tablets is further fuelling growth of 'Wireless' category across all verticals.

IP Surveillance

Equipped with an extensive array of innovative products, D-Link is rapidly gaining recognition as a significant player in the IP Surveillance segment and has rapidly climbed to the No.4 position in this category.

mydlink Cloud Services

mydlink Cloud Services present a revolutionary lifestyle concept now and real-time monitoring, remote management, mobile access, synchronization and sharing can all be accomplished with ease. As a pioneering leader in the Cloud space, D-Link has begun to capitalize on the vast potential of Cloud solutions.

D-Link Direct Service

During the year, D-Link launched its ambitious service initiative named D-Link Direct Service (DDS), with a centre in Goa and a strong support infrastructure. This path-breaking service

initiative is based on the concept of 'Service at your doorstep' and offers customers complete peace of mind, and involves pick-up of the faulty product and replacement with a working model simply on the basis of a complaint on a 'Toll Free' number.

Consumer Solutions

D-Link continued to strengthen its strong focus on this category with a host of initiatives to create awareness and generate demand from consumers. These involved a high visibility mass media campaign, online promotions and reaching out to consumers through large format retail outlets.

Business Solutions

D-Link introduced the '5S Solution' strategy for enterprises targeting the high potential verticals like data centers, education, healthcare, retail and several others. The '5S Solution' offering of Switching infrastructure, Storage, Surveillance, Structured Cabling and Software offers streamlined integration, centralized management, simplified troubleshooting, guaranteed interoperability and ease of use. The robust product portfolio offering integrated cost-effective solutions is gaining increasing preference in the marketplace.

D-Link's enhanced emphasis on the enterprise segment has yielded favourable results and the company has successfully made inroads in both the Government as well as large corporate.



Financial Review

The financial year ended 31st March 2013, was a landmark year for D-Link (India) Ltd. as it achieved the highest annual Turnover since its inception in India. During FY13, the Company successfully delivered consistent quarter-on-quarter growth inspite of volatile market conditions.

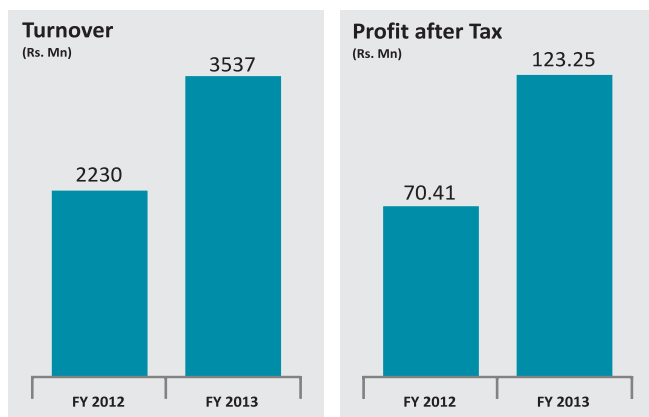
In FY13, D-Link India's revenues increased by 58% to Rs. 3537.02 million, as compared to Rs. 2230.71 million in the previous year.

The key drivers for D-Link's revenue growth have been its sharp focus on core products and the strengthening of its channel distribution network.

As a result of streamlining its product mix and improved treasury management, the Company showed remarkable growth in its bottom line and Profit Before Tax increased by 80.53% to Rs.182.18 million, as compared to Rs.100.91 million in the previous year.

Tax expense during the year stood at Rs.58.93 million (Rs. 30.50 million in the previous year). The Net Profit after Tax for FY13 increased by 75.04% to Rs.123.25 million, as compared to Rs.70.41 million in the previous year.

The Earnings Per Share (face value Rs. 2 each) for FY13 stood at Rs. 4.11, as compared to Rs. 2.35 in the previous year.



Recognitions

D-Link India's CEO, Tushar Sighat was recognized for his exemplary leadership skills and unparalleled vision that has resulted in remarkable growth for the company. He was awarded with an honorary mention under the 'Build to Last' category at Asia Pacific Enterprise Leadership Awards 2013 in Singapore. 48 recipients were awarded across 9 categories, from 155 nominations received from 16 Asia Pacific territories.

Human Resource Development

Employees today are looking for development opportunities, empowerment and work-life balance in an organization. D-Link continuously innovates and customizes its human resource (HR) strategy to meet changing employee needs.

D-Link's human resource philosophy, strategy and processes are designed to attract and retain quality talent and nurture workplace challenges that keep employees highly engaged, motivated and committed to innovation and customer delight.

Your Company fosters a culture that rewards performance, continuous learning, collaboration and capability development across the organization, to meet head-on the challenges posed by ever-changing market realities. Your Company's commitment to investing in human resources ensures performance and achievement of the highest order.

Your Company believes that the people are the vital force of the organization. D-Link's dedicated and talented workforce of more than 156 people across 17 cities has assisted in driving our achievements and success.

Outlook

Despite increasingly fierce competition within the consumer networking arena, D-Link's consumer networking solutions continue to exhibit market leadership. In particular, the growing mydlink Cloud Services lineup offers notable added value, a clear differentiator from competitors. Similarly, on the business side, the promotion of 5S (Switch, Surveillance, Storage, Structural Cabling and Software) allows D-Link to provide its customers with a complete array of services, fostering addition growth momentum. The Company's strategic decisions of the past year bode well for a bright future.

Risks And Concerns

Technological Obsolescence

D-Link operates in an ever evolving and dynamic technology 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

Given the size and the importance of the Indian market, new competitors are constantly emerging from adjacent markets and distant geographies. D-Link faces competition not only from India based companies 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 growing networking industry. To remain competitive, D-Link has developed competencies in various technologies, platforms and operating environments and offers a wide range of cutting edge technology products to customers based on their needs.

Exchange Rate Risks

The global financial position continues to remain volatile with wide swings in currencies impacting the IT industry. This trend is expected to continue during the year too. The company is exposed to risks from market fluctuations of foreign exchange and price fluctuation on its finished goods. D-Link has taken proper precautions to protect its payables and forecast revenues against foreign currency fluctuations.

Rising Costs

The undulating prices of vital raw materials result in a pressure on margins. Rising prices of resources make it a challenge for the Company to reduce material costs. Due to its market leadership position in many of its products, it is able to use its economies of scale and purchasing power to limit the pressures of increasing input costs.

Internal Control Systems and their Adequacy

D-Link's internal control systems and procedures adhere to industry standards in terms of effective resource utilisation, operational efficiency and financial reporting. They also comply with various relevant laws and regulations.

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 independent firm of Chartered Accountants to look into the Internal Audit functions of the organisation. They conduct extensive Internal Audits, which are then presented to the management at regular intervals.

The Internal Audit 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.

Disclaimer

Certain statements made in this report relating to the Company's objectives, projections, outlook, estimates, etc. may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such estimates or projections etc., whether expressed or implied. Several factors including but not limited to economic conditions affecting demand and supply, government regulations and taxation, input prices, exchange rate fluctuation, etc., over which the Company does not have any direct control, could make a significant difference to the Company operations. The Company undertakes no obligation to publicly update or revise any forward looking statements, whether as a result of new information, future events, or otherwise. Readers are cautioned not to place undue reliance on any forward looking statements. The MD&A should be read in conjunction with the Company's financial statements included herein and the notes thereto. Information provided in this MD&A pertain to D-Link (India) Limited unless otherwise stated.



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, 2013. The Company at present has six Directors on its Board, comprising of two Executive Directors and four Non Executive Directors out of which three are Independent Directors. The name and category of each Director is given below:

Name of 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
Mr. Satish Godbole	Non-Executive and Independent
Mr. Anil Bakshi	Non-Executive and Independent

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
Mr. Satish Godbole	4	4	Present
Mr. Anil Bakshi	4	4	Present

c) Number of other Directorship and Chairmanship/ Membership of Committees of each Director in other Companies and shareholding as at March 31, 2013:

Name of the Director	No. of Directorships in other Companies held (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
Mr. Satish Godbole	Nil	Nil	Nil
Mr. Anil Bakshi	Nil	Nil	Nil

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

- 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 2012-13 on the following dates:

May 3, 2012	November 6, 2012
August 11, 2012	January 29, 2013

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:
 1. To investigate any activity within its terms of reference.
 2. To seek information from any employee.
 3. To obtain outside legal or other professional advice.
 4. To secure attendance of outsiders with relevant expertise, if its considered necessary.
- b. Role of Audit Committee:
 1. 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.
 2. Recommending the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
 3. Approval of payment to Statutory Auditors for payment of any other services rendered by the Statutory Auditors.
 4. Reviewing, with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
 - a) 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.
 - b) Changes, if any, in accounting policies and practices and the reasons for the same.
 - c) Major accounting entries involving estimates based on exercise of judgment by management.

- d) Significant adjustments made in the financial statements arising out of audit findings.
- e) Compliance with Listing and other Legal Requirements relating to financial statements.
- f) Disclosure of any related party transactions.
- g) Qualifications in draft Audit Report.
5. Reviewing, with the Management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the Board, performance of the Statutory and internal auditors, and the adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure and frequency of the internal audit.
8. Discussion with internal auditors any significant findings and follow up thereon.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the audit commences, on the nature and scope of audit as well as, have post-audit discussion to ascertain any area of concern.
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B) Composition

The composition of the Audit Committee is as under:

Mr. Rajaram Ajgaonkar – Chairman
Mr. A. P. Chen
Mr. Satish Godbole
Mr. Anil Bakshi

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 3, 2012, August 11, 2012, November 6, 2012 and January 29, 2013 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
Mr. Satish Godbole	4	4
Mr. Anil Bakshi	4	4

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 11, 2012.

4. Remuneration Committee

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
Mr. Anil Bakshi

C) Meetings held and Attendance during the year

During the year under review, the Company held one Remuneration Committee meeting on May 3, 2012. 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	1
Mr. Rajaram Ajgaonkar	1	1
Mr. Anil Bakshi	1	1



D) The remuneration paid to the Directors for the year ended March 31, 2013 is given below

a) Executive Directors

Executive Directors	Salary, contribution to P.F & Perquisites
Mr. C. M. Gaonkar	Rs. 3,592,600/-

Salient features of terms of appointment of Executive Directors

Name of the Directors	Mr. C. M. Gaonkar	Mr. Gary Yang
Salary	In the scale of Rs. 50,000/- per month with subject to the ceiling of Rs. 300,000/- per month as the Board may decide from time to time.	Nil
Special Allowances	In the scale of Rs. 1,00,000/- to Rs. 4,00,000/- per month as the Board may decide from time to time.	Nil
Performance linked variable pay and/or any other compensation	Not exceeding Rs. 10,00,000/- per annum 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.	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 bonus, commission, 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. 60,000/-
Mr. Rajaram Ajgaonkar	Rs. 110,000/-
Mr. Satish Godbole	Rs. 110,000/-
Mr. Anil Bakshi	Rs. 110,000/-

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

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

Name of the Non-Executive Director	Number of Shares held	Amount of Dividend Paid during the year 2012 -2013 (Amt in Rs.)
Mr. A. P. Chen	50,000	20,000/-
Mr. Satish Godbole	50	20/-

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
Mr. Rajaram Ajgaonkar
Mr. Anil Bakshi

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

C) Meetings and Attendance during the year

During the year under review, no meeting of the Investor Grievance Committee was held.

During the year Company had received 36 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 11, 2012.

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 11, 2012	11.00 a.m.
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.

- b) Special Resolutions passed in the Annual General Meetings/Extra Ordinary General Meetings held during last three financial years and details of resolutions passed through postal ballot during the last year are as follows

1) Details of Special resolutions

Year	Date of AGM	Particulars of Special Resolution
2011-12	August 11, 2012	Nil
2010-11	August 10, 2011	Nil
2009-10	September 3, 2010	Nil

2) Details of special resolution passed through Postal Ballot

The Company had obtained the approval of the shareholders through voting by postal ballot dated 28th October 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 resolution proposed for the ensuing Annual General Meeting is required to be passed by Postal Ballot.

7. Disclosures

- a. Disclosure on materially significant related party transactions, i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.
 - Details of the transactions entered into with related parties have been disclosed in the financial statements. None of the transactions have any potential conflict with the interests of the Company.
- b. 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.
- c. 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 (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, August 3, 2013

Time : 11.00 a.m.

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

2. Financial Year 2013-14

For the year ending March 31, 2014, the results will be announced as per the tentative schedules below:

Particulars	Date
First Quarter Results	On or before August 14, 2013
Second Quarter Results	On or before November 14, 2013
Third Quarter Results	On or before February 14, 2014
Audited Annual Results	On or before May 30, 2014

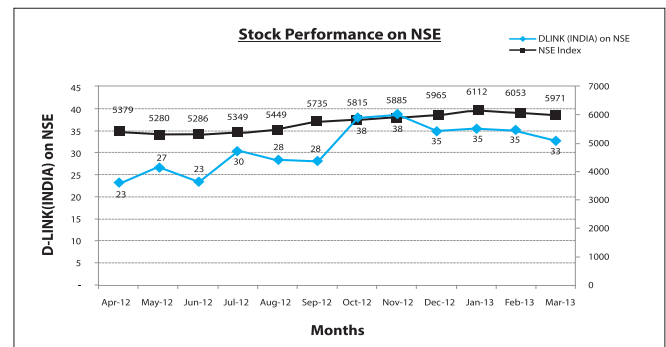
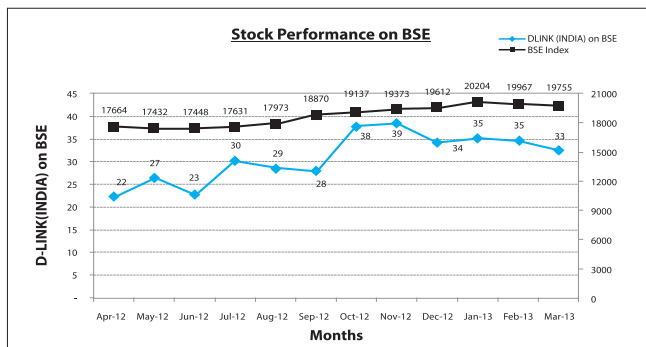
3. Dates of Book Closure

The Register of Members and the Share Transfer Register will remain closed for a period of 7 days from Tuesday, July 2, 2013 to Monday, July 8, 2013 (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-12	22	20	17,664	17,010	23	19	5,379	5,154
May-12	27	21	17,432	15,810	27	21	5,280	4,789
Jun-12	23	21	17,448	15,749	23	21	5,286	4,770
Jul-12	30	23	17,631	16,598	30	23	5,349	5,032
Aug-12	29	23	17,973	17,027	28	24	5,449	5,165
Sep-12	28	24	18,870	17,251	28	24	5,735	5,216
Oct-12	38	27	19,137	18,393	38	27	5,815	4,888
Nov-12	39	30	19,373	18,256	38	30	5,885	5,548
Dec-12	34	29	19,612	19,149	35	29	5,965	5,823
Jan-13	35	30	20,204	19,509	35	29	6,112	5,935
Feb-13	35	26	19,967	18,794	35	26	6,053	5,672
Mar-13	33	26	19,755	18,568	33	26	5,971	5,605



5. Dividend Payment Date

The Dividend will be paid to all shareholders on or after August 8, 2013.

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, 2013

Sr. No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1 - 500	15,978	85.79	2,308,636	7.69
2	501 - 1000	1,355	7.28	1,140,809	3.80
3	1001 - 2000	616	3.30	972,080	3.24
4	2001 - 3000	232	1.25	608,136	2.03
5	3001 - 4000	76	0.40	272,448	0.91
6	4001 - 5000	106	0.57	503,249	1.68
7	5001 - 10000	122	0.66	927,949	3.09
8	10001 and above	140	0.75	23,271,543	77.56
	TOTAL:	18,625	100.00	30,004,850	100.00

11. Shareholding Pattern as on March 31, 2013

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	1	30	0.00
(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)	2	50,030	0.17
2	Non-institutions			
(a)	Bodies Corporate	413	1,905,344	6.35
(b)	Individuals			
I	Individual shareholders holding nominal share capital up to Rs. 1 lakh	17,955	8,001,102	26.67
II	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	14	1,735,585	5.78
(c)	Trusts	2	2,200	0.01
(c-i)	Non Resident Indians	185	160,153	0.53
(c-ii)	Clearing Members	53	35,773	0.12
	Sub-Total (B)(2)	18,622	11,840,157	39.46
(B)	Total Public Shareholding (B) = (B)(1)+(B)(2)	18,624	11,890,187	39.63
	TOTAL (A)+(B)	18,625	30,004,850	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-
	GRAND TOTAL (A)+(B)+(C)	18,625	30,004,850	100.00

12. Dematerialization of Shares and Liquidity

The total number of shares held in dematerialized form as on March 31, 2013 is 2,99,77,234 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 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 1, 2013

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, 2013, 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 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, 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 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: May 30, 2013

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, 2013, 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 1, 2013

Independent Auditors' Report

To The Members Of D-Link (India) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **D-Link (India) Limited** (the Company), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss, and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 (the Act) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (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 comply with the Accounting Standards referred to in Section 211(3C) of the Act.
 - (e) On the basis of written representations received from the directors as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration no: 117366W)

Mumbai
Dated: 1st May, 2013

A. B. Jani
Partner
(Membership no: 46488)

Annexure to the Independent Auditors' Report

Re: D-Link (India) Limited

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section 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 fixed 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 explanations 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 inventories:
 - (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 and services. During the course of our audit, we have not observed any 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) There were no undisputed amounts payable in respect of 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 in arrears as at 31st March, 2013 for a period of more than six months from the date they became payable.

- (c) Details of dues of Value Added Taxes and Central Sales Taxes which have not been deposited as on 31st March, 2013 on account of disputes are given below:

Name of the Statute	Nature of dues	Forum where dispute is pending	Financial Year to which amount relates	Amount (Rs.)
Goa Value Added Tax Act, 2005	V.A.T Penalty Interest	Commercial Tax Officer	2009-10	2,469,395
				100,000
Central Sales Tax Act, 1956	C.S.T	Commercial Tax Officer	2009-10	1,035,116
				6,830,944

- (xi) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses during the financial year covered by our audit 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, *prima facie*, not been used during the year for long term investment.
- (xvii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xviii) The Company has not issued debentures, hence the question of creating security or charge in respect thereof does not arise.
- (xix) During the year, the Company has not raised money by public issue.
- (xx) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Registration no: 117366W)

Mumbai
Dated: 1st May, 2013

A. B. Jani
Partner
(Membership no: 46488)

Balance sheet as at 31st March, 2013

Sl. No.	Particulars	Note No.		As at 31st March, 2013	As at 31st March, 2012
			Rupees	Rupees	Rupees
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
	(a) Share capital	3	60,009,700		60,009,700
	(b) Reserves and surplus	4	822,200,501		716,502,431
				882,210,201	776,512,131
(2) Non-current liabilities					
	(a) Deferred tax liabilities (net)	5	4,126,400		5,668,000
	(b) Other long term liabilities	6	-		109,003
	(c) Long term provisions	7	3,160,997		1,481,328
				7,287,397	7,258,331
(3) Current Liabilities					
	(a) Short-term borrowings	8	58,572		-
	(b) Trade payables	9	607,017,094		440,711,581
	(c) Other current liabilities	10	9,607,556		4,304,625
	(d) Short-term provisions	11	22,848,818		18,767,586
				639,532,040	463,783,792
	Total			1,529,029,638	1,247,554,254
II. ASSETS					
(1) Non-current assets					
	(a) Fixed assets				
	(i) Tangible assets	12A	203,470,295		213,117,560
	(ii) Intangible assets	12B	1,671,937		2,789,598
				205,142,232	215,907,158
	(b) Long-term loans and advances	13		23,605,607	30,201,499
(2) Current assets					
	(a) Current investments	14	15,052,520		-
	(b) Inventories	15	442,277,839		419,801,478
	(c) Trade receivables	16	814,849,580		478,639,969
	(d) Cash and cash equivalents	17	2,385,878		58,594,840
	(e) Short-term loans and advances	18	25,715,982		44,409,310
				1,300,281,799	1,001,445,597
	Total			1,529,029,638	1,247,554,254

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 Ad kesar
Company Secretary

C.M. Gaonkar
Executive Director & CFO

Mumbai, dated: May 1, 2013

Mumbai, dated: May 1, 2013

Statement of profit and loss for the year ended 31st March, 2013

Sl. No.	Particulars	Note No.	For the year ended 31st March, 2013	For the year ended 31st March, 2012
			Rupees	Rupees
1	Revenue from operations	19	3,537,021,759	2,230,705,593
2	Other income	20	5,806,662	8,299,195
3	Total Revenue (1+2)		3,542,828,421	2,239,004,788
4	Expenses			
	Purchases of traded goods		2,913,886,031	1,915,985,502
	Changes in inventories of traded goods	21	(22,476,361)	(147,407,781)
	Employee benefits expense	22	170,573,954	131,536,403
	Finance cost	23	1,794,384	1,612,206
	Depreciation and amortisation expenses	12	16,618,777	15,960,637
	Other expenses	24	280,247,441	220,411,290
	Total Expenses		3,360,644,226	2,138,098,257
5	Profit before tax (3-4)		182,184,195	100,906,531
6	Tax expenses			
	- Current tax		60,475,638	28,050,000
	- Deferred tax		(1,541,600)	2,442,600
			58,934,038	30,492,600
7	Profit for the year (5-6)		123,250,157	70,413,931
	Earnings per share (Face value of Rs. 2/- per share)			
	Basic and Diluted		4.11	2.35
	(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

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 1, 2013

Mumbai, dated: May 1, 2013

Cash flow statement for the year ended 31st March, 2013

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rupees	Rupees
A. Cash flows from operating activities		
Profit before tax	182,184,195	100,906,531
Adjustments for:		
Depreciation/Amortisation	16,618,777	15,960,637
(Profit)/Loss on sale/discard of fixed assets (net)	(15,000)	926,506
Profit on sale of current investments (non-trade)	(1,774)	(5,897,971)
Bad debts/Advances written off	24,766	898,412
Unrealised exchange differences(net)	(1,300,902)	4,040,634
Sundry balances written back	(44,382)	(11,030)
Provision for doubtful debts and advances	5,710,425	55,469
Interest and finance charges	1,794,384	1,612,206
Interest income on fixed deposits/Bond	-	(778,064)
Interest on delayed payments	(619,713)	-
Dividend income	(1,968,983)	(1,591,021)
Operating profit before working capital changes	202,381,793	116,122,309
(Increase) in Trade receivables	(336,206,334)	(267,845,274)
(Increase) in inventories	(22,476,361)	(147,407,781)
Decrease in loans and advances	19,592,958	15,493,142
Increase in trade payables, other liabilities and provisions	177,197,919	261,332,199
Cash generated from Operations	40,489,975	(22,305,405)
Direct taxes paid	(63,563,813)	(24,633,040)
Net cash (used in) operating activities	(23,073,838)	(46,938,445)
B. Cash flows from investing activities		
Purchase of fixed assets	(5,853,851)	(8,045,654)
Purchase of investments	(1,092,083,709)	(376,591,019)
Sale of investments	1,077,032,963	462,676,657
Bank balances (in unpaid dividend accounts)	(119,157)	(56,988)
Sale of fixed Assets	15,000	807,027
Dividend received	1,968,983	1,591,021
Interest received	619,713	1,246,021
Net cash (used in) /generated from investing activities	(18,420,058)	81,627,065
C. Cash flows from financing activities		
Short-term borrowings (cash credit account)	58,572	-
Dividend paid (including Corporate Dividend tax)	(13,948,955)	(10,496,484)
Interest paid	(943,840)	(1,612,206)
Net cash (used in) financing activities	(14,834,223)	(12,108,690)
Net (Decrease) / Increase in cash and cash equivalents	(56,328,119)	22,579,930
Cash and cash equivalents at the beginning of the year	58,238,289	35,658,359
Cash and cash equivalents at the end of the year	1,910,170	58,238,289
Note:		
Reconciliation of Cash and cash equivalents :		
Cash and cash equivalents (Refer note 16)	2,385,878	58,594,840
Less : Bank balances not considered as Cash and cash equivalents as defined in Accounting Standard (AS) 3 on 'Cash Flow Statements', as same are restricted.		
In earmarked accounts :		
Unpaid dividend accounts	475,708	356,551
Net cash and cash equivalents as defined in AS3 on 'Cash Flow Statements'.	1,910,170	58,238,289

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

A. B. Jani
Partner

Mumbai, dated: May 1, 2013

For and on behalf of the Board of Directors

A. P. Chen
Chairman

Shrinivas Ad kesar
Company Secretary

Mumbai, dated: May 1, 2013

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 with generally accepted accounting 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.

Revenue from sale of products is recognised net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods.

Revenue from services is recognized when the services are rendered.

Interest income is accounted on accrual basis.

Dividend income is accounted for when the right to receive the same is established.

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.

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 Provisions & Contingencies

Provision is recognised in the accounts when there is a present obligation as a result of past event/s and it is probable that an outflow of resources will be required to settle the obligation. Contingent liabilities, if any are disclosed in the notes to the financial statements.

Note 3: Share Capital

	As at 31st March, 2013		As at 31st March, 2012	
	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 and in case of repayment of capital.				
d. Details of shares held by the Holding Company				
	As at 31st March, 2013		As at 31st March, 2012	
	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				
	As at 31st March, 2013		As at 31st March, 2012	
	Number	% holding	Number	% holding
Equity shares of Rs.2/- each fully paid up				
<u>Name of the Shareholders</u>				
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				
	As at 31st March, 2013		As at 31st March, 2012	
Equity Shares allotted without payment being received in cash *	30,004,850 *		30,004,850 *	

* Equity shares allotted pursuant to the Scheme of Arrangement by capitalisation of reserves during the financial year 2009-10

	As at 31st March, 2013	As at 31st March, 2012
	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	26,330,563	19,280,563
Add: Transferred from surplus in Statement of Profit and Loss	12,350,000	7,050,000
Closing Balance	38,680,563	26,330,563
Surplus in Statement of Profit and Loss		
Opening balance	485,037,428	435,622,452
Profit for the year	123,250,157	70,413,931
Less : Appropriations		
Proposed dividend (Re. 0.50 per share [Previous year: Re. 0.40/-])	15,002,425	12,001,940
Tax on dividend	2,549,662	1,947,015
Transferred to General reserve	12,350,000	7,050,000
Sub Total	29,902,087	20,998,955
Closing balance	578,385,498	485,037,428
Total	822,200,501	716,502,431
Note 5: Deferred Tax Liabilities (net)		
Deferred Tax Liability		
Depreciation	(9,089,895)	(6,770,961)
Total	(9,089,895)	(6,770,961)
Less:		
Deferred Tax Asset		
Provision for doubtful debts	267,431	250,680
Others	4,696,064	852,281
Total	4,963,495	1,102,961
Deferred Tax (Liabilities) (net)	(4,126,400)	(5,668,000)

	As at 31st March, 2013	As at 31st March, 2012
	Rupees	Rupees
Note 6: Other long term liabilities		
Security deposits received	-	109,003
Total	-	109,003
Note 7: Long-term provisions		
Provision for employee benefits		
- Provision for leave encashment	3,160,997	1,481,328
Total	3,160,997	1,481,328
Note 8: Short-term borrowings		
Balances with banks		
- In cash credit account (Refer note 36)	58,572	-
Total	58,572	-
Note 9: Trade Payables		
Trade payables (Refer note 35)	607,017,094	440,711,581
Total	607,017,094	440,711,581
Note 10: Other current liabilities		
Unearned revenue	-	45,904
Unpaid dividends	475,708	356,551
Statutory dues	5,317,860	3,550,195
Interest payable on delayed payment of Income-tax / Service Tax	850,544	-
Advance from customers	2,963,444	351,975
Total	9,607,556	4,304,625
Note 11: Short-term provisions		
Provision for employee benefits		
- Provision for gratuity	3,296,872	-
- Provision for leave encashment	1,661,974	1,392,571
	4,958,846	1,392,571
Other provisions		
- Income-tax (net of advance tax)	337,885	3,426,060
- Proposed dividend	15,002,425	12,001,940
- Corporate dividend tax	2,549,662	1,947,015
	17,889,972	17,375,015
Total	22,848,818	18,767,586

Notes forming part of the financial statements

Note 12: Fixed Assets

(Rupees)

Nature of assets	Gross block				Depreciation/Amortisation				Net block	
	As at 1 April, 2012	Additions	Deletions/ Adjustments	As at 31 March, 2013	Upto 31 March, 2012	For the year	Deletions/ Adjustments	Upto 31st March, 2013	As at 31st March, 2013	
A Tangible assets										
Office Premises	190,343,442 (190,343,442)	-	-	190,343,442 (190,343,442)	11,863,872 (2,346,700)	9,517,172 (9,517,172)	-	21,381,044 (11,863,872)	168,962,398 (178,479,570)	
Plant and Equipments	2,347,749 (628,783)	1,061,919 (1,718,966)	-	3,409,668 (2,347,749)	191,140 (2,412)	535,488 (188,728)	-	726,628 (191,140)	2,683,040 (2,156,609)	
Electrical installations	2,435,364 (2,284,450)	- (150,914)	-	2,435,364 (2,435,364)	161,489 (42,809)	114,127 (118,680)	-	275,616 (161,489)	2,159,748 (2,273,875)	
Furniture and Fixtures	18,704,001 (14,744,379)	1,527,199 (3,959,622)	-	20,231,200 (18,704,001)	2,749,492 (1,750,350)	1,471,116 (999,142)	-	4,220,608 (2,749,492)	16,010,592 (15,954,509)	
Office equipment	24,763,274 (22,547,122)	3,264,733 (2,216,152)	543,000	27,485,007 (24,763,274)	11,101,582 (7,381,758)	3,645,206 (3,719,824)	543,000	14,203,788 (11,101,582)	13,281,219 (13,661,692)	
Vehicles	1,943,142 (4,385,838)	-	-	1,943,142 (1,943,142)	1,351,837 (1,761,570)	218,007 (299,430)	-	1,569,844 (1,351,837)	373,298 (591,305)	
B Intangible assets										
Computer Software	240,536,972 (234,934,014)	5,853,851 (8,045,654)	543,000 (2,442,696)	245,847,823 (240,536,972)	27,419,412 (13,285,599)	15,501,116 (14,842,976)	543,000 (709,163)	42,377,528 (27,419,412)	203,470,295 (213,117,560)	
Total	246,194,470 (240,591,512)	5,853,851 (8,045,654)	543,000 (2,442,696)	251,505,321 (246,194,470)	30,287,312 (15,035,838)	16,618,777 (15,960,637)	543,000 (709,163)	46,363,089 (30,287,312)	205,142,232 (215,907,158)	

Figures in brackets pertain to previous year.

	As at 31st March, 2013	As at 31st March, 2012
	Rupees	Rupees
Note 13: Long-term loans and advances (Unsecured)		
a) Considered good:		
Security deposits paid	4,555,575	5,455,205
Advance payment of taxes (net of provision)	12,506,871	12,506,871
Customs duties recoverable	6,543,161	12,239,423
	<u>23,605,607</u>	<u>30,201,499</u>
b) Considered doubtful:		
Customs duties recoverable	5,696,262	-
Less: Provision	5,696,262	-
	<u>-</u>	<u>-</u>
Total	<u>23,605,607</u>	<u>30,201,499</u>
Note 14: Current investment (Unquoted) (At lower of cost and fair value)		
Other investments		
(i) In Mutual funds Units (non-trade)		
12,33,004.599 (Previous year Nil) units of Rs.10/- each in Baroda Pioneer Mutual Fund-Short Term Bond Fund Plan A-Growth	15,052,520	-
	<u>15,052,520</u>	<u>-</u>
Total	<u>15,052,520</u>	<u>-</u>
Note 15: Inventories (valued at lower of cost and net realisable value)		
Traded goods [including Goods-in-transit Rs. 219,450,197/- (Previous year Rs. 144,839,954/-)]	442,277,839	419,801,478
Total	<u>442,277,839</u>	<u>419,801,478</u>
Note 16: Trade receivables (Unsecured)		
a) Debts outstanding for a period exceeding six months from the due date		
Considered good	7,254,715	140,526
Considered doubtful	786,794	5,000
	<u>8,041,509</u>	<u>145,526</u>
Less: Provision	(786,794)	(5,000)
	<u>7,254,715</u>	<u>140,526</u>
b) Other Trade receivables		
Considered good	807,594,865	478,499,443
Considered doubtful	-	767,631
	<u>807,594,865</u>	<u>479,267,074</u>
Less: Provision	-	(767,631)
	<u>807,594,865</u>	<u>478,499,443</u>
Total	<u>814,849,580</u>	<u>478,639,969</u>
Note 17: Cash and Cash equivalents		
Cash on hand	191,759	43,332
Balances with banks		
- In current accounts	1,432,632	2,365,090
- In cash credit account (Refer note 36)	285,779	55,829,867
- In earmarked accounts		
- Unpaid dividend accounts	475,708	356,551
	<u>2,194,119</u>	<u>58,551,508</u>
Total	<u>2,385,878</u>	<u>58,594,840</u>
Note 18: Short-term loans and advances (Unsecured, considered good)		
Security deposits paid	2,568,340	232,040
Customs and other duties recoverable	19,135,481	39,258,135
Prepaid expenses	3,281,924	3,979,067
Advances to suppliers	476,924	499,861
Advances to employees	253,313	193,313
Prepaid gratuity	-	246,894
	<u>25,715,982</u>	<u>44,409,310</u>
Total	<u>25,715,982</u>	<u>44,409,310</u>

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
	Rupees	Rupees
Note 19: Revenue from operations		
Sale of traded goods (Networking products)	3,527,386,200	2,216,142,508
Sale of services	2,479,741	3,534,737
Other operating revenues		
- Duty drawback	6,667,030	9,512,194
- DEPB licence income	488,788	1,516,154
	7,155,818	11,028,348
Total	3,537,021,759	2,230,705,593
Note 20: Other income		
<u>Interest</u>		
- On fixed deposits with banks	-	397,584
- Interest income from current investments (non-trade)	-	380,480
- Interest on delayed payments by customers	619,713	-
	619,713	778,064
Dividend on current investments (non-trade)	1,968,983	1,591,021
Profit on sale of current investments (non-trade) (net)	1,774	5,897,971
Sundry balances written back	44,382	11,030
Profit on sale of fixed Assets	15,000	-
Exchange gain (net)	2,893,657	-
Miscellaneous income	263,153	21,109
Total	5,806,662	8,299,195
Note 21: Changes in inventories of traded goods		
Closing Stock	442,277,839	419,801,478
Less: Opening Stock	419,801,478	272,393,697
Increase	(22,476,361)	(147,407,781)
Note 22: Employee benefits expenses		
Salaries, wages and bonus	160,286,907	126,002,854
Contribution to provident and other funds	5,451,982	1,762,821
Staff welfare expenses	4,835,065	3,770,728
Total	170,573,954	131,536,403
Note 23: Finance Cost		
<u>Interest</u>		
- on cash credit	792,850	978,532
- on delayed payments of Income-Tax / service tax	1,001,534	633,674
Total	1,794,384	1,612,206
Note 24: Other Expenses		
Sales and customer support services	10,249,719	6,947,439
Power	3,135,629	2,779,027
Rent including lease rentals	17,453,101	16,824,404
Rates and taxes	544,540	426,293
Insurance	6,616,743	4,959,998
<u>Repairs and maintenance:</u>		
- Office premises	4,275,917	2,246,262
- Others	4,712,035	2,996,252
	8,987,952	5,242,514

	For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
	Rupees	Rupees
Note 24: Other Expenses (contd.)		
Travelling and conveyance expenses	23,289,228	18,942,563
Communication expenses	6,792,488	7,874,271
Advertisement and sales development expenses	79,322,587	40,887,679
Commission on sales	68,042,397	49,204,451
Servicing expenses	21,119,011	11,317,456
Loss on sale/discard of fixed assets	-	926,506
Provision for doubtful debts and advances (net of amounts written back Rs. 406,000/- (previous year Rs. 717,162 /-))	5,710,425	55,469
Exchange loss (net)	-	24,362,377
Legal and professional fees	17,918,532	16,021,183
Bad debts/Advances written off	24,766	898,412
Miscellaneous expenses	11,040,323	12,741,248
Total	280,247,441	220,411,290

Note 25: Contingent liabilities

Contingent liabilities, in respect of Custom duty paid under protest.

The same is included under "customs duties recoverable" in note no.13 pending resolution of the dispute.

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. The matter is pending with CESTAT for hearing.

Disputed demand from commercial tax officer Margao, Government of Goa, towards value added tax (VAT) / central sales tax (CST)

The Company is in the process of filing an appeal against the demand and is confident of defending the claim for input tax credit / lower charge of CST against 'C' forms.

	6,312,963	6,312,963
	10,435,455	-

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	2,000,000 (39,800)	108,677,500 (2,024,626)	Buy Sell

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 2012	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Receivables	USD 151,436	8,222,986	USD 33,253	1,691,576

Amount payable in foreign currency on account of the following:

	Current Year		As at 31st March 2012	
	In Foreign Currency	In Rupees	In Foreign Currency	In Rupees
Payables	USD 4,573,132	248,366,806	USD 57,74,377	293,800,301

	For the year ended 31st March, 2013	For the year ended 31st March, 2012
	Rupees	Rupees
Note 27: Payment to Auditors		
As Auditors - Statutory Audit	800,000	800,000
Limited Review	180,000	180,000
Foreign Reporting	250,000	250,000
Tax related services	375,000	-
For Other services.	80,000	100,000
For Reimbursement of expenses.	55,765	8,959
For Service tax	208,266	154,393
Total	1,949,031	1,493,352
Note 28:		
(a) Details of Sale of traded goods		
Networking products	3,527,386,200	2,216,142,508
(b) Details of purchase of traded goods		
Networking products	2,913,886,031	1,915,985,502
(c) Details of inventory of traded goods		
Networking products	442,277,839	419,801,478
	As at 31st March, 2013	As at 31st March, 2012
	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	3,932,459	4,004,119
Current Service Cost	2,178,889	1,010,210
Interest Cost	329,001	283,036
Actuarial (gain) / loss	2,100,467	(432,579)
Benefits paid	(186,940)	(932,327)
Defined Benefit obligation at the end of the year	8,353,876	3,932,459
II. Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the year	4,179,353	3,896,975
Expected return on plan assets	358,871	314,465
Actuarial gain/(loss)	(94,280)	(99,760)
Employer contribution	800,000	1,000,000
Benefits paid	(186,940)	(932,327)
Fair value of plan assets at year end	5,057,004	4,179,353
III Reconciliation of fair value of assets and obligations		
Present value of obligation as at 31st March, 2013/2012	8,353,876	3,932,459
Fair value of plan assets as at 31st March, 2013/2012	5,057,004	4,179,353
Amount recognized in Balance Sheet	(3,296,872)	246,894
IV Expense recognized during the year		
(Under the head employee benefits expenses - Refer Note 22)		
Current Service Cost	2,178,889	1,010,210
Interest Cost	329,001	283,036
Expected return on plan assets	(358,871)	(314,465)
Actuarial (gain) / loss	2,194,747	(332,819)
Net Cost	4,343,766	645,962

	As at 31st March, 2013	As at 31st March, 2012
	Rupees	Rupees
V Actuarial assumptions		
Discount rate (per annum)	8.00%	8.57%
Expected rate of return on plan assets (per annum)	8.00%	8.00%
Rate of escalation in salary (per annum)	10.00%	6.00%
Employee Attrition Rate	5.00%	5.00%
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, 2013	As at 31st March, 2012
	As at 31st March, 2011	As at 31st March, 2010
Experience Adjustment		
a. due to change in Actuarial assumption	3,164,764	(217,675)
b. Experience (Gain)/Loss on obligation	(1,064,297)	(214,904)
c. Actuarial gain/(loss) on plan assets	(94,280)	(99,760)
Present value of benefit obligation	8,353,876	3,932,459
Fair value of plan assets	5,057,004	4,179,353
Excess of (obligation over plan assets) / plan assets over obligation	(3,296,872)	246,894
	(107,144)	(459,214)
	(238,663)	

VII The contributions expected to be made by the Company during the financial year 2013-14 is Rs. 3,296,872/-.

The plan assets are managed by the Gratuity trust formed by the Company. The funds are invested in "Bajaj Allianz group debt fund" managed by Bajaj Allianz Life Insurance Company.

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

i) Contribution to provident fund Rs. 1,108,216/- (Previous year Rs.1,116,859/-)

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.17,453,101/- (Previous year Rs. 16,824,404/-)

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
D-Link Australia Pty Limited	Fellow Subsidiary

Mr. Yao Chuan Yang (Gary Yang)	Key management person
Mr. Chandrashekhar M. Gaonkar	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)		8,007,856 (31,224,026)		8,007,856 (31,224,026)
D-Link International Pte. Ltd.		1,865,903,981 (1,483,036,511)		1,865,903,981 (1,483,036,511)
D-Link Corporation	1,957,522 (3,045,526)			1,957,522 (3,045,526)
Others		26,579,445 (21,626,077)		26,579,445 (21,626,077)
Sale of traded goods				
D-Link International (Singapore)		3,135,721 (21,577,237)		3,135,721 (21,577,237)
D-Link International Pte. Ltd		1,622,443 (3,897,397)		1,622,443 (3,897,397)
D-Link Middle East-FZCO		16,061,600 (15,221,889)		16,061,600 (15,221,889)
D-Link Corporation	- (1,013,503)			- (1,013,503)
D-Link (Europe) Ltd.		- (2,167,081)		- (2,167,081)
Others		918,460 (2,014,648)		918,460 (2,014,648)
Professional fees paid				
D-Link Corporation	9,297,763 (8,752,728)			9,297,763 (8,752,728)
Reimbursement of expenditure				
D-Link Corporation	556,872 -			556,872 -
D-Link Middle East-FZCO		- (220,224)		- (220,224)
D-Link International Pte. Ltd		- (140,330)		- (140,330)
D-Link International (Singapore)		13,147 -		13,147 -
Reimbursement of expenditure (Income)				
D-Link International Pte. Ltd		6,335,035 -		6,335,035 -
D-Link Corporation	8,355 -			8,355 -
Managerial Remuneration				
Mr. Chandrashekhar M. Gaonkar			3,592,600 (2,663,400)	3,592,600 (2,663,400)
Dividend paid				
D-Link Holding Mauritius Inc.	7,245,865 (5,434,399)			7,245,865 (5,434,399)
Mr. C.M.Gaonkar			30,552 (22,764)	30,552 (22,764)
As at the year end				
Amount due to				
D-Link International Pte. Ltd		340,832,022 (281,697,837)		340,832,022 (281,697,837)
D-Link Corporation	8,397,723 (9,187,187)			8,397,723 (9,187,187)
Others		1,392,562 (1,244,815)		1,392,562 (1,244,815)
Amount due from				
D-Link International (Singapore)		1,190,587 (2,477,301)		1,190,587 (2,477,301)
D-Link Middle East-FZCO		240,417 (615,438)		240,417 (615,438)
Other		248,433 -		248,433 -

Figures in brackets pertain to previous year.

Note 32: Segment information**(A) Segment information for primary reporting (by business segment)**

The Company has its operations in marketing and distribution of networking products. These networking products are sold to distributors, Original Equipment Manufacturers (OEM's) and System Integrators (SI). The primary reporting segment for the Company, therefore, is the business segment, viz., networking products.

(B) Segment information for secondary segment reporting (by geographical segments)

The secondary reporting segment for the Company is the geographical segment based on location of customers, which is as follows:

- i) Domestic
- ii) Export

Note 32: Segment information (contd.)

Information about secondary segments

(Rupees)

Particulars	Domestic	Exports	Unallocated	Total
Revenues from external customers (net)	3,447,020,096 (2,110,098,754)	82,845,845 (109,578,491)	- -	3,529,865,941 (2,219,677,245)
Segment assets	1,490,861,383 (1,172,736,341)	8,222,986 (3,716,202)	29,945,269 (71,101,711)	1,529,029,638 (1,247,554,254)
Additions to fixed assets during the year	5,853,851 (8,045,654)	- (-)	- (-)	5,853,851 (8,045,654)

Figures in brackets pertain to previous year.

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, 2013	Year ended 31st March, 2012
Profit attributable to equity shareholders (Rupees)	123,250,157	70,413,931
Weighted average number of Equity Shares outstanding during the year	30,004,850	30,004,850
Basic/diluted earnings per share (Rupees)	4.11	2.35
Nominal value per share (Rupees)	2.00	2.00

Note 34: Other disclosures

	Rupees	Rupees
a <u>C.I.F. value of goods imported</u>		
Traded goods	1,963,125,380	1,574,244,911
Capital goods	-	-
b <u>Expenditure in foreign currency</u>		
Travelling expenses	585,064	543,550
Professional Fees	9,297,763	8,752,728
c <u>Earnings in foreign exchange</u>		
F.O.B. value of exports	82,845,845	109,578,491
d <u>Amount remitted during the year in foreign currency on account of dividend</u>		
Number of non-resident shareholders	3	3
Number of shares held by them on which dividend is due	18,214,663	18,214,663
Year to which dividend relates	2011-12	2010-11
Amount of dividend remitted in Rupees	7,285,865	5,464,399

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:

Cash Credit accounts with banks are secured by a charge ranking pari passu, by way of hypothecation of stock and book debts, both present and future.

Note 37:

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification.

Signatures to Notes 1 to 37

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 1, 2013

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 appointofas my/our* proxy to vote for me/us on my/our* behalf at the Fifth Annual General Meeting of the Company to be held on Saturday, August 3, 2013 at 11.00 a.m., and at any adjournment thereof.

Signed this day of, 2013.

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 5 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 Fifth Annual General Meeting of the Company held on Saturday, August 3, 2013 at 11.00 a.m., at Kesarval Gardens, Verna, Salcette, Goa - 403722.

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

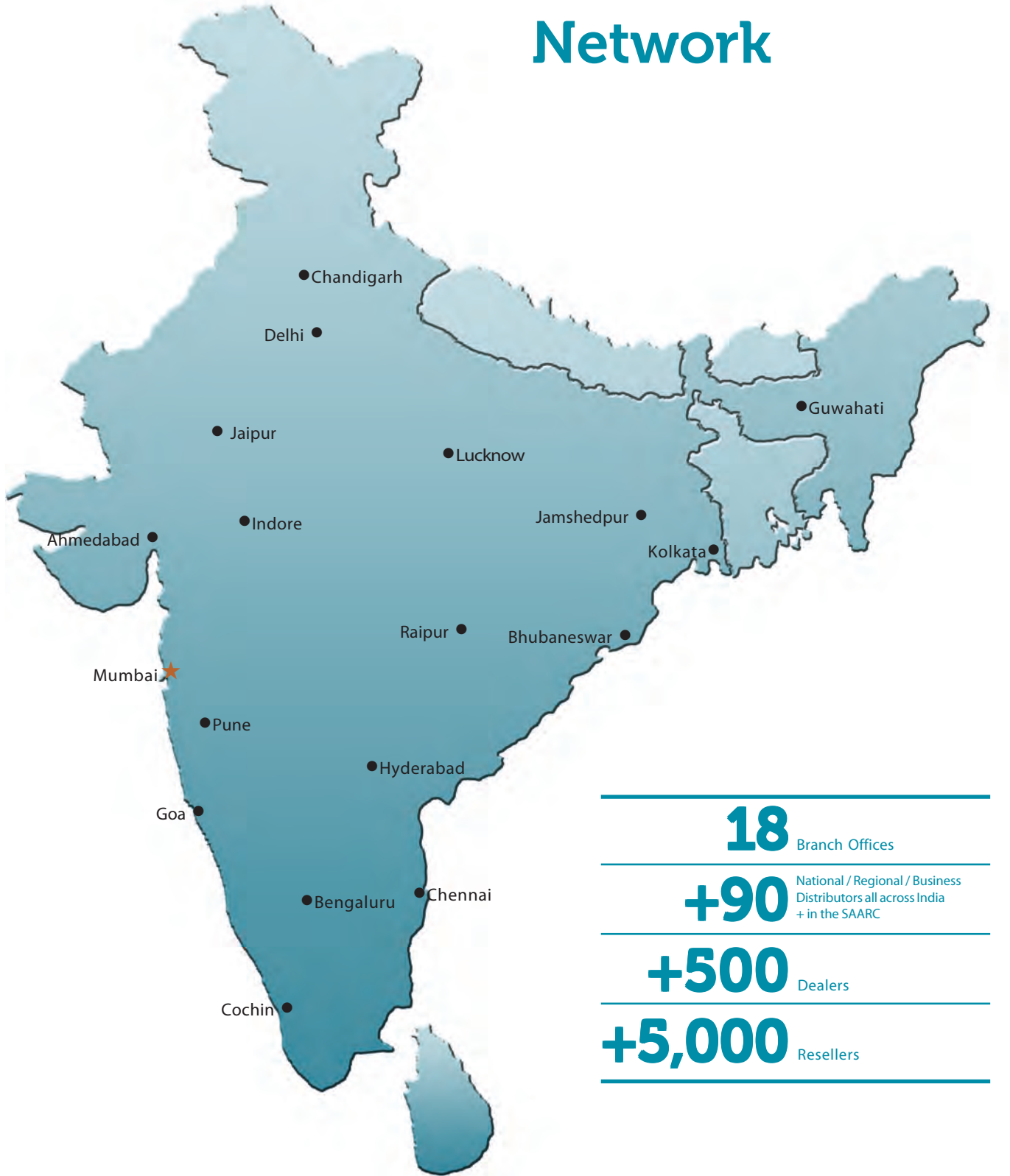
Signature of shareholder/proxy*

* 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.

Our Nationwide Network



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Branch Offices: Ahmedabad • Bengaluru • Chandigarh • Chennai • Cochin • Delhi • Goa • Guwahati • Hyderabad • Indore • Jaipur • Kolkata • Lucknow • Mumbai • Orissa • Pune • Raipur • Jamshedpur



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D-Link®
Building Networks for People

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