



EMPOWERING CONSUMERS WITH FUTURE READY SOLUTIONS

TVS ELECTRONICS LIMITED
ANNUAL REPORT **2022-23**

ACROSS THE PAGES

01-31

CORPORATE OVERVIEW

Empowering Consumers with Future Ready Solutions	1
Driving Growth with Focussed Strategy	2
Touching Lives with Powerful Presence	6
Serving through Diverse Growth Platforms	8
Powering Growth to Propel Success	14
Nurturing Mastery through a Thriving Ecosystem	15
Delivering Excellence through Elevated Standards	16
Building Future with Sustainable Profitability	20
Cultivating Talent to Sharpen Organisational Edge	22
Inspiring Possibilities to Shape the Future	24
Tracing the Path of Decade-long Evolution	28
Celebrating Success with Responsible Actions	30
Corporate Information	31

32-97

STATUTORY REPORTS

AGM Notice	32
Management Discussion and Analysis	44
Board's Report	62
Corporate Governance Report	79

98-155

FINANCIAL STATEMENTS

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INVESTOR INFORMATION

Market Cap	₹ 61,900 Lakhs
CIN	L30007TN1995PLC032941
BSE Code	532513
NSE Symbol	TVSELECT
Dividend Declared	₹ 2/- per Equity Share
AGM Date	August 5, 2023
AGM Mode	Hybrid (i.e. option to attend in person or through VC/OAVM)

Disclaimer

This document contains statements about expected future events and financials of TVS Electronics Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

EMPOWERING CONSUMERS WITH FUTURE READY SOLUTIONS

TVS Electronics Limited stands as a pioneering force, empowering businesses with ingenious solutions, meticulously crafted for a dynamic digital era. With a distinguished history of excellence spanning decades, we have consistently remained ahead of the curve, offering future ready solutions that enrich the lives of millions. Our comprehensive range of offerings encompasses an unparalleled fusion of hardware and software solutions. Our service segment covers the entire spectrum of robust warranty management solutions, infrastructure-managed services, along with expansion into electric vehicle (EV) and solar installation and maintenance. Our commitment to innovation drives us to develop technologies that not only meet today's needs but also anticipate the demands of tomorrow.

As we journey forward on the path of growth, we recognise that true empowerment comes from delivering futuristic, user-friendly solutions that simplify businesses and enable businesses to focus on their core areas better. We firmly believe in the transformative power of technology to bridge gaps, connect people, and shape society. As a business culture we always keep our customers, shareholders, and stakeholders at the forefront of what we do. This helps us gain significant insight into their needs and pain points, enabling us bring about tailored solutions that foster trust, growth and long-term partnerships.

Through our relentless pursuit of excellence, we stand ready to reshape experience and redefine the future by Empowering Businesses with Future ready Solutions.

Key Highlights of 2022-23

₹ **3,535** million
Revenue

₹ **213** million
EBITDA

₹ **1,075** million
Revenue from CSS
Segment

₹ **156** million
EBITDA from PSG
Segment

₹ **2,460** million
Revenue from PSG
Segment

₹ **41** million
EBITDA from CSS
Segment

DRIVING GROWTH WITH FOCUSSED STRATEGY

TVS Electronics Limited ('TVS-E' or 'Our Company' or 'We') is a pioneering Indian enterprise, renowned for our home-grown electronic products and customer support service. Our journey commenced in 1987 under the visionary leadership of Mr. Gopal Srinivasan. Throughout the years, we have emerged as trailblazers in the realms of IT peripherals, point-of-sale solutions, and comprehensive warranty management services. Thus, offering future ready solutions to our esteemed clients.

We have undergone a remarkable transformation, evolving from a hardware manufacturing company into an organisation boasting a robust and diverse portfolio of products and services. These offerings span two primary business verticals - products and solutions, as well as customer support services. We cater to the comprehensive requirements of both institutional and retail customers, encompassing end-to-end product lifecycle management. Our portfolio encompasses a wide range of services, including product design, manufacturing, customer support, warranty management, and end-of-life services.



OUR PILLARS

- To build trust authentically: Act inclusively; set and deliver commitments in a culture of meritocracy
- To be leaders: Deliver the best in whatever we do and whatever we are
- To win in the marketplace: Outperform competition through 'Operational Excellence'; deliver value for customers; be connected to reality at all times
- To promote initiative: Stay energised to take initiatives in a positive manner with a positive attitude for the team's success



OUR VALUES

Our values lie at the core of our organisation. These values are constant and ensure that we stay true to who we are under all circumstances. Fair conduct, perseverance in delighting customers, constant pursuit of quality and engendering leadership skills in all our employees are the core upon which our identity has been forged over the decades.



OUR LEGACY

TVS has established an impressive track record of excellence across various industry sectors it operates in, solidifying a robust brand equity. Synonymous with trust, values, and customer-centricity, the brand 'TVS' has garnered immense recognition and acclaim.



OUR STRENGTHS

- Our rich experience and strong expertise in understanding customer needs
- Diversified portfolio with the unique edge of software bundling, product design solutions & customisation for customers
- Superior quality of products and services built to meet the needs of Indian business
- Market leader in legacy products
- Pan-India presence
- Enduring bonds with partners
- Prudent financial management
- Consistent investments in digitisation

WHY CHOOSE US?



A TRUSTED LONG-STANDING INDIAN COMPANY

- Rooted in its values & continuously evolving and part of a 120-year-old business conglomerate
- One of the longest standing Indian electronics manufacturers - 36 years of strong presence
- A trusted company forging enduring partnerships with Global OEMs, spanning a remarkable period of 25+ years
- Collective leadership experience and footprint across India in terms of distributor points and service partners



STATE-OF-THE-ART INFRA TO CREATE DIFFERENTIATED PRODUCT SOLUTIONS

- Plug n play manufacturing facility that can offer Contract Manufacturing Services (CMS) in India for our Tech Partners and ultimately deliver value addition benefits
- Our state-of-the-art manufacturing facility at Tumakuru helps us to create tailored products for our customers, helping us to provide them with a diverse range of solutions



WIDE NETWORK COVERING ACROSS INDIA WITH A STRONG DIGITAL BACKBONE

- We are continuously focussing on expanding our reach to all parts of India to meet the diverse demands of our customers
- Our goal is to provide our customers with the tools and resources they require to succeed, ensuring that they have the ability to make informed decisions and achieve their desired outcomes

OUR STATURE

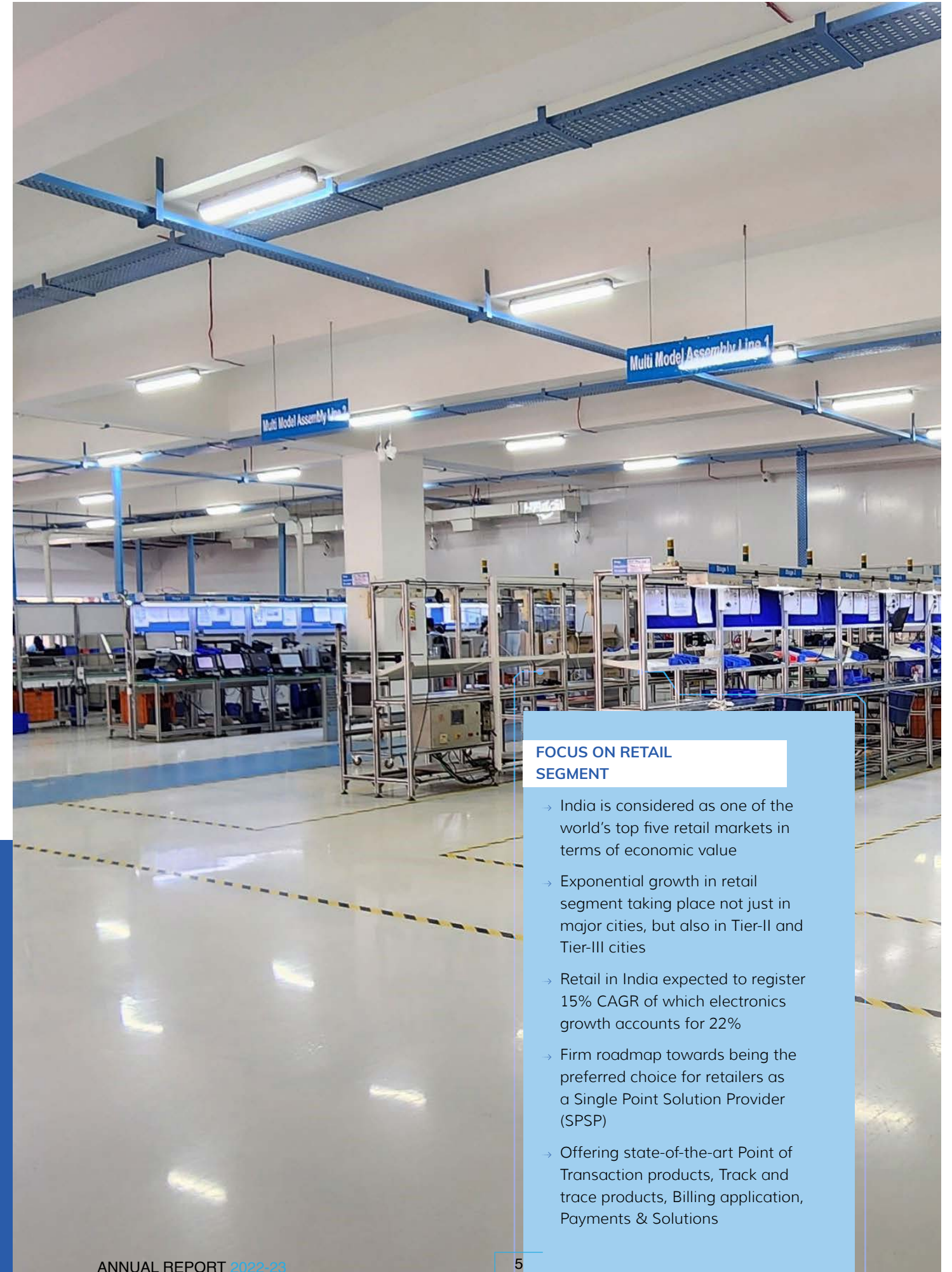
3+ Decades
Experience

609
Employees

No.1
in Thermal Printers

No.3
in Barcode Scanners
& Label Printers

272
Customers



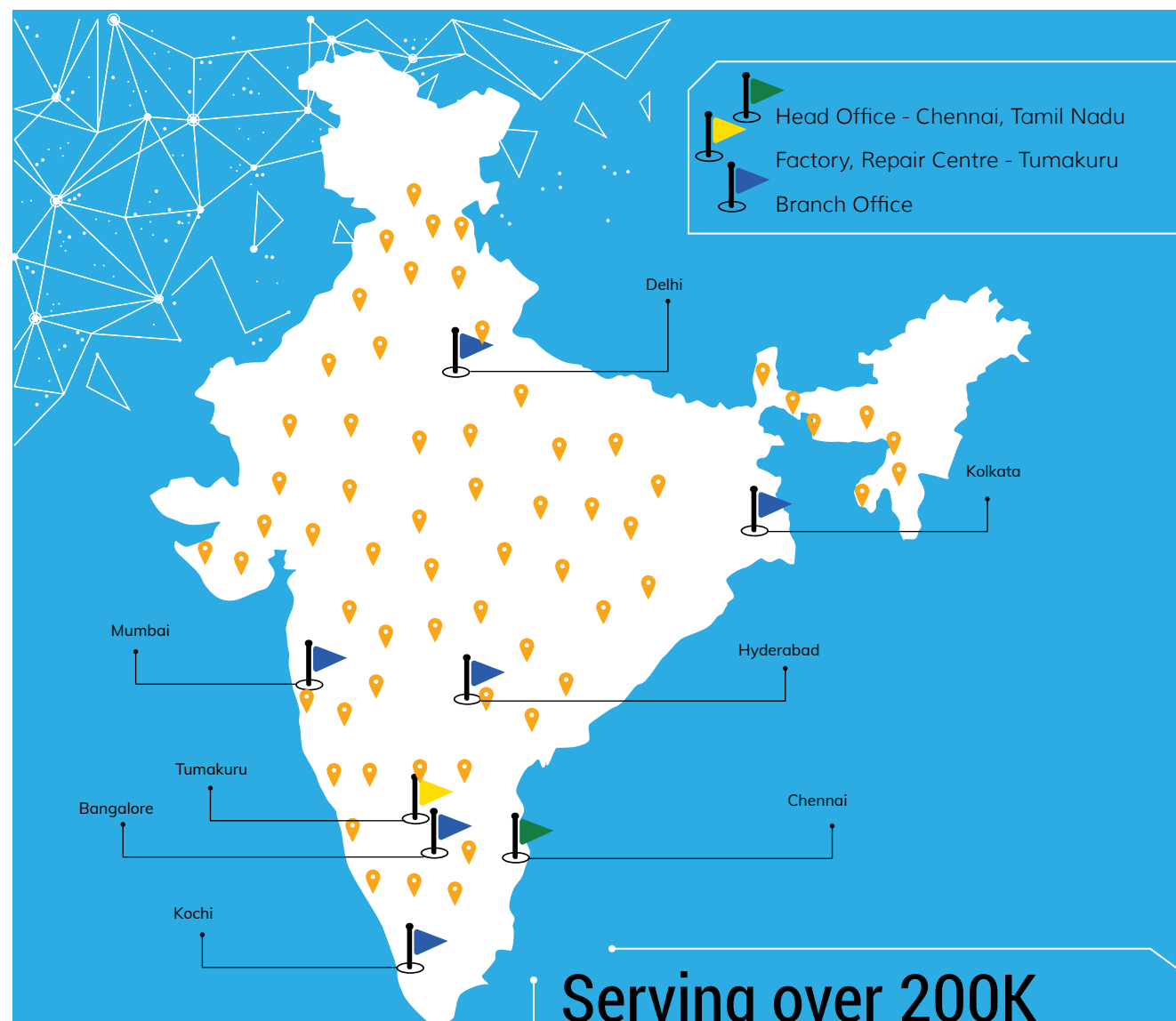
FOCUS ON RETAIL SEGMENT

- India is considered as one of the world's top five retail markets in terms of economic value
- Exponential growth in retail segment taking place not just in major cities, but also in Tier-II and Tier-III cities
- Retail in India expected to register 15% CAGR of which electronics growth accounts for 22%
- Firm roadmap towards being the preferred choice for retailers as a Single Point Solution Provider (SPSP)
- Offering state-of-the-art Point of Transaction products, Track and trace products, Billing application, Payments & Solutions

PRESENCE

TOUCHING LIVES WITH POWERFUL PRESENCE

At TVS-E, we not only leverage our extensive reach and capabilities to cater to the diverse needs and demands of customers across the nation but also strive to make a positive impact in their lives. Our goal is to empower our customers by providing accessible solutions that enhance their experiences and meet their unique requirements.



This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind in connection to its accuracy or completeness.

Leveraging Strategic Associations

We have transformed our operations through strategic collaborations with renowned Original Design Manufacturers (ODMs). This has enabled us to proudly offer a comprehensive range of world-class products, specifically designed to meet the distinct demands of the Indian market. Simultaneously, we are expanding our presence and influence in burgeoning markets by leveraging the strength and recognition of the 'TVS-E' brand.

EXPANDING PRESENCE

Throughout our journey, we have remained dedicated to expand our footprint across India, catering to the diverse needs of our customers. We continually strive to introduce new and innovative products and services, as we embark on a transformative path. Our ultimate goal is to establish ourselves as a comprehensive one-stop shop, providing end-to-end solutions for the entire product life cycle in B2B market. Moreover, we have intensified our efforts to enhance market penetration in our existing territories and expand into new geographical areas. To achieve these goals, we have established our presence strategically across the country. Additionally, we have entered into partnerships with service providers across different regions, ensuring efficient delivery of our solutions nationwide. During the year under review, we executed various measures under the purview of this strategic priority:

- Launched an online e-commerce portal on our Company's website
- AI/ML-enabled service delivery platform (SDP), which is integrated with field mobility, spare parts prediction and ordering system



>90%
Districts Covered

19,250+
Pin Codes Served

57
Drop Points

2,882
Feet on Street

1
Centralised Factory

13
Warehouses

5
Branch Offices

345
Walk-in Centres

SERVING THROUGH DIVERSE GROWTH PLATFORMS

Products and Solutions Group

RETAIL

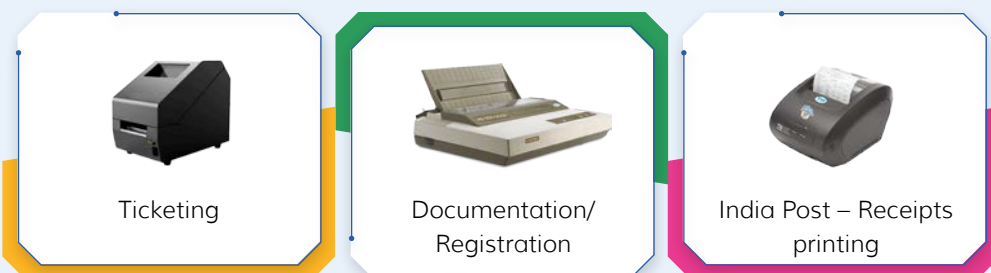


Retail Billing Software – TVS E-Pay

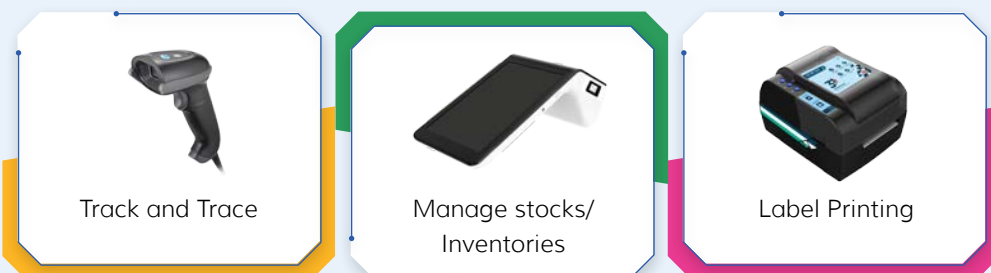
BANKING



GOVERNMENT



SHIPPING & LOGISTICS



STRATEGIC PRIORITIES

Move from hardware devices to hardware coupled with solutions and analytics

At TVS-E, we realise the need to offer comprehensive single-point solutions to our customers going beyond traditional hardware, and help reduce their need to look for multiple solutions partners. Thus, we stay deeply committed to delivering comprehensive solutions that seamlessly complement our manufactured products. While our origins lie in hardware manufacturing, we continuously adapt to the ever-evolving business landscape. As a result, we have proactively shifted our focus towards providing integrated packages encompassing hardware devices, tailored solutions, and advanced analytics. This strategic move not only enables portfolio diversification but also drives increased demand for our hardware devices. Throughout the reviewed year, we executed various initiatives aligned with this

strategic priority, which are outlined below:

- Acquired GTID Solutions Development Private Limited (ApnaPay) and tied up with two software companies to enable us to provide bundled software solutions along with our products in the groceries, food and beverages sector



Offering depth and expertise in Point of Transaction, Track and Trace, Personal Productivity product portfolio

TVS Electronics has indeed established a strong presence in the market by offering Point of Transaction (Thermal receipt printers, POS systems, mobile printers, ECRs and computing devices) and Track and Trace (Mobile & Handheld Barcode scanners and label printers) devices. However, our commitment to accessibility goes beyond just mainstream markets. We serve the Retail, Banking, Shipping & Logistics, Defence, PSUs and DISCom sectors. It is evident that TVS Electronics strives to cater to all segments of the market, ensuring that our products and services are accessible and beneficial to a wide range of customers.

We act as a single-point solution provider company, offering a diversified portfolio segmented into two categories – products and solutions, and customer support services.

Our Product Solutions Group (serving the Retail, Banking, Shipping & Logistics, Defence, PSUs and DISCom sectors), offers an established range of POS hardware solutions along with Billing Software, Analytics, Payment Solutions and Surveillance solutions for the flourishing retail segment.

Over the years, we have not only expanded the size of our product portfolio, but also made it more diverse in the following ways:

- Bundling software, product design solutions & customisation for customers
- Offering depth, diversification and expertise in Point of Transaction, Track & Trace, Personal & Productivity and Security & Surveillance products portfolio
- Enhancing customer experiences by delivering high-quality products and services
- Expanding product portfolio to cater to diverse customer segments, including consumer electronics, business solutions, and industrial applications
- Emphasising eco-friendly and sustainable product designs



Customer Support Services

Field Support Services (FSS)

- Extends Warranty Management services to offer partnering brands for the following industry segments:
- IT and IT Peripherals | Consumer Electronics | Audio and Lifestyle | Solar | EV

E-Auction

- Online portal providing Surplus Management Solutions to B2B customers to dispose of their excess inventory, scrap and machinery
- Facilitates a transparent and streamlined process through online bidding, involving a diverse pool of bidders, ultimately determining the optimal price for these assets

Infra Managed Services (IMS)

- Offer end-to-end IT infrastructure managed services for MSMEs and SMEs
- 150+ seater contact centre and integrated operations contact centre
- Automated call allocation, remediation and monitoring through service digital platform

2,882
Feet on Street

90%
Districts Covered



THE DIGITAL PLATFORM THAT DRIVES OUR SERVICES

Technology that helps in ensuring superior Service Level Agreements (SLA) to exceed our customer expectations.



STRATEGIC PRIORITIES

Infra Managed Services (IMS)

Our IMS services covers everything from endpoint computing to data centres, both on-premises and in the cloud, providing clients with a convenient one-stop solution. We deliver a compelling value proposition that encompasses efficiency, reliability, and cost-effectiveness, ensuring that our clients receive the maximum benefits from our services. By incorporating best-in-class processes and platforms, we ensure that our clients have access to the most advanced and effective solutions available in the market, guaranteeing optimal performance and outcomes.

- We provide infrastructure support for service desk management, asset management, server and data base management & workspace management viz. laptops, desktops, IOT devices, communication and conference tools

- We also provide application management & cyber security support services under the umbrella of our infra managed services



Focus on Digitalisation

At TVS-E, we have recognised the significant role that digitalisation and information technology play within our sector. Understanding the concept of remote work, we have effectively implemented it, with 80% of our software operating on a Software-as-a-Service (SaaS) model. Being a company operating in the IT peripheral and consumer durable electronic market, our strategic focus is strongly reinforced by the Government's emphasis on technology, which has served as an additional driver for our digitalisation initiatives. During the year under review, we undertook the following measures under the purview of this strategic priority:

- Ended the perpetual licence fee with SAP and moved onto a subscription model for the service in-house digital platform
- Employed an in-house web application for the services vertical, wherein TVS-E can add as many partners, and grow without incurring any additional costs
- Invested in artificial intelligence & machine learning during 2022-23. Throughout the year, we have leveraged machine learning to enhance and reinforce our CSS segment



Future Ready Growth Initiatives

Contract Manufacturing Services

- We have expanded Tumakuru Factory with state-of-the-art assembly lines to provide Contract Manufacturing Services
- Our state-of-the-art facility is developed with highest industry standard and future ready industry 4.0 capability
- We have developed a reliable vendor ecosystem for sheet metal works and plastic injection moulding around our plant. Our vendors share our commitment to quality, adherence to ever-demanding high quality control measures and enable us to deliver each product on time, always
- Our team is highly skilled and we have a trained group of diverse people. We have more than three decades of experience in sourcing, design, proto typing, production and testing. Our team's expertise in competitively sourcing components across the globe to meet customer requirement is unparalleled
- We prioritise quality in every stage of manufacturing. We strictly adhere to ISO 9001:2015 & ISO 14001:2015. It guarantees that the products produced are of highest standard and improved environmental performance, resulting in efficient use of resources and reduction of waste
- Our expertise in lean manufacturing principles and optimised production lines minimises cost and maximises efficiency, delivering value for money to our customers
- We are exploring contract manufacturing opportunities to provide the services to our existing customers, brands and OEMs



EMS as Part of Make in India Initiative

There is a tremendous opportunity in the EMS space as India is still a laggard in the electronic manufacturing. Current Government policies like the PLI scheme favour and promote domestic manufacturing as well as exports. Other noteworthy perspectives are:

- The growth in the Mobile Phone Market/ Accessories
- Push for EV, in keeping with the trend of the Automotive Industry
- The Government push for Local manufacturing in the Defence Sector.
- The opportunity in the Telecom Infrastructure Sector for the Communication Network Equipment's
- The growth for the IOT/SMART Homes and SMART Factories
- The Government Directive for the SMART Meter Project to seamless collect Data for effective Data Management and Power Optimisation.
- There is a Huge Demand for IT Hardware especially High Process Compute Servers completely manufactured in India and PCs and Accessories

Renewable Energy (Solar and EV Charger)

- As per sources, the Indian solar energy market was estimated at USD 38 billion in 2022 and is anticipated to reach around USD 238 billion by 2030, registering a CAGR of roughly 40% between 2023 and 2032
- The electric vehicle (EV) industry in India is rapidly growing, driven by several factors, including increasing concerns about air pollution and decreasing battery costs. The Economic Survey 2023 estimates that India's domestic electric vehicle market is expected to experience a 49% CAGR between 2022 and 2030, with annual sales of 10 million by 2030
- To leverage the existing and emerging opportunities, we offer comprehensive monitoring, break fix & operations and maintenance Services for solar invertors to ensure optimal solar power generation is achieved.
- We also provide installation, maintenance & break fix services for EV charger infrastructure

CUSTOMERS

POWERING GROWTH TO PROPEL SUCCESS

At TVS-E, we take great pride in our robust partnerships with industry-leading companies, which include Fortune 500 organisations, renowned brands, and ambitious start-ups. The trust placed in us by these esteemed clients is a testament to our commitment to excellence and our ability to meet their most critical and essential requirements. We strive to delivering innovative solutions and exceptional service that contribute to the success and growth of our valued clients in their present and future endeavours.

Products and Solutions

RETAIL



MANUFACTURING



BFSI



HEALTHCARE & HOSPITALITY



GOVERNMENT ENTITIES



Customer Support Services

IT AND PERIPHERALS



BANKING & TECHNOLOGY



CONSUMER ELECTRONICS



MERCHANTS



AUDIO & LIFESTYLE



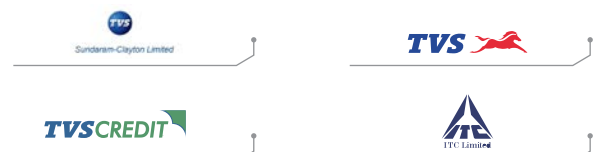
SOLAR



EV CHARGER

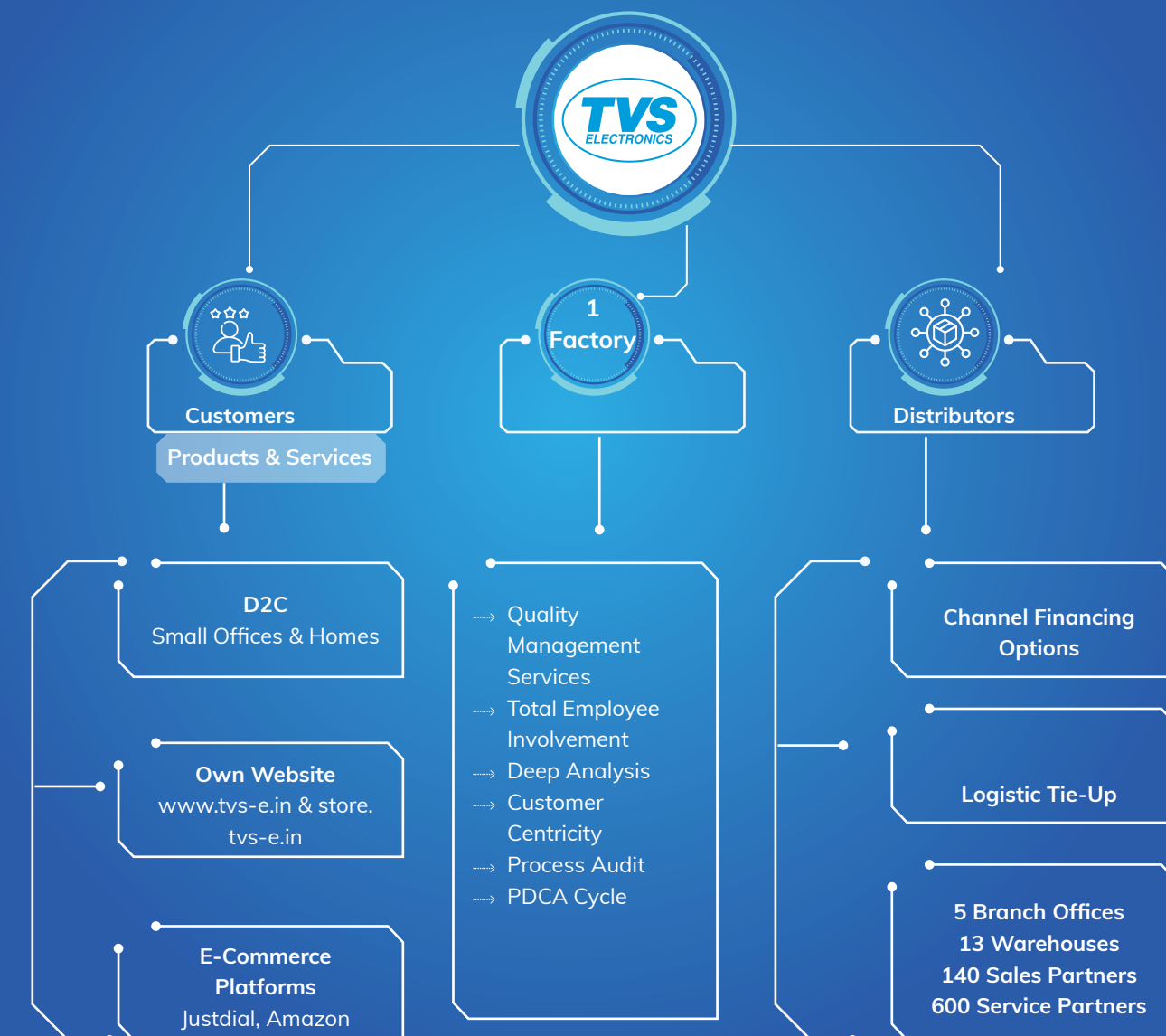


IT IMS



ECOSYSTEM

NURTURING MASTERY THROUGH A THRIVING ECOSYSTEM



DELIVERING EXCELLENCE THROUGH ELEVATED STANDARDS

At TVS-E, we take pride in our ability to meet a wide range of needs with utmost precision and agility, owing to our state-of-the-art manufacturing technology and highly skilled professionals. In order to deliver solutions that our clients can rely on, we carefully source high-quality materials and components at competitive prices. This enables us to provide cost-effective solutions that fulfil client requirements effectively. At the heart of every endeavour, we maintain a steadfast commitment to empowering our clients with a standard that aligns perfectly with our future ready solutions.

Furthermore, we prioritise vendor support and management to ensure smooth operations and seamless collaboration. Additionally, we provide Semi Knocked-Down (SKD) units and spare parts, allowing for efficient maintenance and servicing.

As a future ready organisation, we possess exceptional repair capabilities, enabling us to swiftly identify and resolve any issues with clients' products. By doing so, we minimise downtime and ensure maximum operational productivity for the client. Our dedicated team of designers and engineers in our Engineering Design Centre brings together a wealth of experience and expertise, dealing every issue with unmatched precision and perseverance.

As we strive for excellence, we continue to offer a comprehensive range of product design services, providing the clients with the opportunity to transform their ideas into reality. Through innovative and efficient design solutions, we bring our clients' vision to life. Our team is committed to delivering designs that are not only futuristic but also functional and optimised for specific client requirements.

Tumakuru Factory – Geographical Advantages

Tumakuru, situated in Karnataka, is a thriving hub for industry, education, and culture, making it a promising destination for investment and growth. It has garnered recognition as one of the 100 shortlisted Smart City projects, highlighting its ability to adopt smart and sustainable urban development practices.

A notable aspect of Tumakuru is its impressive average literacy rate of 80%, way ahead of the national average of 60%. This indicates a strong emphasis on education and a well-informed population, which contributes to the city's overall progress and development.

1
University

5
Medical Colleges

8
Engineering Colleges

1
Dental College

4
Polytechnics

Access to Chennai Seaport (394 KM)

Kempagowada International Airport, Bengaluru (90 KM)

Access to Mangalaru Seaport (330 km)

