

MANAGING DIRECTOR'S STATEMENT



Amit Sharma
Managing Director
& CEO

Our strategic focus was on decarbonisation, sustainability, and electrification. We launched several initiatives in these areas, including a strategic project for a global steel major, our inaugural Gigafactory for EV Cell manufacturing, and various assignments in green energy solutions such as Pumped Hydro Storage and Green Ammonia plants.

Under our guiding principle, "Engineering a Better Tomorrow," Tata Consulting Engineers Limited (TCE) has once again exceeded expectations with iconic projects and achieved significant financial milestones over the past fiscal year. Our involvement in the Chandrayaan 3 Moon landing captured global attention, not only making every Indian proud, but also enhancing the prestige of both TCE and the Tata Group. The initiation of indigenous 700 MWe PHWRs, with the first unit now operational and the second having achieved critical status, marks a significant achievement in our energy sector. Construction milestones in the iconic Ayodhya temple project, coupled with our continued success in the Defence and Space sectors, underscore our capabilities in managing complex, strategic assignments. Furthermore, our contributions to the High-Speed Rail and Central Vista projects have reinforced our reputation for delivering iconic infrastructure developments.

This year, our strategic focus was on decarbonisation, sustainability, and electrification. We launched several initiatives in these areas, including a strategic project for a global steel major, our inaugural Gigafactory for EV Cell manufacturing, and various assignments in green energy solutions such as Pumped Hydro Storage and Green Ammonia plants.

Our projects on production, recycling, expansions and revamping of metals such as Aluminium, Copper, Nickel reflect our commitment to Decarbonisation and a sustainability focus. Additionally, we have expanded our influence in the Nuclear sector, both in Fusion and Fission, and have set the groundwork for India's Small Modular Reactor technology.

Our thought leadership has been demonstrated through numerous white papers and presentations at global forums, focusing on decarbonisation, circularity, and sustainability. These efforts have positioned us as leaders in engineering consulting and earned us considerable recognition and several prestigious awards, including:

- National Award for Excellence in Corporate Governance by ICSI
- Top 25 Safest Companies in India for two Consecutive Years by Kelp HR
- CII Industrial Innovation Award Most Innovative Services Company
- CII Industrial Innovation Award Top 50 Innovative Companies in India
- Masters of Risk (Mid-Cap Category) at CNBC Awards
- ET Award for Excellence in Employee Retention Strategy
- Brandon Hall Group Award for Leadership Development
- IEI Industry Excellence Award
- Golden Peacock Innovative Services Company Award
- CEAI National Award for Excellence in Engineering Innovation
- Design Honour for 2nd Consecutive Year by Tata Innovista
- Highest Volunteering Hours TVW – 18 (Medium) by Tata Sustainability Group
- Highest Volunteering Hours TVW – 19 (Medium) by Tata Sustainability Group
- Highest Volunteering Hours 2023 (Medium) by Tata Sustainability Group
- TAAP Adoption Award by Tata Business Excellence Group

As TCE transitions into FY 2024-25, we reflect on a year defined by significant global challenges and opportunities in FY 2023-24.

Amid evolving international macroeconomics, socio-political dynamics, energy security concerns, and shifts in global supply chains, alongside an increased focus on sustainability, TCE has remained vigilant about the potential for global growth deceleration. Despite cost pressures on global Owners/OEMs in developed economies potentially increasing engineering outsourcing, rising protectionism posed counterbalancing risks.

Throughout FY 2023-24, TCE remained acutely aware of the risks presented by the ongoing Russia-Ukraine war, the deepening debt crisis in developing countries, the decoupling of the world economy, and the impacts of climate change. However, these global dynamics also provided the impetus for nations to bolster energy security, realign supply chains for critical and core materials with local production strategies, and escalate investments in line with the growing decarbonisation drive. These factors were actively incorporated into TCE's strategic business continuity plans and organisational strategies.

On the domestic front, India's growth story continued robustly with strong domestic consumer demand, steady forex reserves, and solid credit growth. The FY 2023-24 budget was mainly positive, emphasising increased capital expenditure and higher allocations for infrastructure development in rail transportation, urban development, and schemes like the Production Linked Incentive (PLI) to stimulate investment in the manufacturing sector.

Significant progress was also made in Sustainability and Energy Transition initiatives, propelled by the Indian Government's commitment to the Energy Transition and the launch of the Green Hydrogen Mission. Most government organisations and private enterprises began moving towards stringent net-zero targets.

Additionally, TCE observed rapid advancements in related technologies and business models, notably the "Energy as a Service" approach that combines renewables, energy storage, and smart grids. This shift poses challenges and opportunities for TCE's clients, especially those in hard-to-abate industries, as they strategise to reduce their carbon footprint and explore new business and growth models.

TCE is determined to be a leader in shaping sustainable infrastructure and the Net Zero journey. The company is committed to working with its clients, partnering with leading academic and industry leaders, and collaborating closely with policymakers and Tata Group Companies to deliver its promise of Engineering Sustainable Solutions for a Better Tomorrow.

Performance Review

FY 2023-24 saw the highest growth in the company's 62-year history. Total revenues grew 24% over the previous year, closing at ₹1,406 crores. A well-balanced portfolio and the right mix of domestic and international projects helped achieve these numbers. In FY 2023-24, the new sales order intake closed at ₹ 2,156 crores at the consolidated level.

TCE moved up to 106th place in the ENR Top 225 International Design Firms. In FY 2023-24, 67% of revenues and 33% of business acquisitions came from international markets.

Talent retention is an essential aspect of any consulting business. In FY 2023-24, the attrition improved from 20.6% to 12.1%.

Our efforts in mapping the evolving Energy transition over the last five years have yielded promising results with multiple pilot plant projects. Made possible through leadership participation with policymakers and industry leaders, the projects are in various stages, focusing on Hydrogen, Methanol Ammonia, Renewables, Nuclear and related areas of Circular Economy and Waste Management.

We deepened its strategic connect with Tata Steel, Aramco-Sabic, Reliance, Adani, and Vedanta, to name a few, working across projects ranging from Circularity, Decarbonisation, and Green Energy focus across multiple projects and global locations.

TCE accelerated its Non-Fossil fuel Energy focus with the NPCIL 5 & 6 – 2 x 700MW PHWR NPP expansion at ITER-France. The Company is also taking leadership in creating the roadmap for the emerging area of Small Modular Nuclear Reactors. Our existing large projects, such as High-Speed Rail, Ayodhya temple, CIDCO, etc., are progressing well and are on track. The Company is also working on various strategic projects with multiple central and state entities across the Infrastructure, Transportation, Education, and Energy sectors.

We have also built our competency, capability and know-how on areas such as EV battery, Semiconductor fabrication plants, Outsourced Semiconductor Assembly and Test plants and Solar PV cells. This has been achieved by signing partnerships and teaming with niche players having such capabilities in US, Europe, Asia, hiring experts and by training our existing workforce in areas such as clean rooms, heavy civil and structural, etc that are specific to plants in this space. We are building long term partnerships and signing up projects with focus on both Capex and Opex phases on these areas with our customers and prospects.

TCE teams won awards at various forums for the Company's Best in Class and Benchmarked practices in CSR, Ethics, HR, Branding, Project Execution, and Work Practices.

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TCE’s Core Assets – People

At Tata Consulting Engineers (TCE), our people are key to retaining our competitive edge. We are continuously working to create an environment of empowerment through well-defined policies and practices that reflect empathy, celebrate meritocracy, and provide ample professional and personal development opportunities.

We consider our employees critical to our success. Our People strategy is outlined to build better organisational capabilities, hire and retain the best talent and create a culture that delivers long-term value and sustains competitiveness in the global marketplace.

TCE takes pride in hosting a diverse workforce representing a range of ethnicities, regions, and cultures. With a multi-generational staff, we benefit from a diverse mix of educational and professional backgrounds.

Our employees are embraced within secure work environments shaped by our core principles of diversity, equity, inclusion, and integrity, providing them with a nurturing environment to thrive.

In FY 2023-24, we conducted 17,610+ person-hours of training on TCoC/ POSH and Compliance across stakeholder segments. TCE had participated in Annual Compliance Reporting, which entails an annual assessment of Tata companies for the implementation of the Leadership of Business Ethics framework. Tata Companies are rated on 4 levels of maturity ratings for each pillar of the LBE framework (Leadership, Compliance Structure, Communication & Training, and Measurement of Effectiveness). In 2023, TCE attained an “Advanced” level of maturity rating in all pillars of the LBE framework for two consecutive years.



Revenue
(INR 1,406 Cr)



Profit
(INR 219 Cr)



International Revenue
(34%)



RoE
(29%)



Dividend Payout
(100 Cr)



Zero Debt Since 2020

Future Outlook

Designing the Future with Integrated, Sustainable Offerings

As India continues to ascend its growth trajectory, the commitments made during COP28 and ongoing global climate initiatives underscore the pivotal role of milestone-based NetZero commitments for policymakers and corporations. TCE foresees a future brimming with opportunities for growth, innovation, and inventions. Central to this vision are:

- **Sustainable Infrastructure:** Commitment to building resilient, future-ready infrastructure.
- **Energy Transition and Electrification:** Accelerating the transition to renewable energy sources and expanding electrification across industries.
- **Green Chemistry and Circular Economy:** Transitioning to sustainable chemical processes and implementing circular economy principles to minimise waste and reuse resources.
- **Emerging Energy Pathways:** Exploring new energy pathways and the potential renaissance of nuclear energy as part of a diversified energy strategy.
- **Decarbonisation Focus:** Strong emphasis on R&D, intellectual property (IP) creation, and basic research to drive low-carbon solutions and decarbonisation.
- **Advanced Facility and Atmanirbhar Bharat:** We are committed to the Gol Atmanirbhar Bharat ideology and building capability and partnerships to design projects in advanced facilities such as Battery, EV, Semi-conductor, Solar Cells, Hydrogen Electrolysers, Green Molecular and Green Energy areas along with working in space, nuclear and defence.

By 2030, projections indicate that India will double its electricity generation and triple its steel production. The development of a robust domestic manufacturing ecosystem for semiconductors, energy storage, and chemicals, coupled with world-class infrastructure, positions TCE uniquely due to its capabilities across diverse domains such as Infrastructure, Power Utilities, Nuclear, Chemicals, Mining & Metals, Project Management Consultancy (PMC), and Digital solutions.

By leveraging these capabilities, TCE is poised to deliver integrated solutions that enable the creation of smart infrastructure, factories, cities, and transportation systems, pioneering the drive towards smart, sustainable urban development.

Value and Volume Driven Growth

As a consultancy, TCE navigates the complexities of divergent customer needs by maintaining technological leadership and investing in high-end capabilities to address complex, bespoke customer requirements. This approach involves engaging seasoned subject matter experts (SMEs) and adaptable delivery models. Simultaneously, TCE addresses large-scale engineering projects by offering scalable capabilities marked by efficiency, systematic delivery, and competitive pricing.

Vision and Commitment

TCE aims to lead the shaping of sustainable infrastructure and advance the NetZero journey. This vision involves deep collaboration with group companies, leading academic institutions, and industry technology leaders while closely working with policymakers.

As the world embraces new solutions and technologies, TCE is committed to offering differentiated, benchmarked, and value-engineered solutions that support its clients' sustainability goals and desired outcomes. In alignment with its vision, TCE continues to invest in its most crucial asset—its people—ensuring a safe, nurturing, and invigorating learning environment. Building on a 62-year legacy, TCE envisions itself as a vibrant, youthful entity poised to drive growth and prosperity for its stakeholders.

Warm regards,

Amit Sharma

MD & CEO

Tata Consulting Engineers