

# Chairman's Statement



**Ashok Sethi**

Chairman

During these extraordinary times of COVID19, your company has also been actively contributing positively to the social well-being of all its stakeholders and above all, to the common people of India. The company has been a part of the group initiative on Emergency support for COVID19 specific quarantine and ICU wards and facilities to be developed for various state governments, hospitals or NGO's/ Trust.

Dear Stakeholder,

It gives me immense pleasure to share that your company has completed a year of record financial performance. FY 2019-20 saw the highest growth in the company since its inception. Your company also improved its ENR ranking of 'top international engineering firms' in FY 2019-20 to an all-time best of 127. Your company continued on the path of business excellence and scored 550+ in last year's TBEM assessment and was recognised as "Emerging Industry Leader" at the prestigious JRD QV Awards. It also gives me immense pride to inform you that your company was the Design Engineering Consultant of the Kakrapar Atomic Power Plant located at Kakrapar, near Surat, the first indigenously designed and built Pressurised Heavy Water Reactor (PHWR) unit of 700MWe capacity. The indigenous nuclear plant - KAPP Unit 3 at Kakrapar achieved criticality on 22nd July 2020 demonstrating India's progress towards long term energy security. Your company has partnered with NPCIL on 85% nuclear plants and is associated with the Department of Atomic Energy since 1968.

Today we are living in unprecedented times with COVID19 drastically changing personal and professional lives. I sincerely wish safety and well-being for you and your loved ones'. As you are aware, this pandemic has affected the global economy severely and is expected to lead to ~3% contraction in global GDP. Indian economy is also likely to be significantly impacted with a sharp decline in industrial activity, contraction in exports and a drop in real GDP by almost 2-3%. Given this turmoil, it is a foregone conclusion that the business will also be impacted in the coming year as a fallout of the COVID19 pandemic. However, let me assure you that your company leadership has taken cognisance of the challenges and has prepared a detailed strategy focusing on invigorated sales efforts, cost optimisation, efficient collections and new business lines.

Your company is aligning to the new business order and new business lines and has also moved rapidly to adapt its IT systems and processes to the new normal enabling its employees to remain productive while Working from Home.

During these extraordinary times of COVID19, your company has also been actively contributing positively to the social well-being of all its stakeholders and above all, to the common people of India. The company has been a part of the group initiative on Emergency support for COVID19 specific quarantine and ICU wards and facilities to be developed for various state governments, hospitals or NGO's/ Trust. This FY 2020-21, your company prioritised the health and safety of its employees while keeping customers' mission-critical systems running under challenging circumstances.

When we emerge out of this crisis, the world will be a very different place. We are witnessing many of those changes already. Cloud and a new class of collaboration tools are helping people discover that they can collaborate just as well while working from home, as they did in person in the pre-COVID19 era. We are already in a disruptive period driven by technological advances and digital innovation which will further accelerate post-COVID19 with the emergence of 'low-touch' economies'. This is very much evident in the engineering consulting business as well, as most of TCE clients are embarking on their digital transformation journey. What makes digital unique in plant and infrastructure space is its deep linkage with the core design of assets and the need for an integrated plant level approach. Your company, with its strong domain expertise, is already working with its customers and has created new digital services offerings in tandem with customers' changing requirements.

Your company is also focussing on offering sustainability/climate change design and services across small and large industries. The company believes that operationalising forward-looking technologies and innovations will help it remain the most admired Indian engineering consulting company.

### Strong Financial Results

TCE maintains a leadership position within the Consulting Industry by promoting excellence, creating value, seeking new and pioneering technologies, and delivering for clients, despite market and economic volatility. Your company achieved consolidated total revenue of Rs. 822 crore (for FY 2019-20) as against Rs. 730 crore (for FY 2018-19). The business acquisition for FY 2019-20 was Rs. 990 crore out of which International was Rs. 490 crore, amounting to 49% of the total acquisition. On the strength of its strong credentials, I am optimistic that your company will scale newer heights.

### Into the Future - Cluster Approach & Strategy:

After a detailed discussion on company's strategy for transforming its portfolio and setting the foundation to achieve 2025 vision, your company has decided to reorganise into the following three clusters, focused on innovation and continued transformation to build upon its position as the leading engineering solutions provider.

1. **Infrastructure Cluster** – Providing Engineering Services for Water & Environment, Urban Infrastructure, Buildings & Facilities, Ports, Transportation, Sustainability Services (via the wholly-owned subsidiary M/s Ecofirst) and Project Management Services across sectors.
2. **Plant Engineering and Design Cluster** - Providing Engineering Services for Oil & Gas, Petrochemicals, Chemicals, Food and Pharma, Geology & Mining, Ore Beneficiation, Metal Extraction, Material Handling, Power Generation (Thermal, Renewable, Nuclear), Transmission and Distribution, Energy Storage.
3. **Digital Cluster** – Providing Digital Services such as plant digitisation, asset information modelling, digital handover, Industry 4.0 solutions and niche Product Engineering Solutions.

## Governance & Systems

Your company has always focused on good governance practices and established systems and processes to enforce the same. Anti-bribery & Anti-corruption, Prevention of Sexual Harassment (POSH) at the workplace, adherence to General Data Protection Regulation (GDPR), Whistle-Blower Framework and others have been institutionalised through policies and guidelines. Business processes have been strengthened through IT systems, making for a transparent mechanism with a view to protect client IPR and build client confidence. The risk management process has been strengthened with a clear focus on addressing and mitigating material risks to the organisation

## People

TCE is among the few organisations with a large congregation of engineers who form the very backbone for the company's success. The immensely talented workforce, passionate about projects has, time and again, helped deliver significant value to its customers. With the increased requirement of digital engineering delivery mechanisms, the focus in FY 2019-20 was on reskilling engineers across business units on advanced engineering applications..

## Conclusion

Globally, the next few years will see the economic impact of COVID19 redefining businesses in many ways. The 'new normal' bet will undoubtedly lead to an enhanced focus on digital and OPEX. In the physical realm as well, there will be more standardisation, modularisation and a shift towards more efficient, sustainable and greener technologies. The strategic plans for the coming year factor in these global trends and I am confident that your company is well prepared to embrace the 'new normal' with a relentless focus on value, innovation, and excellence.

In all, it has been a momentous year for your company. My best wishes to all employees, customers and partners who have placed their trust in TCE. I also thank the Management and the Board members of TCE, Mr Sriram Kadiyala (Chairman – Audit & Risk Management Committee) and Ms Anjali Kulkarni (Chairperson- Corporate Social Responsibility Committee) for their valuable contribution to the success of the company.

I look forward to TCE delivering for you in the year ahead and beyond. I want to convey my sincere appreciation to the Board of Directors for their guidance and express my heartiest gratitude to all stakeholders for their enduring faith in TCE.

Sincerely yours,  
**Ashok Sethi**





# Members of The Board

Tata Consulting Engineers Limited (TCE)



**Ashok Sethi**

Chairman



**Sriram Kadiyala**

Director



**Anjali Kulkarni**

Director



**Amit Sharma**

CEO & Managing Director