

Chairman's Statement

Dear Stakeholder,

In these Pandemic times, I wish and pray you and your families to remain safe and well. Today all of us are witnessing the second wave of the Pandemic, and people worldwide are suffering losses in family and business. Your Company, too, suffered. I am deeply saddened to report that we lost eight of our young and talented team members. I want to assure you that we are standing in support of the concerned families and are doing all that we possibly can to ensure that the families are financially independent.

I sincerely wish safety and wellbeing for you and your loved ones'. As you know, this Pandemic second wave has severely affected India. There is a great ray of hope as more and more people get vaccinated. I am happy that all our employees and their family members have taken at least one vaccination dose. Your Company is doing what it takes to keep our family protected while continuing to deliver. With the experience of managing the Pandemic and getting accustomed to working from home to the extent possible and the vaccination drive, the economic and health situation is expected to improve this year. But we have to keep taking care until the situation comes under control and the third wave is avoided altogether. However, given this turmoil, this year again will remain challenging and test our skills, empathy and agility. 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, forged partnerships and continuing to open new business lines.

“I am also pleased to share that your Company played an integral part in helping the country combat the COVID-19 crisis with innovative engineering solutions. The Company worked on solutions to quickly generate oxygen by converting the existing PSA nitrogen plant to produce oxygen and has prototyped an open-source oxikit oxygen concentrator. Your Company also supported new oxygen plants by procuring and setting up a process of due diligence in distributing the essential commodity.”

Your Company started the year based on the foundation built in FY20 to change gear and enter into new areas of consulting. It was a challenge through Pandemic times, and it gives me

Ashok Sethi
CHAIRMAN



immense pride to share that your Company has completed a year of record business acquisition, especially in new areas. FY 2020-21 saw the highest business acquisition since its inception. Your Company also improved its ENR ranking of 'top international engineering firms' in FY 2020-21 to an all-time best of 116. I am sure your Company will soon achieve within 100 ENR ranking. I am proud to report that your Company is actively engaged in reimagining and reinventing itself to ensure that it continues on the growth path.

It also gives me immense pride to inform you that your Company has been awarded some pride of the Nation projects like Central Vista, Ayodhya Temple, High-Speed Rail and CIDCO affordable housing projects.

Your Company has successfully aligned with the new business order and new business lines and has also moved rapidly to strengthen its IT systems and processes to ensure complete security, data protection and employee productivity while Working from Home.

Post Pandemic world will be a very different place. 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-COVID-19 era. We are already in a disruptive period driven by technological advances and digital innovation, which will accelerate with the emergence of 'low-touch economies' post-COVID-19. This is already evident in the engineering consulting business, as most present and prospective clients embark on their digital transformation journey. With its strong domain expertise, your Company is already working with its customers and has created new digital services offerings in tandem with customers' changing requirements.

Your Company also focuses on offering sustainable design and services across industries. The Company is actively working on Energy Transition and Hydrogen Economic solutions to help combat the climate change crisis for its clients. The Company also aims to strengthen its footprint in mass transport, low-cost housing, sustainable infrastructure, metal and mining process designs, clean energy, energy transmission, ports, green chemicals, refining and Digital services. The Company also aims to increase its client base by entering into MSME sector needs.

Satisfactory Financial Results with a Strong Order Book

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 for the FY 2020-21 achieved consolidated total revenue of Rs. 700 Crore (previous year 782 Crore) with consolidated profit before tax Rs.86 Crore (previous year Rs. 128.70 Crore). Despite Pandemic and other difficulties like various project getting delayed, the Company has made sure that the future is bright. The business acquisition for FY 2020-21 was the highest ever in your Company's history at Rs.1185 Crore, out of which International was Rs. 303 Crore, amounting to 26% 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 the Company's strategy for transforming its portfolio and setting the foundation to achieve the 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

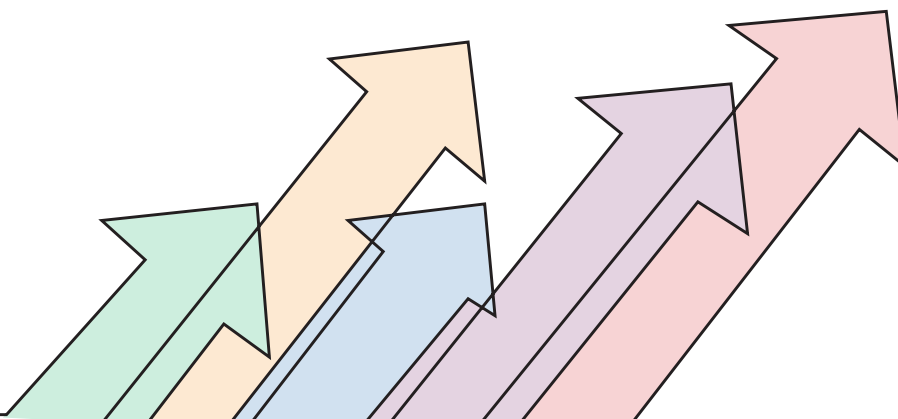
Providing Engineering Services for Water & Environment, Urban Infrastructure, Buildings & Facilities, Ports, Transportation, Sustainability Services (via the wholly-owned subsidiary M/s EcoFirst) and Project Management Services across sectors.

2. Plant Engineering 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, Innovation & Technology 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 & Anticorruption, 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 to protect client IPR and build client confidence. The risk management process has been reinforced with a clear focus on addressing and mitigating material risks to your Company. It is a matter of pride that systems and processes led to no governance issues in the company.

People

TCE is among the few organisations with a large congregation of engineers who form the backbone for the Company's success. The immensely talented workforce, passionate about projects, has, time and again, helped deliver significant value to its customers. An eight-month-long virtual leadership training module was conducted by Tata Management Training Centre, the group's leadership institute.

This particular year your Company gave special impetus to ensuring that employee morale remains positive to deliver the results. Several online virtual programs were launched to ensure that they feel connected with the organisation while working in the silos of their homes.

Conclusion

Globally, the next few years will continue to see disruptions in 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 and Indian 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 for their valuable contribution to the Company's success.

I look forward to TCE delivering enhanced value for you in the year ahead and beyond.

Sincerely yours,
Ashok Sethi

