Dear Shareholders,

Good afternoon and a warm welcome to all of you.

I begin this meeting with a heavy heart as over the last few months, the TTL family has lost some of its dear members who succumbed to Covid-19. Our prayers are with their families and friends. As a gesture of solidarity and to help them get through these turbulent times, the Company Leadership Team and the TTL Board have decided to extend additional financial assistance to the families who suffered losses. This will be over and above the Group Term Life Policy, along with immediate payout of variable pay to families and extended medical cover for core family for the next 10 years. We have also introduced a Covid Relief Fund where employees can contribute to support impacted families.

I would like to take this moment to thank you all for your continued trust in the Company, and for being a relentless source of motivation and support for the management. Your patronage strengthens our resolve and reinforces our commitment to engineer a Better World.

This meeting is an opportunity to stay focused on our vision and take inspiration from a future of possibilities. Technological advances will continue to be the key agents of change as we move into a post-pandemic world and will define the way we work, interact and live. During the last two decades, the world has witnessed a tremendous pace of technological innovation in all fields, from Advanced Computing and Artificial Intelligence to Biotechnology and Nanotechnology to Big Data and Analytics. In this decade, these technologies, along with other futuristic technologies such as Additive Manufacturing, AR/VR, IoT, Spatial Computing, Deep Learning and Synthetic Biology, will provide us with the means to solve some of our most pressing global challenges and help us make progress towards building a more inclusive and sustainable world.

For instance, in healthcare, medical devices called microneedles hold the potential for timely reach of vaccines across the globe. Telemedicine is already making healthcare accessible to the underserved, and virtual and 3D printed organs are changing the dynamics of diagnosis and organ transplantation. In agriculture, synthetic biology tools are being used to engineer soil bacteria that can end our dependence on synthetic fertilizers. As part of climate action, newer innovations are being made to increase our production of green energy. The list of possibilities is endless.

In a post-pandemic world, public health and environment sustainability need to be repositioned as investments, not just costs, so that we can build a strong and resilient economy that can withstand future disruptions. We must recognize that handling of any global problem will require global collaboration, evidence-based decision-making, and extensive and ethical use of technologies.

We at Tata Technologies provide our customers with a converging environment where they can leverage the emerging digital technologies to achieve growth and innovation for their physical products, optimize operations and increase efficiency. The importance of this convergence has increased manifold with the accelerated adoption of digital technologies in the past one year.
Digitalization of manufacturing will fundamentally change how products are designed, fabricated, used, operated, and serviced post-sales as more businesses consider to de-risk their businesses and optimize their business processes. This unification of digital technologies with manufacturing processes promises to recast the landscape of the global manufacturing market. Our deep domain knowledge of the manufacturing industry with our global footprint of 7900 innovators will continue to serve as the foundation for generating sustainable value for our clients. Our investments in advanced digital capabilities to complement our traditional strength in mechanical engineering have begun to yield good results as seen in some of the recent deal wins such as GKN for AutoSAR and ePowertrain; connected vehicle solutions from Godrej and new wins in South East Asia.

Coming to the larger growth perspective, the automotive sector will continue to play a critical role in the future of your Company. If we look at the future trends, the entire way people and goods travel — is changing, creating a new ecosystem of mobility. Long-standing industry dynamics are being upended with new mobility modes, smart materials, carbon footprint reduction and shared consumption models. This provides impetus for the automotive players to adopt digital technologies to transform their core processes to achieve speed, efficiency and cost-effectiveness. According to estimations, the digital vertical of the automotive sector is projected to grow from its present value of USD 24 billion to USD 32 billion by 2023. Your Company with its deep domain knowledge of product engineering and manufacturing is strongly placed to benefit from these seismic shifts. The setting up of a 12,650 square feet global e-mobility software engineering center in Bengaluru in collaboration with GKN Automotive has been a major progression in this regard.

As the future of mobility is being reimagined, there will be accelerated investments in ACES—autonomous driving, connected cars, electrified vehicles, and shared mobility. Policies and communication strategies have to be redefined to cater to the changing consumer behaviour in a digital-first world. Today, more than 80% of car buyers use online sources to buy their car, instead of visiting a brick-and-mortar dealership. The European Union has proposed raising the CO2 targets from 40% to 55% in 2030 and similar regulations are being considered across the world to bring down the global carbon footprint. This makes technology outsourcing and partnerships an increasingly important strategic consideration for most mobility companies, creating major market opportunities for your Company.

The Aerospace industry is another industry with substantial potential. Companies are looking for digital solutions to enable virtual engineering and validation processes through distributed global collaboration networks. They are also leveraging data analytics and automation to optimize their operating models. According to a report by McKinsey, Aerospace and Defence industry can unlock more than $20 bn in potential value through the adoption of Industry 4.0 technologies. Your Company has long-standing capabilities to provide compelling value to this sector.

Original equipment manufacturers (OEMs) and Industrial Machinery is another sector that holds potential. According to a research report, Industrial Machinery manufacturers across the globe will invest more than US$100 billion in the next three years in building smart factories and integrated digital supply chain networks. The eVMP (Electric Vehicle Modular Platform®) developed by your Company has been a pioneering and proprietary e-mobility offering in this area that is fast gaining traction among new age auto OEMs to meet their clean energy goals.

An emerging area of immense opportunity is the Education sector. With a shift to online learning, people are looking for more engaging, flexible and personalized modes of learning. Your Company has curated and developed self-paced courses on Mechanical Design and Product Lifecycle Management that are being offered through the e-learning platform ‘i GET IT’. Your Company has also signed a Memorandum of Agreement (MoA) with the Government of Karnataka to upgrade and modernize 150 government-owned Industrial Training Institutes (ITIs) across Karnataka.

Financial performance:

Looking at our financial performance, our compelling capabilities have enabled us to win 9 large multi-million deals during FY 2021.

Revenue from operations was at Rs 2,381 crs, a decrease of 16.5% impacted by the overall slowdown in the auto industry. The services revenue reduced by 18.2% due to completion of some large services projects in Europe and a decline in revenue from China. Operating margins came in at 16.2% in FY21 compared with 15.9% in FY20, while reported Profit after Tax was Rs 239 crores, a decline of just 4.9%.

The cash and cash equivalents grew substantially from Rs 451 crs in Mar 2020 to Rs 1530 crs in Mar 2021. Your Company continues to be debt-free on a consolidated basis. The extraordinary momentum of digital adoption is reflected in the revenue share of the digital enterprise business accounting for 31% of the service business, an improvement of 500 basis points from last year.

Tata Technologies was recognized as the ‘Global Leader’ in Automotive and Aerospace Engineering and R&D by Zinnov, and as the ‘Global Company of the Year 2020’ by Frost & Sullivan.
CSR:

Amidst our focus on business continuity, it needs to be mentioned that we have stayed true to the Tata ethos, and have continued to fulfill our obligations towards our employees, our partners and the communities in which we have a presence. The safety and health of our employees has remained a paramount goal throughout. Several forms of assistance such as Covid Response Teams and Employee Assistance Programmes were set up to provide support to our employees and their families.

Community welfare initiatives were undertaken to provide interim relief to affected communities through distribution of cooked meals, grocery kits, and PPE kits. We also partnered with Tata Motors to build and assemble ventilators for Indian healthcare providers.

As part of the long-term impact initiatives, your Company remains committed to the vision of co-creating sustainable value by leveraging its engineering and technology knowhow. Our flagship and award-winning Ready Engineer program celebrates its 10th year, and it has improved the employability of more than 20,800 engineers and empowered more than 330 women engineers. We continue to promote STEM education through the STEM tinkering lab project, and have launched a national program leveraging digital platforms, in partnership with the Tata Trust, IISER and DST that will encourage STEM-based learning and create 450 master trainers and over 15,000 teachers.

Strategy:

The recognition of your Company as an ‘Emerging Industry Leader’ in 2020 by the Tata Business Excellence Model (TBEM) assessment that covers key aspects such as leadership, customer-centricity, information system, people and operations, and financial profile, reaffirms the effectiveness of your Company’s strategic initiatives.

For this year, our strategic choices will include:

- **Consolidation** of leadership in the Automotive space,
- **Diversification** to mine opportunities in Aerospace, IHM and medical equipment, and
- **Monetization** of our unique proposition in the Education space

Additionally, it is important to emphasize that we are committed to the growth and well-being of our employees; and investment in the areas of skills and competency management continues to be a priority for the leadership. The Company is crafting a skilling program under the banner of ‘TTL Technical University’ in FY22 to ensure that the talent pool of the organization remains consistently future-ready. TTL believes that only with individual well-being and development, can we make collective progress.

We are also investing in select R&D projects to enhance our capabilities in IoT, Artificial Intelligence and Machine Learning, Robotic Process Automation, and Digital Twin and Autonomous Driving solutions.

Closing remarks:

Finally, and most importantly, I am humbled by the extraordinary commitment, professionalism and hard work exhibited by our employees during this crisis, sometimes while braving personal hardships. This remarkable “can do attitude” underscores the strength of our winning culture. I would like to thank all the employees of Tata Technologies around the world for their dedication and commitment to our clients and our business. I am confident that our strategic plans to strengthen our capabilities and improve our customer engagement while de-risking our business, will improve the momentum of our growth and create value for all our stakeholders.

Let me close this speech by congratulating Ms. Falguni Nayar and Mr. Rakesh Makhija for the successful completion of their second term as Independent Directors that ended on March 29, 2021. Please join me in thanking them both for their invaluable contribution and guidance that have helped your Company in its value creation journey, both having served as Independent Directors of the Company for 6 years. As they cease to be directors of the Company, we offer them our heartfelt thanks and wish them well in their future endeavours.

With increasing coverage of vaccination and continued exercise of safeguards, I am certain of the opportunity and the pleasure of meeting all of you in person again soon. I urge that we all do our bit and continue to take the advised precautions and remain vigilant as we collectively help to flatten the curve.

Thank you and stay safe and healthy.

S. Ramadorai
Chairman
24th June 2021