

READY TO RISE AGAIN

Tata Projects is gearing up for its next phase of transformation by leaning on core strengths, fresh sector bets and digitisation. A look at its growth playbook **By ASHISH SINHA**

AFTER A period of deliberate consolidation and operational reset, Tata Projects is preparing to accelerate growth. FY25, in the company's own assessment, was a year of realignment—where old challenges were addressed, bidding was made smarter, and the foundation for future profitability was laid. One of India's key infrastructure and Engineering, Procurement & Construction (EPC) companies, Tata Projects is now shifting gears with a sharper focus on high-growth sectors like clean energy, semiconductors, data centres and transportation.

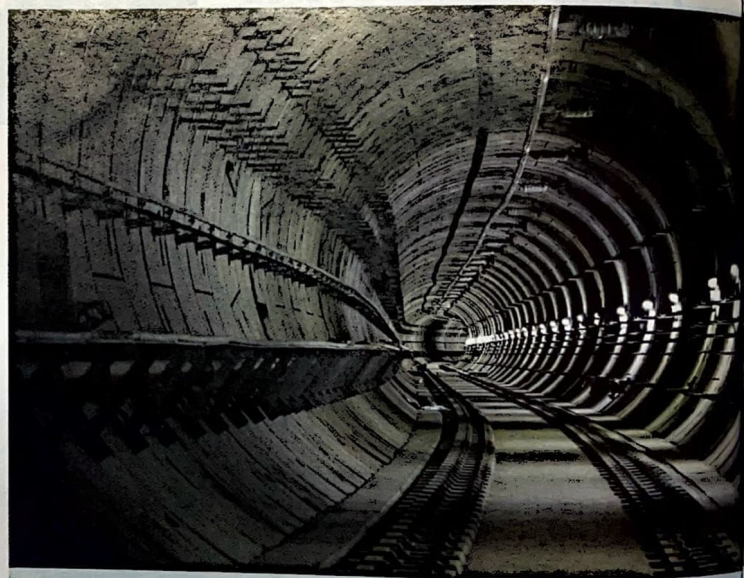
Much of this transition stems from an internal restructuring exercise named Project Phoenix, launched in FY23. As Vinayak Pai, Managing Director and CEO puts it, the company took a hard look at its order book, project execution model, and engagement strategies. "FY25 was a year of consolidation and focused execution," he says. "We realigned how we operate—right from how we assess orders to how we deliver—and the results are beginning to show."

In tangible terms, the company saw a nearly 40 per cent increase in new order bookings, with much better margin profiles and more balanced contract terms. "These are not just numbers," says Pai. "They reflect the impact of our revamped approach. Our mix of low-risk contracts is at an all-time high."

A big part of the clean-up involved delivering legacy projects that had been weighing down financial performance. "These projects are nearing completion. It's a significant milestone," he adds. With the heavy lifting largely behind, Tata Projects is now primed for a more sustainable, scalable and profitable phase of growth.

Sector Bets with Speed

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REBUILDING GROWTH WITH PRECISION

From strategy to sustainability, Tata Projects is evolving— MD **VINAYAK PAI** tells **ASHISH SINHA**

How was FY25 for Tata Projects?

FY25 was a year of consolidation and strategic turnaround. With our transformation programme, Project Phoenix, we fundamentally restructured operations and improved margins, risk profile, and order book quality. New orders grew nearly 40 per cent, with better commercial terms and higher profitability potential. Legacy projects that had burdened our books are now nearing completion, which is a significant milestone.

What are your strategic focus areas for growth?

Over 80 per cent of our new orders are from identified high-priority sectors like clean manufacturing, electronics, semiconductors, EVs, solar PV, and advanced data centres. Urban infrastructure, hospitality, education, healthcare, and airport developments also offer promising opportunities.

clean energy and green manufacturing, digital and data infrastructure, and short-cycle, cash-efficient projects. More than 80 per cent of the company's new orders in FY25 came from strategic sectors like solar power, electronics, semiconductors, electric vehicles, battery storage and power transmission.

According to Pai, the energy sector will remain the most prominent driver of infrastructure investments over the next 5 to 10 years. "Demand for power is rising, and with it comes the need for better grid infrastructure and storage systems," he notes.

There's also a resurgence in thermal power projects, with both government and private players making fresh commitments. "We see this as a balanced energy mix evolving," says Pai, who also believes pump storage hydro and renewable transmission will be high-growth areas.

Meanwhile, data centres are emerging as a fast-expanding vertical, driven by AI adoption and growing digital infrastruc-



Many projects are short-cycle which significantly improves cash flow visibility and project efficiency.

Which sectors will lead your next growth phase?

Energy is the prime growth engine—across conventional

ture needs. "Global tech firms are setting up shop in India, and there's a boom in demand for advanced infrastructure and cooling technologies. We're leveraging our technical capabilities and partnerships to deliver in this space," he adds.

Importantly, many of these projects are of shorter durations—between 18 to 24 months. This allows for faster cash generation and better project efficiency, something the company is prioritising across its portfolio.

Semiconductors are another strong theme. Tata Projects is already executing high-visibility projects for clients like Micron and Tata Electronics under the government's India Semiconductor Mission 1.0. "With ISM 2.0 around the corner, we anticipate a second wave of opportunities," Pai says.

Urban development is also back on the radar. With 1,300 km of metro network planned, 950 km already operational, and 600 km under construction, there's no shortage of opportunity. "And with 220 airports planned, we see strong

and renewables, including energy storage solutions. By 2032, energy storage alone will need Rs 3.5 lakh crore investment, while transmission upgrades will require Rs 9 lakh crore. In transportation, metros and airports remain key—a 1,300 km metro network is in the pipeline, 950 km already operational. Semiconductor growth is accelerating under ISM 2.0, and we're executing major projects including Micron and Tata Electronics facilities.

How are you embedding sustainability and digital transformation?

We're fully aligned with the Tata Group's ESG vision under Project Aalingana, aiming for net-zero by 2045. We use sustainable materials like GGBS, AAC blocks, and fly ash to reduce embodied carbon. Solar panels and biogas are integrated into site infrastructure. Digitally, ERP (Project NEEV), BIM, AI, IoT, and drones are enhancing accuracy and accountability. We're among India's first EPC players to adopt a truly digital-first model for infrastructure.

What's the outlook and talent strategy?

We're focused on improving cash flows, building resilient supply chains, and boosting site productivity with skilled manpower. Modularisation, in-house fabrication, and mechanisation are key enablers. Our government work has declined to 52 per cent, while private sector now dominates—90 per cent of FY25 orders, with 57 per cent from Tata Group firms. Talent remains a key pillar.

ashish.sinha@businessworld.in

momentum continuing in transportation infrastructure as well," he adds.

Going Digital, Staying Sustainable

Technology is no longer a support function—it's central to Tata Projects' delivery model. The company has embraced a digital-first approach across design, execution and monitoring. Tools like Building Information Modelling (BIM), IoT-enabled monitoring, drone photography, and AI-powered surveillance systems are standard across projects.

The implementation of a fully integrated ERP system under Project NEEV has further enhanced planning, coordination, and on-ground execution. One flagship example is a large airport maintenance facility being delivered under a fully digital concept. From design and engineering to procurement and execution, everything is managed within a common data environment, enabling seamless collaboration between clients,

consultants, vendors, and internal teams.

"Our aim is not just to digitise for the sake of it," says Pai. "We want predictable, sustainable outcomes. Digital tools help us plan better, avoid delays, manage costs, and most importantly, keep our sites safer."

Sustainability efforts are also being baked into daily operations. Tata Projects is aligned with the Tata Group's larger ESG initiative, Project Aalingana, which aims for net-zero emissions by 2045. At project sites, the company is using alternative materials like fly ash, GGBS and AAC blocks to reduce embodied carbon. Solar panels and biogas plants are being integrated into construction sites and labour camps. Modular construction is another area being actively pursued for its resource efficiency and reduced waste.

"These aren't just boardroom decisions," Pai says. "We're implementing them on the ground—every day, every site."

Private Over Public

A big shift in Tata Projects' business composition is its increasing orientation towards private sector clients. Three years ago, about 80 per cent of its portfolio came from government projects. Today, that number has dropped to 52 per cent. In FY25, nearly 90 per cent of all new orders by value came from the private sector, and 57 per cent of those were from Tata Group companies. "This is a conscious strategic shift," says Pai. "We're focusing on building long-

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term, high-value relationships within the private ecosystem, and we're seeing great traction."

Tata Projects is also investing in its people. Recognising the sector's growing talent gap, the company has launched initiatives like PM@10—a fast-track program to develop project managers within 10 years—as well as SHE Leads, a leadership development program focused on women.

Looking ahead at FY26, the focus is clear: cash flows, project predictability, supply chain resilience, and workforce productivity. The company is investing in steel fabrication, precast units and modular construction to improve speed and quality. Long-term partnerships with suppliers are being pursued to insulate operations from volatility.

"We've built a foundation of resilience," says Pai. "Now it's time to accelerate." **BW**

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