



Pinaka: Multi-barrel Rocket Launcher

innovation for serial production, and mature and equated partnerships with domestic as well as global majors, both in the government and in private sector. Besides supplies, the business also offers services for life-cycle sustenance of platforms, equipment and systems supplied, including for obsolescence management. These capabilities enable the business to maintain its market leadership position in the private sector defence industry and be future-ready given the government's push for higher indigenisation and autonomy through the 'Aatmanirbhar Bharat Abhiyan'.

L&T's participation in the defence sector stems from its ethos of being a 'Builder to the Nation'. Various sustainability and risk assessors of defence-related businesses do recognise the right of countries to defend themselves and the need to develop and produce defence-related products to fulfil security, peacekeeping and humanitarian needs. This is well acknowledged in the current era of multiple regional conflicts where nations have increased their spending on defence to ensure national security.

It is noteworthy that the business' prime customer and regulator, i.e., the Government of India, is committed to non-proliferation under the 'Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Act, 2005'. India is also a signatory to the Missile Technology Control Regime (MTCR), a multilateral export control regime, and a party to the Wassenaar Arrangement — a voluntary export control regime that limits the

destabilising proliferation of sensitive technologies. Further, India has voluntarily adopted a 'No First Use' (NFU) Policy (PIB notification dated January 4, 2003) that is enshrined in the commitments of the Cabinet Committee on Security (CCS). The Company recognises the need to act responsibly in carrying out its business related to the defence sector, implement internal controls and stay committed to respecting human rights.

While maintaining its position as a leading private sector, multi-segment player in the Indian defence domain, **the business does not manufacture explosives and ammunition of any kind related to cluster munitions, anti-personnel landmines, nuclear weapons and components for all such munitions. The business also does not customise any delivery systems for all such munitions.**

Business Environment

India's defence production ecosystem continues to evolve rapidly. Traditionally dominated by Defence Public Sector Undertakings (DPSUs), the sector has now entered a transformative phase marked by deeper private sector participation — including strategic public-private partnerships, tie-ups with start-ups and academia — and driven by a strong policy push towards indigenisation, innovation and the development of a competitive domestic defence industrial base.

FY 2025-26 has witnessed tangible outcomes of wide-ranging policy and procedural reforms undertaken by the



Maneuverable Recoverable Aerial Target (MRAT)

Ministry of Defence (MoD). These reforms have focused on strengthening jointness, accelerating modernisation, improving ease of doing business and significantly compressing acquisition timelines through revised procurement manuals, enhanced financial delegations and faster approval mechanisms. Further reinforcing this trajectory, the MoD issued a draft revised Defence Acquisition Procedure (DAP) during FY 2025-26 for industry consultation, aimed at simplifying processes, accelerating decision-making, promoting indigenisation and encouraging greater private sector participation.

During the year, Acceptance of Necessity (AoN) was accorded by the Defence Acquisition Council (DAC) for 55 proposals amounting to ₹ 6.73 lakh crore — a pipeline nearly thrice the annual defence capital outlay, creating deep multi-year order visibility across DPSUs and private players. Importantly, over 90% of these programmes are categorised for procurement from domestic sources, underscoring India's deepening commitment to self-reliance. Major programmes include the Multi-Role Fighter Aircraft (MRFA), Next Generation Corvettes (NGC), Landing Platform Dock (LPD), Quick Reaction Surface-to-Air Missile (QRSAM) Systems and Nag Missile System (Tracked) Mk-II (NAMIS), among many others.

Government initiatives continue to focus on emerging domains such as unmanned systems, cyber, space, electronic warfare and artificial intelligence. Policy measures encouraging indigenisation, increased private sector

participation, promotion of the PPP model and fostering of R&D partnerships between Indian industry and global OEMs are further strengthening the ecosystem. India's ambitious targets — defence exports of ₹ 50,000 crore by FY 2028-29 and domestic defence production reaching ₹ 3 lakh crore by FY 2028-29 — continue to provide strong directional impetus to the sector.

Globally, the defence landscape in FY 2025-26 remained volatile, shaped by ongoing geopolitical tensions including the current US-Israel-Iran conflict and instability in other regions. These developments have sustained pressure on global defence supply chains, resulting in longer lead times, higher input costs and a heightened focus on supply chain security and localisation. Trade protection measures and evolving geopolitical alignments are further influencing sourcing strategies and defence collaborations worldwide. In this context, PES has continued to strengthen its focus on building a resilient, self-reliant supply chain anchored in indigenisation and strong in-house design and engineering capabilities, actively diversifying its supplier base and investing in strategic partnerships to mitigate supply risks and enhance execution reliability.

On the space front, the sector continues to gain momentum following its liberalisation and the implementation of the Indian Space Policy 2023. Increasing private sector participation across the value chain — from launch vehicle manufacturing to satellite development and downstream



Articulated All-Terrain Vehicle

applications — presents significant growth opportunities for companies with established capabilities in this domain.

Parallel to these developments in the defence and space ecosystem, India's electronics manufacturing landscape is witnessing an equally significant structural transformation — one that PES, through its incubated business vertical EPS, is now strategically positioned to capture.

India's electronics manufacturing market is at a structural inflection point, projected to scale from USD 115 billion to USD 500 billion by FY 2030-31, driven by the accelerating adoption of renewable energy, electric vehicles, industrial automation and indigenisation mandates. Within EPS's targeted industrial segments, the total addressable market stands at approximately USD 2 billion today and is projected to grow at 18% CAGR to approximately USD 5 billion by FY 2030-31.

Major Achievements

During FY 2025-26, the business has achieved multiple milestones, uniquely reaffirming L&T's positioning as a 'Nation Builder' through a series of Make in India programmes. These include:

- Signed a contract with Indian Army for the procurement of All-Terrain BvS10 Sindhu Platforms in partnership with BAE Systems Hägglunds
- Foray into Combat Management Systems for Navies including one export opportunity
- Delivered two Anti-Submarine Warfare Shallow Water Crafts (ASW-SWC) to GRSE for the Indian Navy
- Launched the first Cadet Training Ship (CTS-1)
- Handed over the first set of Light Combat Aircraft (LCA) Mk1A Wings to Hindustan Aeronautics Limited (HAL)
- Grant of Clearance of Service Use (CSU) for upgraded on-board pilot oxygen system for Indian Navy, reducing import dependency for crucial runtime requirement
- Maiden flight-test of Quick Reaction Surface-to-Air Missile (QRSAM) conducted successfully from L&T-developed launcher as part of Integrated Air Defence Weapon System (IADWS)
- High Altitude Trials of Runway Independent Remotely Piloted Aerial System (RWI-RPAS) conducted successfully at Leh
- Strategic partnership with US-headquartered General Atomics Aeronautical Systems, Inc. (GA-ASI) to manufacture Medium Altitude Long Endurance (MALE) Remotely Piloted Aircraft Systems in India, for the Indian armed forces
- L&T-BEL consortium is among the three participants who have cleared the Expression of Interest (EoI) qualification stage for participation in the AMCA programme



Cadet Training Ship

Significant Initiatives

R&D and innovation have been the backbone of the PES business since its inception. A range of R&D initiatives have been undertaken during the year, focusing on the development of advanced defence platforms, emerging technologies and the integration of AI-based solutions. Some of the key initiatives undertaken by the Technology & Innovation Centre during the year are as listed below:

- Development of Application Specific IC (ASIC) in collaboration with L&T Semiconductor Technologies (LTSCT)
- Development of Narrow Line Width Fibre Laser (NLFL) with CGCRI, Kolkata
- Joint development of aero engine for unmanned aerial vehicles (UAVs)
- Development of AI-based algorithms for future autonomous vehicles

Three key strategic partnerships were concluded for Industrial Electronics business to kick-start their go-to-market plan:

- MoU with a leading sector player for motor control unit (MCU) for EVs
- Successful completion of painting cobot prototype trials followed by the signing of a Joint Development Agreement
- Collaboration agreement for product development of DC-DC Converter

Outlook

The Union Budget 2026-27 has allocated ₹ 7.85 lakh crore to the Ministry of Defence, reflecting an ~15% increase over the previous year's estimates. Within that the capital outlay for defence witnessed a significant step-up of ~22% y-o-y, underscoring the government's continued emphasis on accelerated modernisation of the Armed Forces. Of the record capital outlay of ₹ 2.19 lakh crore, around ₹ 1.85 lakh crore has been earmarked for capital acquisition, to equip the Armed Forces with next-generation fighter aircraft, advanced weapons, ships and submarines, UAVs, drones, etc.



Multi-Purpose Vessel

Reinforcing the government's *Aatmanirbhar Bharat focus*, nearly 75% of the capital acquisition budget has been reserved for procurement from the domestic defence industry, translating to an allocation of approximately ₹ 1.39 lakh crore for Indian manufacturers.

The R&D thrust has been further strengthened in the budget, with capital outlay for defence R&D increasing to over ₹ 17,000 crore, representing a double-digit growth over the previous year.

On the electronics front, the budget raised the Electronics Components Manufacturing Scheme (ECMS) outlay to ₹ 40,000 crore, signalling deeper support for domestic component ecosystems, sub-assemblies and supply chain localisation. The basic customs duty exemption on capital goods for Lithium-Ion cells has been extended to Battery Energy Storage Systems (BESS).

The competitive landscape presents a clear white space: heavy dependence on imports in power electronics, dominance by global Tier-I players in mobility electronics,

and an absence of strong indigenous IP-led players in high-complexity industrial electronics. Supportive government policies — including Production-Linked Incentive (PLI) schemes, EV Phased Manufacturing Programme (PMP) mandates, Bureau of Indian Standards (BIS) localisation requirements and the India Semiconductor Mission — reinforce this structural opportunity. Geopolitical supply chain disruptions have further accelerated customer intent to localise electronics sourcing, directly benefiting India-first proposition of the business and creating a durable tailwind.

Against this backdrop of enhanced capital spending, policy reforms and sustained global demand, the business is well positioned to leverage the government's thrust on self-reliance and modernisation, and to capitalise on emerging opportunities across shipbuilding, artillery and combat systems, combat engineering equipment, electronic and communication systems, and space technologies, both within India and in select export markets.

IT & TECHNOLOGY SERVICES SEGMENT



LTM Headquarters, Powai, Mumbai

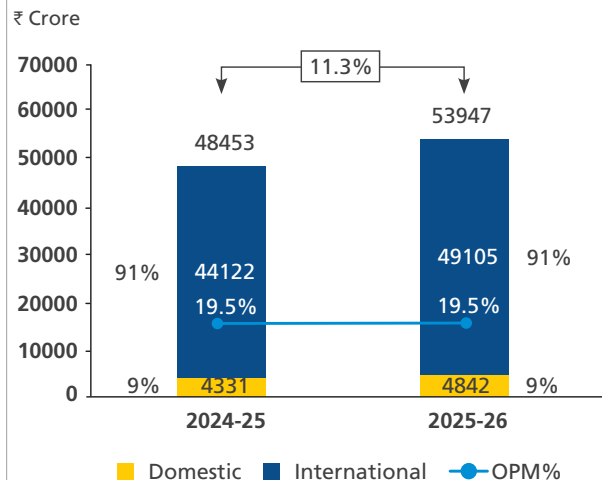
The IT & Technology Services segment comprises:

- a) **LTM Limited and its subsidiaries**
- b) **L&T Technology Services Limited and its subsidiaries**
- c) **L&T Semiconductor Technologies Limited**
- d) **L&T EduTech**
- e) **L&T-SuFin**
[SuFin Limited effective April 1, 2026]
- f) **Larsen & Toubro Vyoma**
[Data Center and Cloud Services]

Financial performance of the segment

The segment recorded revenue of ₹ 53,497 crore for the year ended March 31, 2026, registering a growth of 11.3% over the previous year, largely reflecting continued customer spends in the IT&TS sector across the various markets. International revenue remained unchanged at 91% of the total revenue of the segment. The newly incubated businesses – Digital platforms, Data Center and Semiconductor – are yet to contribute meaningfully to the segment revenues as they remain in early stages of scale-up.

Revenue from Operations and OPM%



The segment's operating margin at 19.5%, remains unchanged for the year.

The funds employed by the segment as at March 31, 2026, increased by 2.9% to ₹ 38,815 crore, compared to March 31, 2025, largely reflecting of higher investible surplus.



LTM Headquarters, Powai, Mumbai

LTM Limited

Overview

LTM is an AI-centric global technology services company and a Business Creativity Partner to 740+ clients spread throughout the world. With more than 87,000 employees across 40+ countries, LTM combines domain expertise, digital engineering and AI to deliver measurable business outcomes.

Across industries, LTM combines deep domain expertise with intelligent technologies to help clients reimagine possibilities and create new pathways for growth and value.

Business Verticals

LTM operates across a diversified set of industry verticals, providing resilience across economic cycles:

Travel, Transport, Hospitality, Logistics & Real Estate

LTM partners with leading global enterprises across the travel and real estate ecosystem to address mission-critical challenges, enhance customer experiences and drive scalable growth. Leveraging AI-native capabilities and deep domain insight, LTM helps clients build resilient, future-ready operations and deliver seamless, personalised digital experiences.

Public Services

LTM works with public sector organisations to drive efficiency, increase transparency and improve citizen outcomes. Through the integration of domain knowledge with digital and AI capabilities, the company enables responsive, inclusive and resilient service delivery models.

Manufacturing

LTM partners with customers across industrial, automotive, aerospace, EPC and process manufacturing industries to enable intelligent, autonomous and resilient operations. Through digital, data and agentic AI-driven solutions, the company helps unlock productivity, agility and next-generation manufacturing excellence.

Healthcare

LTM supports healthcare payers, providers and innovators in building intelligent, outcome-driven ecosystems. LTM's AI-first, platform-led approach improves access and affordability, while improving clinical and operational outcomes through connected, adaptive care models.



LTM's BlueVerse - An Agentic AI ecosystem for the enterprise of the future

Life Sciences

Across the molecule-to-market value chain, the company enables life sciences enterprises to accelerate R&D, optimise clinical trials, modernise manufacturing and deliver personalised patient experiences. LTM's AI-first solutions drive measurable innovation and improved health outcomes.

Energy

LTM delivers AI-led, domain-driven transformation across upstream, midstream, downstream and renewables. Combining engineering heritage with digital and AI capabilities, the company helps energy enterprises strengthen resilience, optimise operations and advance sustainability.

Utilities

LTM helps in the transition of utility companies from reactive to predictive operations by integrating IT/OT, AI automation and data-driven intelligence. The company's solutions improve reliability, safety, customer experience and sustainability across electric, gas and water utilities.

Retail & Consumer Packaged Goods

LTM helps retail and CPG enterprises deliver differentiated omnichannel experiences and optimise value chains. Through AI-first digital engineering and industry expertise, the company enables speed, intelligence and scalable growth for global brands.

Insurance

The company partners with leading insurers to transform underwriting, claims, distribution and core platforms. Leveraging AI-centric systems, strong platform ecosystems and proprietary accelerators, LTM enables scalable, data-driven and agile insurance enterprises.

Banking & Financial Services

LTM helps banks and financial institutions unlock productivity, simplify complexity and create competitive advantage. By converging AI, analytics, cloud and cybersecurity with deep domain expertise, LTM enables outcome-based transformation across banking and payments.

Communications, Media & Entertainment

LTM supports media, entertainment and communications companies with AI-led innovation across content, platforms and customer engagement. Powered by MediaCube and LTM's 5C framework, it enables monetisation, cost optimisation and personalised audience experiences.

Hi-Tech & Services

LTM partners with hi-tech and professional services firms to drive innovation-led growth. LTM's AI-first engineering and Operate-to-Transform approach enables product modernisation, enhances operational efficiency and creates scalable, future-ready business models.



LTM's CraftStudio - A Creative ecosystem for the enterprise of the future

Service Lines

LTM's service offerings span the full spectrum of digital transformation and technology operations, including:

- AI-led Engineering
- Application Management Services
- BlueVerse
- Cognitive Infrastructure Services (CIS)
- Cybersecurity
- Data and Analytics
- Disruptive SaaS (DSaaS)
- Enterprise Application Services
- Enterprise Cloud Applications
- Enterprise Integration & Business Process Orchestration
- GCC-as-a-Service
- Industry.NXT
- Interactive
- Microsoft Business Applications
- Oracle
- SAP
- ServiceNow
- Voicing.AI

Alliances Partnerships & Ecosystem

LTM strengthened its global partner ecosystem across leading hyperscalers and platforms including AWS, Microsoft, Google Cloud, SAP, Oracle, Salesforce, ServiceNow and NVIDIA.

FY 2025-26 saw expanded co-innovation, strategic collaboration agreements, joint GTM initiatives, and multiple global recognitions and Partner of the Year awards across AI, cloud, data, security and industry solutions.

Business Environment

Global growth in calendar year 2026 is estimated at around 3.0%, supported by technology-led investments. However, it remains vulnerable to geopolitical tensions, trade frictions, elevated energy costs and financial market volatility. AI continues to be a key growth driver, albeit with uneven productivity gains across regions and labour markets. The global technology sector has transitioned from AI experimentation to large-scale AI industrialisation with agentic AI, platform-led services and outcome-based commercial models, reshaping the IT services landscape.

India is expected to remain one of the fastest-growing large economies, supported by resilient domestic demand and sustained public investment. From an IT services perspective, this momentum is reinforced by continued digital transformation across government and enterprises, accelerated adoption of AI, cloud and data led platforms, and India's strategic position as a global hub for technology talent and innovation.



LTM Solaris campus lobby - Bengaluru

Key Deals Won

- A global agribusiness leader selected LTM to implement an AI-driven model for application management, infrastructure support and cybersecurity services. This suite of IT services includes SAP S/4HANA, ServiceNow, Microsoft Azure and AI frameworks, and focuses on efficiency and growth, driven by vendor consolidation
- A major European financial institution selected LTM as its long-term transformation partner to migrate from a legacy system to a flagship Transaction Processing Platform, integrating GenAI and automation in the solution to accelerate delivery
- A leading US-based oil & gas major entrusted LTM with a multi-delivery contract to cater across Cloud, Data, SAP and AI services
- LTM secured a contract with a leading global media and entertainment company to drive its digital transformation and enable an AI-centric delivery model
- LTM was selected as a Strategic Partner by a global financial institution to deliver end-to-end technology and consulting services across all its lines of business, spanning multiple geographies, positioning the company as one of the five major service partners for the client
- LTM secured a contract from the Government of India's Central Board of Direct Taxes (CBDT) to transform India's PAN infrastructure
- LTM was selected as a strategic partner by a leading US insurance and financial services company for a multi-year engagement covering application management, infrastructure operations and end-user services, driven by an AI-led delivery model

*LTM Office, Bengaluru*

Significant Initiatives

LTM's strength is anchored around three operating models:

- **iRun** - LTM's integrated operations services suite, designed for enterprises navigating the agentic, AI-powered future of IT operations
- **iTransform** - LTM's end-to-end transformation services suite, uniting enterprise platforms, data and digital experience to deliver business creativity solutions and help organisations build the enterprise of the future
- **Business AI** - Bringing business creativity to AI through a holistic approach to AI-native enterprise transformation

Key Developments & Achievements

During the year, LTM saw accelerated adoption of Agentic AI and GenAI solutions across industries, alongside the expansion of industry-specific AI offerings and autonomous workflows. The company successfully executed several large

digital transformation and modernisation programmes for global clients, reinforcing its execution capabilities. These efforts were further complemented by strong global brand visibility, driven by active participation in partner events and industry forums.

Outlook

According to NASSCOM, India's technology sector is projected to exceed USD 315 billion, with employment reaching around 6 million, driven by specialised skills and strong growth in the ER&D segment of the market.

Economic and industry conditions in FY 2026-27 are expected to remain challenging. LTM's focus on AI, partnerships and disciplined execution is expected to support sustainable growth and long-term client value.



Hands-on EMI evaluation in the lab situated at LTTS Mysuru

L&T Technology Services

Overview

L&T Technology Services (LTTS) is a global leader in AI, Digital and ER&D Services, operating in more than 25 countries with an annual revenue run rate exceeding USD 1.22 billion. The company partners with 69 Fortune 500 companies and 57 top ER&D companies to design, develop and deliver transformative products and platforms that drive the next wave of industrial and technological innovation. Headquartered in India, LTTS has over 23,800 employees spread across 22 global design centers, 31 global sales offices and 98 innovation labs as at March 31, 2026.

LTTS combines its engineering heritage with digital technologies and AI to turn bold ideas into real-world solutions. From smart, connected products and software-defined systems to next-generation factories that are intelligent, efficient and sustainable – the company enables enterprises to reimagine how they build, operate and scale. The company's deep domain expertise across its focus segments – Mobility, Sustainability and Tech – combined with a strong culture of innovation, allows the company to consistently deliver outcomes that redefine industry benchmarks.

As part of its strategic evolution, LTTS is doubling down on enterprise-focused segments across manufacturing, industrial and technology-led sectors, aligning closely with global shifts towards digital engineering, automation and sustainability-led transformation. Under the Lakshya 31 plan, LTTS will sharpen its focus across technology initiatives, including Software & AI, Plant Build Out & Modernisation, Energy, Automation / Digital Manufacturing, Next-Generation Compute, Software Defined Mobility and MedTech. Combined with its 'Pivot on Growth' strategy and Engineering Intelligence (EI) approach, the move is designed to accelerate growth across its three core segments, while reinforcing the company's position as a global engineering partner of choice.

The company, post the divestment of its Smart World & Communication (SWC) business will enable a reallocation of capital towards high-growth areas. This underscores LTTS's continued commitment to continue investing in future-ready capabilities that are key to driving scalable growth, deepening client impact and unlocking new value across industries.

Mobility

LTTS continues to drive the next frontiers of innovation across the global mobility landscape, combining deep engineering expertise, cross-domain knowledge, and a globally distributed and diverse talent base. The company



Wireless system development in progress in the EV Wireless Lab situated at LTTS Bengaluru

leverages its ability to cross-pollinate ideas across industries to address evolving client requirements and accelerate transformation across its Mobility segment.

Operating across Automotive, Aerospace Engineering, Rail Transportation and Trucks & Off-Highway Vehicles, LTTS partners with leading global OEMs and Tier 1-s to develop differentiated products, solve complex engineering challenges and enhance end-user experiences, while advancing safety, performance and sustainability outcomes. Building on its strong legacy of engineering excellence, LTTS offers a comprehensive suite of end-to-end services spanning design, development, sourcing and manufacturing engineering. This enables clients to minimise time-to-market, optimise costs and navigate increasing product complexity in a rapidly transforming mobility ecosystem.

LTTS remains at the forefront of next-generation mobility trends, actively leveraging advanced technologies such as AI and GenAI to drive innovation at scale. The company is playing a pivotal role in shaping emerging paradigms such as Software-Defined Vehicles (SDVs), electrification and hybrid propulsion systems, including e-powertrains.

Its strategic focus in the domain is reflected in LTTS's continued investments and focused execution across vehicle engineering, software-defined mobility and electrification – positioning the company as a key enabler for next-generation mobility.

Sustainability

LTTS enables its clients across industries to accelerate the adoption of smart, sustainable and compliant processes that deliver measurable business value while advancing environmental and societal outcomes. Anchored in its deep expertise across discrete manufacturing and industrial products and process manufacturing, the company combines decades of ER&D excellence with strong IT-OT convergence and cross-domain capabilities to deliver scalable, future-ready solutions.

Leveraging its robust global delivery model and rapid adoption frameworks, LTTS supports enterprises in navigating increasing regulatory complexity, optimising resource efficiency and embedding sustainability across the value chain. This integrated approach enables clients to enhance operational resilience, reduce environmental impact and unlock new value streams in an evolving industrial landscape.

Aligned to a triple bottom line framework, the company focuses on enabling next-generation net-zero operations, driving transformation across key sustainability pillars, including clean water and sanitation, affordable and clean energy, sustainable industrialisation and infrastructure, responsible consumption and production, and climate action. Its comprehensive portfolio covers Project Engineering (brownfield and greenfield), Sustainable Manufacturing, Plant Modernisation and Automation,



Advancing software-defined endoscopy at LTTS Bengaluru

Digital and Smart Technologies, Product Engineering, Energy Transition, and Manufacturing Modernisation, combined with Alt+Shift platform-led solutions.

Tech

Amidst rising demand for complex software-driven products across an increasingly connected and high-performance device ecosystem, coupled with evolving regulatory requirements and heightened cybersecurity risks, LTTS enables global enterprises to design and deliver differentiated, secure and intelligent digital experiences.

Leveraging its deep expertise in AI and GenAI – supported by a robust intellectual property portfolio, including 237 patents – along with a proven track record of engineering excellence and cross-vertical capabilities, LTTS enables enterprises accelerate product innovation, minimise time-to-market, and optimise end-to-end product life-cycles with greater efficiency and reliability. The company serves leading organisations across Hi-Tech, MedTech and Software & Platforms.

LTTS engineers next-generation solutions across the entire product life-cycle, embedding AI-driven intelligence into engineering, operations and user experiences. The company's capabilities span silicon engineering, including SoC design, VLSI and AI/HPC systems; device engineering, covering end-to-end product development, embedded software and systems, and new product introduction (NPI) and derivatives; platform engineering, focused on data and

Gen AI-led intelligent platforms; and digital engineering, encompassing cloud, connectivity and cybersecurity for modern, connected enterprises. It also plays a key role in driving large-scale system integration and turnkey programme execution across software and systems, enabling scalable, secure and smart solutions.

Its integrated, platform-led approach positions LTTS as a strategic partner for enterprises navigating the convergence of software, hardware and AI in a rapidly evolving technology landscape.

Business Environment

The global ecosystem has witnessed heightened uncertainties, driven by continuing geopolitical stresses, persistent macroeconomic volatility and an evolving regulatory landscape. At the same time, enterprises are being called upon to contend with tightened cost structures, fragmented supply chains and an accelerated pace of technological disruption.

Despite these challenges, business momentum continues to be supported by structural tailwinds. With the global ER&D industry projected to grow at approximately 8-9% CAGR, engineering spend is expected to rise steadily across sectors, exceeding USD 2.5 trillion by 2030. This growth is driven primarily by continued momentum across software and allied services, telecommunications and semiconductors – highlighting a shift towards more software-defined, intelligent and connected products.

*LTTS Patent Wall*

The growing focus on digital engineering, AI and sustainability, especially across automotive, industrial products and high-tech sectors, is accelerating enterprise investment cycles. In Mobility, for instance, electric vehicles are expected to account for 25% of global automotive sales by 2030, signaling a fundamental transformation in product design and manufacturing ecosystems. Amidst these opportunities, India continues to strengthen its role as a global ER&D hub, with offshoring projected to grow at nearly 22% CAGR, driven by a deep pool of engineering talent, cost advantages and a rapidly maturing innovation ecosystem.

Within this evolving landscape, LTTS enters the year with a focused and future-ready strategy. The Company's "Pivot on Growth" and Lakshya framework prioritise expansion across future mobility, sustainable industrial operations and automation, alongside technology-led sectors including MedTech, software/platform engineering, digital engineering and semiconductors. These priorities are reinforced by cross-cutting capabilities in AI, embedded systems and Global Capability Centre (GCC) services, enabling scalable and integrated client engagements.

While the United States and Europe remain core markets, regions such as Japan, West Asia and India are emerging as important growth centres, driven by local innovation requirements and increasing investments in engineering capabilities.

The overall operating environment continues to remain complex, with emerging macroeconomic pressures, geopolitical uncertainties and increasing localisation of data and technology regulations shaping decision-making. Competitive intensity remains high, with ER&D spends becoming more distributed.

Major Achievements

During the year, LTTS sustained its momentum as large deal wins delivered an average TCV of ~ USD 200 million for six consecutive quarters. The company's position as an ER&D services leader was reaffirmed through its USD 100 million marquee deal with a US-based industrial equipment manufacturer catering in the semiconductor value chain. The company also closed a strategic partnership with a leading global energy major to be its engineering services and technology partner for its Digital Expertise Centre in India for about 500 engineers worth USD 75 million, two USD 50 million plus engagements, one over USD 40 million, and three projects valued at more than USD 30 million.

Key Deal Wins

Mobility

- LTTS secured a large multi-million-dollar engagement from a global luxury OEM, covering infotainment system engineering across multiple product domains, and assessment and assurance of telematics modules.



AR & VR Walkthrough

- An American manufacturer of off-highway equipment selected LTTS to set up a centre of excellence focusing on new product design, digital engineering, software and power electronics and manufacturing sustenance.
- A satellite technology company awarded LTTS a significant deal for software design, development and embedded engineering for airborne systems.

Sustainability

- A marquee USD 100 million plus, multi-year agreement, with a US-based industrial equipment manufacturer catering to the semiconductor value chain to support initiatives across new product development, sustenance engineering, value engineering and platform automation.
- A USD 75 Million plus strategic partnership with a leading global energy major to be its engineering services and technology partner for its Digital Expertise Centre in India for about 500 engineers.
- A USD 50 Million plus agreement with a Global Energy Major for enterprise data and digital services.
- A multi-year programme with a leading American LNG producer for detailed engineering for the client's liquefaction and export facility.

Tech

- A USD 60 million multi-year agreement with a US-based provider of wireless telecommunications services to deliver advanced network software development and application engineering solutions.

- A multi-year engagement with a leading global semiconductor platform provider to consolidate advanced lab support operations at a US campus. The engagement will enable streamlined validation, platform bring-up and post-silicon activities across multiple product lines.
- A leading scientific institution has awarded LTTS to provide an advanced AI-powered integrated ICT solution for fire-safety, IoT integration and smart automation.

Competitive Positioning

LTTS continues to strengthen its competitive edge in the ER&D services domain. The company's consistent financial performance and strategic initiatives have earned strong recognition from leading analysts and industry bodies.

LTTS has been recognised as a Horizon 3 Market Leader by HFS Research in both the Engineering Research and Development Service Providers 2025 assessment and the HFS Semiconductor Horizons 2025 report.

LTTS has also been rated as a Leader in Digital Engineering Services 2025 by Avasant and recognised among CII's Top 20 Most Innovative Companies.

These recognitions underscore LTTS's continued leadership as an ER&D industry bellwether.

At LTTS, AI continues to be integral across the end-to-end engineering and product life-cycle, including SDLC & PDLC, PLM, embedded, system engineering,



Engineers work in LTTS's Electrification & Prototype Center in Peoria, USA

manufacturing and industrial operations. The approach enables intelligent products, connected ecosystems and step-change productivity gains for clients across industries and geographies.

The company's competitive leadership is highlighted in its sustained strong momentum of large deal wins, delivering an average TCV of approximately USD 200 million across six consecutive quarters. This momentum underscores the sustained trust and confidence from its 400+ strong global clientele across industries and segments.

Innovation continues to be a key pillar of LTTS's differentiation. As of Q4 FY26, the company had filed 1,706 patents, including 237 in AI and Gen AI. Further strengthening its AI ecosystem, LTTS has announced partnerships with SiMa.ai and NVIDIA. The company is also advancing targeted internal R&D initiatives in Agentic AI – focusing on building autonomous systems that drive enhanced automation, enable intelligent operations and support decision-making across evolving engineering environments.

Significant Initiatives

The key initiatives launched by LTTS during the year include:

- A state-of-the-art Engineering Design Center in Plano, Texas, focusing on AI, digital manufacturing and cybersecurity

- ODC inaugurations in Vadodara, Mysore and Pune to support global clients with advanced engineering solutions, catering to industries like FMCG, energy and automation, and automotive
- Partnering with MIT Media Lab to drive AI-led innovations across Mobility, Sustainability and Tech – exploring transformative solutions like Agentic AI and sustainable systems redefining industry paradigms
- Collaborating with SiMa.ai to develop AI-driven solutions in mobility, healthcare and robotics
- LTTS, in association with ISG and CNBC-TV18, hosted the fourth edition of the Digital Engineering Awards in Boston, USA. The event saw 250+ nominations from 17 countries, spanning Physical AI, Digital Engineering, Sustainability
- The company showcased flagship Industrial AI and Digital Twin solutions including Lights-Out Factory for manufacturing and Lung Digital Twin platform for healthcare sector at the globally recognised NVIDIA GTC event in March 2026

Outlook

Amidst a dynamic and evolving global business environment, LTTS continues to leverage its proven expertise in engineering and digital innovation. With India strengthening its position as a global R&D hub, LTTS is well positioned to capitalise on expanding offshoring opportunities and rising domestic innovation-led investments.



LCC40 Connectivity Module, a compact cellular connectivity solution engineered for real-world IoT applications

Globally, LTTS continues to benefit from its diversified geographic presence, supported by increasing demand across from large-scale investments in energy, smart infrastructure and industrial transformation, particularly in the United States, Europe and Japan. The company's growth outlook remains balanced and resilient, supported by increasing engineering intensity across industries.

The operating environment, however, remains complex. Persistent macroeconomic uncertainties, geopolitical developments, evolving regulatory frameworks and supply chain realignments continue to influence enterprise spending and decision cycles. Additionally, rapid advancements in AI, software-defined systems and cybersecurity are reshaping client expectations, with intensifying competition from global ER&D players and GCCs. However, evolving talent dynamics – including wage inflation in niche digital capabilities and skill availability – may exert near-term pressures.

LTTS's global delivery model, offshore leverage and increasing adoption of automation and AI-led engineering are expected to enhance operational efficiency and sustain its competitive edge. Pivoting on EI, the company is well positioned to capture emerging opportunities driven by the accelerating shift towards software-defined products, electrification, sustainability and AI-led engineering.

L&T Semiconductor Technologies Limited

Overview

L&T Semiconductor Technologies Limited (LTSC), a wholly-owned subsidiary of Larsen & Toubro Limited, was established in November 2023 with a vision to build a globally competitive Indian semiconductor capability. LTSC aims to drive innovation across critical domains while strengthening the country's role in the global semiconductor value chain.

LTSC aspires to emerge as India's leading fabless semiconductor product organisation, delivering differentiated, high-performance solutions to customers worldwide. The platform-led, IP-driven business model ensures end-to-end ownership, faster innovation, and scalable, reusable IP generation.

LTSC's business is structured as six product-centric business units, aligned to Mobility, Industrial, Energy and Data Center sectors.

- **Power Delivery & Motion Control** — Enabling electrification and intelligent control through onboard chargers, safety ICs, smart actuators and edge controllers for automotive and industrial applications
- **Communication Solutions / RF** — Powering seamless connectivity through IoT modules, RFICs and secure



LTSC Testing Lab, Japan

silicon solutions, forming the backbone of connected automotive and industrial ecosystems

- **Power Conversion & Motor Drives** — Delivering high-efficiency power solutions including high-throughput USB-C charging, advanced power delivery systems and motor controllers for industrial systems such as HVAC and cooling infrastructure
- **High Power Products** — Driving compound semiconductor-based next-generation power architectures through advanced power modules, gate drivers, hot-swap controllers and DC-DC converters, enabling high-efficiency energy systems and hyperscale data center infrastructure
- **Automotive Compute** — Engineering intelligent mobility platforms with IVI systems, Cluster SoCs, ADAS and Vision SoCs, addressing the rapidly evolving landscape of software-defined and autonomous vehicles
- **Datacenter Compute** — Spearheading the development of custom AI ASICs and xPU platforms, purpose-built for sovereign AI and next-generation data center workloads — a rapidly advancing frontier within LTSC's portfolio

LTSC maintains a global commercial presence across India, the United States, Europe and Japan, with R&D and operations hubs in Bengaluru and Noida, supported by a supply chain ecosystem in Taiwan.

A state-of-the-art, certified testing laboratory and experience centre in Bengaluru reinforces LTSC's end-to-end

design-to-validation capabilities, while Japan is developing into a strategic hub for power module packaging.

The organisation is supported by 430+ professionals, including more than 300 semiconductor design experts across power, analog/mixed-signal, RF, compute and advanced packaging, along with a strong product management and sales function.

Business Environment

The global semiconductor industry is projected to reach ~USD 1 trillion by 2030, growing at a CAGR of 8-10%, driven by megatrends including AI, data centers, electrification, industrial automation and connectivity.

India is emerging as one of the fastest-growing semiconductor markets globally. The domestic market is expected to expand from ~USD 25-30 billion to USD 110 billion by 2030. With domestic manufacturing penetration at less than 10%, the expected growth presents a significant opportunity for indigenous, design-led semiconductor companies.

LTSC's product roadmap is strategically aligned to four high-growth domains:

Energy

The global power semiconductor market is expected to grow rapidly, supported by the expansion of renewable energy (RE), grid modernisation, increased deployment of



Semiconductor Testing Lab

energy storage system (ESS) and adoption of Wide Band Gap Semiconductors (SiC and GaN). Global RE capacity is projected to triple to ~11 TW by 2030, significantly accelerating demand for high-efficiency power conversion technologies.

LTSC's capabilities in High Power Products – including IGBT and SiC-based power modules, gate drivers, DC-DC converters – position the company to address critical applications such as solar inverters, battery energy storage systems and grid infrastructure, where efficiency, thermal performance and reliability are key differentiators.

Industrial & Consumer Electrification

The industrial semiconductor market, including power electronics and motor control segments is expanding at CAGR of 8-12%, driven by increased industrial automation, smart infrastructure development, HVAC growth and the electrification of appliances.

Global smart meter rollouts are gaining traction while the rapid adoption of BLDC motors across appliances, standardisation mandates for UAFX and USB-C interfaces, is generating large-scale semiconductor demand.

LTSC is addressing this opportunity through its portfolio of power conversion and motor drives communication modules (Industrial IoT), enabling high-volume, scalable deployment across both industrial and consumer ecosystems.

Mobility

The global automotive semiconductor market is projected to grow at CAGR of ~10-12%, driven by rapid EV adoption, ADAS proliferation and the transition towards software-defined vehicles (SDVs). Semiconductor content per vehicle is expected to increase by 2-3x in EVs compared to ICE vehicles, with premium vehicles having nearly USD 1,800 of semiconductor content per unit.

LTSC is well positioned to capitalise on this structural growth with a comprehensive portfolio spanning Automotive Compute (IVI, Cluster SoCs, ADAS), communication modules, power delivery solutions including onboard chargers, and SiC-based power modules for EV powertrains, enabling participation across the compute, connectivity and power layers of the automotive electronics stack.

Data Center & AI

The data center and AI semiconductor market is among the fastest growing segments, projected to expand from ~USD 50-70 billion in 2023 to ~USD 250-300 billion by 2030, driven by hyperscaler capital expenditure, generative AI workloads and sovereign AI initiatives. Global data center investments are expected to exceed USD 300 billion annually by the end of the decade.

LTSC is building a strong position through its data center compute portfolio (including custom ASICs and xPU

*LTSC Experience Centre*

platforms for sovereign AI workloads), complemented by power delivery solutions such as point-of-load (POL) converters and hot-swap controllers, enabling participation across both compute and power infrastructure layers of next-generation AI data centers.

Major Achievements

FY 2025-26 was a pivotal year for LTSC, marked by its transition from a development stage organisation to a commercially active semiconductor company with a growing market presence. The year's achievements reflect LTSC's evolution into a product driven enterprise, establishing a solid foundation for sustainable growth and stronger customer relationships.

During the year, LTSC achieved several important milestones that underscored this transition and strengthened its commercial and operational positioning, including the following:

- First commercial product shipments were made by the delivery of power modules to a leading Japanese customer, signalling the company's formal entry into product operations
- This was complemented by the onboarding of strategic design service engagements with a U.S.-based power electronics company, further strengthening its global customer base

- LTSC also secured landmark development and supply agreements across key sectors. These included the award of a Camera System-on-Chip (SoC) programme with a leading domestic industry player and a SiC-based power module solution for an RE company demonstrating the company's growing relevance across industrial and energy applications
- Launched Communication Modules SAC20 and LCC40, designed for two-wheeler automotive applications and industrial use cases such as smart meters and POS systems, respectively
- In parallel, the company continued to build a robust global proposal pipeline, with multiple opportunities progressing through advanced stages of technical and commercial evaluation — reflecting early market validation of its product roadmap and increasing customer confidence
- On the ecosystem front, LTSC strengthened its long-term execution capabilities through strategic partnerships and enhanced supply chain alignment

Product Development

- Demonstrated USB-C charging solution to key customers, receiving positive validation, with production deployment underway through ecosystem partners — marking a significant step towards scalable adoption in power delivery applications



LTSC T serves the Energy, Industrial, Data Center & AI and Mobility sectors

- Development of power modules for applications such as HVAC and Industrial Robotics Systems, leveraging capabilities augmented through the acquisition of power module technology from Fujitsu General Electronics
- LTSC T acquired Fujitsu's power module technology, adding qualified products and advanced packaging expertise, significantly reducing time to market for high power applications

Technology Initiatives and Collaborations

Reinforcing its position as a key contributor to India's semiconductor and digital infrastructure ambitions, LTSC T advanced multiple strategic collaborations during the year.

- Formed a co-development partnership with HYS for SiC wafers reinforcing LTSC T's position in high-power semiconductor technologies
- Collaboration agreement with Andes Technology for the deployment of RISC-V processor platforms marking a key step towards building in-house compute capabilities and IP ownership
- Partnership with BharatGen for the creation of sovereign AI infrastructure aligned with sector-specific workloads and LTSC T's custom AI silicon vision
- Recognised as India's first UID-certified semiconductor company, enabling trusted, identity-linked solutions for critical applications

Outlook

Operating within a complex, globally interdependent fabless semiconductor ecosystem, LTSC T is building a resilient, execution-focused operating model to address supply chain dependencies, long product development cycles and geopolitical risks, while maintaining speed and scalability.

The company follows an application-led strategy, leveraging strong engineering talent to deliver energy-efficient solutions across Mobility, Industrial, Energy and Data Center markets. Its execution-first technology roadmap prioritises mature nodes for faster commercialisation, supported by IP-led growth through partnerships, targeted acquisitions and early customer co-development to reduce execution and adoption risks.

A diversified, multi-geography supply chain strategy underpins operational resilience, while investments in AI-enabled design, EDA automation and sovereign AI platforms — supported by strong governance, cybersecurity and financial risk management frameworks — position LTSC T for sustainable, future-ready growth.

LTSC T enters FY 2026-27 with strong operational momentum, a well-defined product execution roadmap and a favourable market tailwind, supported by a combination of India-anchored talent, government policy alignment and an expanding global customer reach. LTSC T remains focused on realising its ambition to become India's premier fabless semiconductor product company and a significant participant in the global semiconductor value chain.



L&T EduTech, Building value for learners, academia and industry

L&T EduTech

Overview

L&T EduTech is an education technology initiative of the Company that delivers industry-aligned, application-oriented learning and skill development solutions for students pursuing higher education and working professionals. The business partners with universities, colleges, corporates, channel partners and government agencies to help bridge the skill gap between academia and industry.

Leveraging the Group's domain expertise, L&T EduTech offers scalable hybrid education models across core engineering and IT disciplines. The company provides integrated learning, assessment and certification solutions through its proprietary digital platforms, enabling learner-centric and outcome-driven education experiences.

L&T EduTech's offerings are supported by a digital backbone comprising a Learning Management System (LMS), AI-enabled practice and lab environments, auto-proctored assessment engines, and recruitment and certification platforms.

The three major verticals of L&T EduTech are as follows:

College Connect

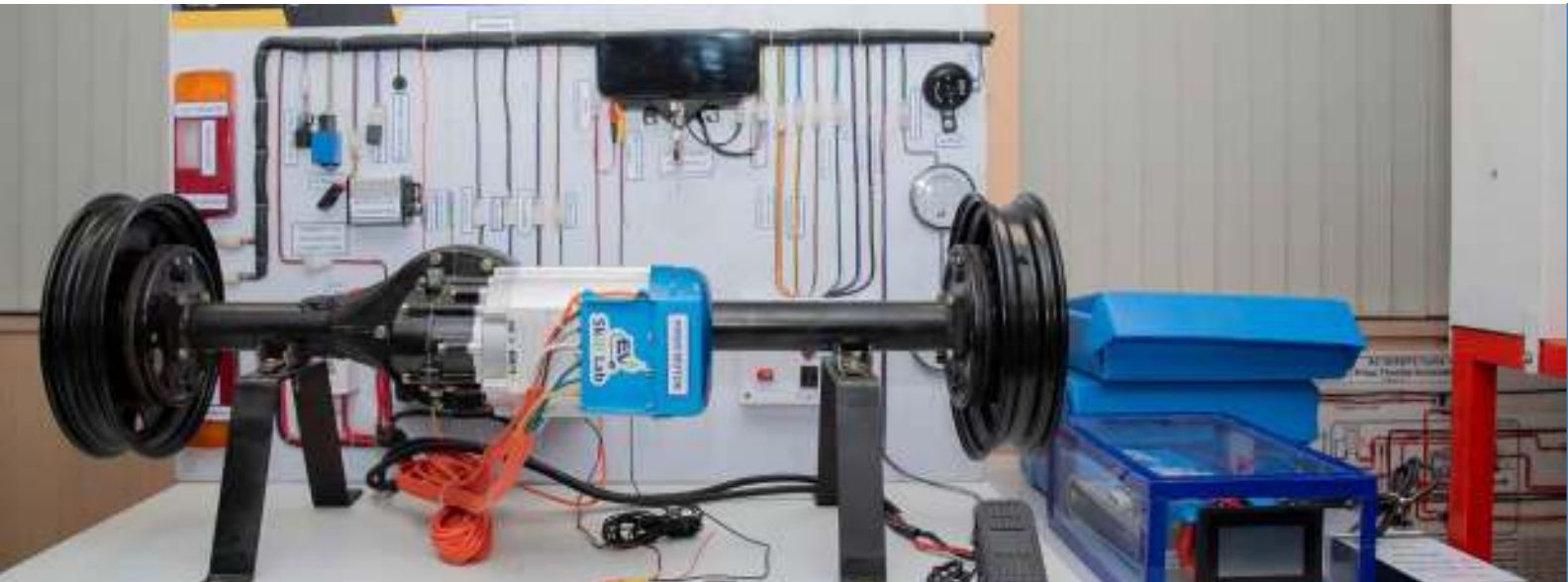
The College Connect vertical focuses on transforming higher education by delivering industry-led and application-oriented academic programmes. It offers specialised -skill-based learning and assessment solutions and delivers curriculum-integrated multidisciplinary programmes aligned with the National Education Policy 2020 (NEP 2020), which emphasises holistic, multidisciplinary and skill-based education. Faculty development, industry immersion and experiential learning programmes are also provided by this vertical.

These programmes are designed to improve graduate employability and learning outcomes by embedding real-world industry relevance within academic curricula.

Enterprise Skilling

The Enterprise Skilling vertical provides upskilling and reskilling solutions for entry-level to mid-career professionals across core engineering and IT domains. These offerings help organisations build future-ready talent at scale through:

- Structured, role-aligned skilling programmes featuring hands-on practice labs, guided problem-solving, and real-world, industry-relevant projects



L&T EduTech EV Skill Lab

- Auto-evaluated assessments and analytics to continuously track skill acquisition, competency progression and learning outcomes
- Integrated talent development programmes tailored for enterprises, seamlessly aligning workforce capabilities with business objectives

The vertical supports workforce transformation initiatives for corporates across multiple sectors.

Assessment & Certification

The Assessment & Certification vertical focuses on evaluating skills for future employability and workforce readiness. It offers skill assessments for fresh graduates that are endorsed by corporates and provides certifications aligned with industry standards. The business also delivers large scale, secure and AI enabled assessment services for academic institutions, corporate clients and government organisations.

Business Environment

India's ed-tech sector continues to expand, driven by increased digital adoption, government-led skilling initiatives and growing industry demand for job-ready talent. Hybrid learning models, automation and AI-led personalisation are reshaping higher education and enterprise training ecosystems.

Key opportunity drivers include an increasing focus on skill based hiring over traditional degree based credentials, growth in digital and blended learning adoption, rising demand for scalable assessments and certifications, and strong government led skilling and vocational initiatives.

These trends position L&T EduTech favourably to scale its integrated learning and assessment offerings.

Major Achievements

- The higher education user interface was upgraded with a mobile-first design, enhanced engagement dashboards and leaderboards
- Real-time AI-based coding guidance was implemented on the SOLVE platform to enhance learner practice outcomes
- An Electric Vehicle & Emerging Technology Experience Hub was launched at the Chennai headquarters
- The AI Lab was launched as a new offering by integrating the SOLVE platform with LMS at Shri Ramswaroop Memorial University in Lucknow, Uttar Pradesh
- AI-led platform upgrades were deployed, including smart proctoring, assisted interviews, an AI question generator and Individual Development Plans (IDPs)
- Integrated academic programmes were expanded to more than 60 institutional customers nationwide



B2B E-COMMERCE PLATFORM

*For industrial and
construction products.*

L&T-SuFin, India's first online business platform for industrial and construction products, integrated with finance and logistics options

- Phases 7 and 8 under the Naam Mudhalvan scheme were delivered to more than 7,500 learners
- The Tamil Nadu Directorate of Employment and Training (TN DET) vocational skilling programme was executed for approximately 10,000 construction workers
- L&T EduTech achieved NEBOSH Gold Learning Partner certification for safety programmes

Outlook

The outlook for FY 2026-27 and beyond remains positive, supported by rapid growth in skill based education and hiring, rising demand for skilling in AI, data science, cybersecurity and emerging technologies, and continued government focus on education and skilling reforms. Key policy and programme enablers include the NEP 2020, the Pradhan Mantri Kaushal Vikas Yojana and the Digital India initiative.

With strong institutional partnerships, a diversified product portfolio and continuous platform innovation, L&T EduTech is well positioned for sustained growth and scalability in the medium-term.

L&T-SuFin

L&T-SuFin is a B2B digital marketplace platform. The platform, launched in March 2022, enables buyers and sellers dealing in industrial and construction goods to connect in an efficient and transparent manner. The platform allows sellers to expand their sales reach and buyers to find the right products at an optimal cost and quality. The platform offers a wide product range including industrial supplies and consumables, building and construction materials, electrical and electronics equipment, machinery and mechanical equipment, packaging, printing and office supplies, and more.

The domestic B2B e-commerce market in India is witnessing rapid expansion, with the market expected to reach over USD 200 billion by 2030. Growth is driven by global supply chain realignments, including the 'China Plus One' strategy, increasing SME digitalisation, and India's emergence as a key global manufacturing and consumption hub.

L&T-SuFin operates as a one-stop shop from discovery to delivery. The strategy hinges on three pillars:

- **Discovery:** Enabling buyers to discover suppliers, products and competitive pricing, while providing sellers with expanded market reach through a seamless digital interface accessible via web and mobile applications



L&T-SuFin Mobile App and Buyer App

- **Financing:** Offering secured and unsecured working capital solutions to MSMEs through partner NBFCs and banks and thereby bridging trade credit gaps
- **Counterparty Trust:** Reducing counterparty risk and expanding market reach through a proprietary AI driven due diligence model that awards a 'Trust Seal' to buyers and sellers

L&T-SuFin has catalogued over 8 lakh stock keeping units (SKUs) across 51 product categories that address the needs of the industrial and construction sectors. The business has onboarded 70,000+ buyers and sellers on to the platform. Further, the business has crossed Gross Merchandise Value (GMV) of ₹ 8,000 crore in FY 2025-26.

During the year, the business has expanded its category coverage, strengthened financing offerings and introduced new avenues of income, such as Fabrication as a Service (FaaS) and services for large corporates. The company recorded strong growth, with GMV more than doubling, driven by financing-led transactions, seamless technology integration across buyers, sellers and relationship managers (RMs) through applications, and expanded supplier participation.

The business has undertaken several initiatives to catalyse growth and support further scaling including:

- Scaling assisted digital commerce through a call centre-led model, resulting in higher, improved customer acquisition and better conversion rates

- Launch of the RM application, enabling seamless stakeholder management and enhancing field force productivity and operational efficiency
- Expansion into high-growth categories such as solar and accessories, unlocking new business opportunities and deeper penetration into Tier II and Tier III markets
- Launching of servicing for corporate customers, addressing supply chain constraints for large OEMs

With a view to providing focused attention to the e-commerce platform, previously operated as a division within L&T, the business has been carved out into 'SuFin Limited', a wholly-owned subsidiary of L&T, with effect from April 1, 2026.

In FY 2026-27, the business plans to scale GMV, driven by increased traction across both SME and institutional segments, supported by deeper market penetration and customer acquisition.

The business expects margin accretion by increasing the contribution of higher-margin product segments such as the sale of own and partner brands and FaaS, the expansion of the call centre-led digital commerce model, and the growth in secured financing offerings.



Hyperscale Data Center, Sriperumbudur, Tamil Nadu

Data Center and Cloud Services Business

Overview

The Company's Data Center and Cloud Services business, branded Larsen & Toubro Vyoma, provides colocation, cloud infrastructure, AI-ready compute and managed services. Operations are supported by high-density, AI-ready data centers designed to meet stringent requirements for availability, security, energy efficiency and compliance with applicable regulatory standards.

Larsen & Toubro Vyoma is focused on developing a sovereign digital infrastructure platform in India, spanning hyperscale-grade data centers, cloud infrastructure and GPU-based AI solutions. Its facilities are designed using architectures comparable to global hyperscalers, with configurations aligned to platform-specific workloads.

The business emphasises data sovereignty, scalability and cost efficiency, supported by targeted investments in technology platforms, infrastructure and human capital. Competitive positioning remains dependent on execution capabilities, operational reliability and disciplined capital allocation. The business also offers GPU-based cloud services for AI, deep learning and high-performance computing workloads, with utilisation and returns influenced by customer adoption and competitive pricing conditions.

Business Environment

India's data center and cloud market continues to expand, supported by digital adoption, enterprise digitalisation, migration of workloads to cloud platforms and increasing deployment of AI-enabled applications. Demand is further shaped by AI, IoT and 5G-driven use cases, alongside a growing emphasis on sustainability and energy efficiency.

Overall domestic data center capacity is expected to increase over the medium-term, led by investments from hyperscalers and domestic participants. The growth of GPU-intensive workloads is driving demand for facilities with higher power density and advanced cooling solutions. Industry development is influenced by data localisation requirements, power and network availability, and integration of renewable energy (RE) sources, while project execution remains subject to regulatory approvals and broader infrastructure-related constraints.

Competitive Positioning

Larsen & Toubro Vyoma continues to expand its presence through phased capacity creation, partnerships and capability enhancement, leveraging the Company's engineering and project execution strengths and integrating RE solutions.

During 2024, business commenced colocation operations with the commissioning of the Panvel Data Center (2 MW). In FY 2025-26, 24 MW of the planned 30 MW at the Chennai Data Center has been commissioned, with the remaining 6 MW at an advanced stage of commissioning.



High-density AI-optimised Racks at Larsen & Toubro Vyoma's Data Center

The facility is designed to support higher-density, AI-ready workloads, including GPU-based applications. Customer onboarding is underway, with utilisation expected to ramp up progressively.

By combining complementary capabilities, the partnership with E2E Networks supports the development of a cloud ecosystem aligned with India's 'Make in India' vision, enabling production-grade traditional CPU workloads and GPU-led GenAI innovation within the country.

Strategic Business Plan

As of FY 2025-26, Larsen & Toubro Vyoma's operational capacity stood at 26 MW across Chennai and Panvel. The company is developing a 36 MW AI-ready green data center at Mahape, Navi Mumbai, scalable up to 100 MW over the next three years. The project is aligned with the Company's

sustainability objectives and long-term digital infrastructure plans and remains subject to statutory approvals, power availability and other applicable conditions. The company's India expansion possibilities include Gujarat, Visakhapatnam, Bengaluru, Hyderabad and Chennai.

During the year, the business launched its Sovereign Cloud Platform, positioned to address enterprise and public sector requirements relating to data sovereignty, regulatory compliance and secure AI adoption. The platform has been developed through ecosystem partnerships and investments in GPU and AI infrastructure.

The business is progressing towards an integrated digital infrastructure and services model encompassing AI solutions, GPU and CPU cloud services, private and public cloud, and hyperscale-grade data centers. Future expansion will be guided by demand trends, competitive intensity, capital allocation discipline and operational performance.



Sovereign, hyperscale-ready infrastructure engineered for the AI-driven economy

Outlook

The Indian data center sector is expected to grow from its current size of approximately USD 10 billion to around USD 22 billion by 2030, with installed capacity increasing from about 1.7 GW to an estimated 4-5 GW over the same period. With the accelerated adoption of AI and sovereign cloud initiatives, total capacity requirements are expected to rise further to approximately 9-10 GW by 2030. Key markets such as Mumbai, Chennai, Hyderabad and Bengaluru are expected to remain primary hubs, supported by infrastructure readiness, power availability and network connectivity.

Government initiatives promoting data localisation, together with sustained growth in digital services, are expected to continue supporting demand over the medium- to long-term.

Increasing focus on green data centers, higher rack densities and power-intensive AI workloads are expected to intensify the emphasis on reliable power sourcing, energy efficiency and effective cost management across the sector. In this context, Larsen & Toubro Vyoma's end-to-end digital infrastructure approach – with strong focus on sovereignty, performance and efficiency - is expected to support its participation in the evolving AI infrastructure landscape.

FINANCIAL SERVICES SEGMENT



Farm Equipment Finance

Overview

L&T Finance Limited (LTF) is a premier Upper Layer Non-Banking Financial Corporation (NBFC), rated 'AAA' (Domestic) and 'BBB' (International), operating as a risk-first, tech-first diversified retail financier. LTF serves a vast franchise of 2.8 crore+ customers across India's rural and urban landscapes.

The company has achieved a Retailisation of 98%, with a retail loan book of over ₹ 1,19,500 crore, diversified across rural and urban products. The company's key businesses are divided into Rural Business Finance, Farmer Finance, Urban Finance, SME Finance and Gold Finance.

Rural Business Finance

In a year marked by significant industry-wide headwinds, LTF's Rural Group Loans and Microfinance franchise remained resilient. While select segments of the sector faced elevated leverage, the company's prudent sourcing and vigilant monitoring enabled it to maintain one of the lowest credit costs in the industry.

The microfinance landscape witnessed a contraction in FY 2025-26, with overall portfolio declining by 16% (falling from ₹ 3.8 lakh crore to ₹ 3.2 lakh crore) and the active customer base reducing from 8.9 crore to 7.7 crore. Against this backdrop, LTF outperformed the industry, delivering strong portfolio growth from ₹ 25,838 crore in FY 2024-25 to ₹ 29,367 crore in FY 2025-26, representing a healthy 14% rise.

The outperformance was driven by stringent sourcing guardrails and a data-backed underwriting framework. A sustained focus on prudent sourcing and rigorous portfolio monitoring ensured that the company maintained one of the lowest credit costs in the sector, supported by collection efficiency of 99.8% and a 0-DPD (Days Past Due) book of 96.4%.

Looking ahead to FY 2026-27, LTF is well positioned to sustain this momentum through expansion into under-penetrated geographies. In the latter part of FY 2026-27, the company plans to deploy its advanced portfolio management engine – 'Project Nostradamus' - that leverages cutting-edge data analytics to enable granular portfolio monitoring and enhance predictive risk management.

Micro Loan Against Property (Micro LAP)

Leveraging its deep rural expertise, LTF has scaled Micro LAP into a secured, high margin business that is a key driver of asset growth. In FY 2025-26, the segment achieved a key milestone, with the loan book expanding to over ₹ 1,400 crore from ₹ 482 crore in FY 2024-25. This momentum was supported by a network of 260+ branches, which also provides a strong foundation for growth in FY 2026-27. LTF also aims to further accelerate this trajectory by deepening market penetration and expanding into new high-potential geographies.



Two-wheeler Finance

Farmer Finance

In FY 2025-26, LTF delivered strong performance in the Farm Equipment Finance segment, supported by a favourable macroeconomic environment. The reduction in GST on tractors from 18% to 5% lowered acquisition costs, incentivising farmers to accelerate mechanisation. This tailwind propelled industry growth by approximately 23%, with volumes rising from 9.4 lakh to 11.6 lakh units.

LTF in turn achieved a historic milestone by financing ~1.11 lakh units, up from 95,000 units in FY 2024-25 converting to a loan book of ~₹ 11,600 crore for FY 2025-26, growth of 11% y-o-y. This performance was driven by process digitalisation through an in-house employee-assisted application, supported by a rule-based underwriting engine for loan appraisal and full-scale implementation of 'Project Cyclops'. In addition, upstream integration into the dealer ecosystem was achieved through the launch of 'Partner PLANET' application, enhancing real-time trade advances and improving dealer retention.

As the Project Cyclops-underwritten portfolio matures in FY 2026-27, the company anticipates further asset quality improvement and a strengthened growth momentum within the Farmer Finance business.

Urban Finance

• Two-wheeler Finance

The Two-wheeler industry witnessed strong momentum in FY 2025-26, with annual retail sales growing 12% to reach 2.1 crore units. This was bolstered by the reduction in GST on two-wheelers, which resulted in a 20% y-o-y surge during the Oct-Nov 2025 festive window, with sales totaling 57 lakh units.

LTF capitalised on the increase in demand through a strategic shift towards prime customers and the expansion of its distribution footprint. Consequently, the prime disbursement mix increased to 90% in March 2026, while the share of prime assets in the overall portfolio mix rose to 76% in FY 2025-26 (previous year 54%).

The implementation of Project Cyclops, the new three-dimensional underwriting engine, has led to drastic reduction of 0-DPD bounce rates on the entire portfolio by over 6% and Project Cyclops-underwritten portfolio by over 12%. The Project Cyclops-underwritten portfolio comprises around 76% of the overall portfolio.

Coupled with the full-scale implementation of Project Nostradamus, our AI-driven portfolio management engine, these technological advancements optimised risk control and powered a robust 17% y-o-y growth in the loan book to ₹ 14,400 crore.



Micro Loans

• **Retail Housing**

The Indian mortgage market reached a milestone of ₹ 58 lakh crore during the year, recording a 13% y-o-y. Despite global headwinds and rising costs, the sector witnessed a 16% increase in absorption value, driven largely by a shift towards premiumisation and the luxury housing segment.

LTF has expanded its reach into semi-urban markets, increasing its physical footprint to a total of 42 main branches and 19 newly established spoke branches. Aided by this expansion, the company delivered a 20% y-o-y growth, closing the year with a loan book of over ₹ 30,000 crore and disbursements of over ₹ 11,500 crore.

While the home loans segment has seen a steady growth of 11%, with disbursements crossing ₹ 7,600 crore during the year, the LAP segment sustained its growth momentum, registering a 44% y-o-y increase to ~₹ 3,900 crore.

• **Personal Loans**

The personal loan industry reached approximately ₹ 15.9 lakh crore in FY 2025-26, registering an 11% y-o-y growth, primarily driven by high-ticket disbursements.

LTF has focused towards large digital partnerships, prioritising these channels over traditional routes, and expanded its ecosystem through the addition of Google Pay and SuperMoney. This strategic shift is designed to strengthen the salaried, near-prime customer profile.

As a result, the loan book expanded to over ₹ 14,600 crore, registering a 70% y-o-y growth.

• **SME Finance**

The Micro, Small and Medium Enterprise (MSME) sector continues to be a cornerstone of India's economy.

LTF's growth was driven by the expansion of its physical presence to over 100 new locations, in addition to its existing network of 118 branches, the scaling up of its direct sales team and the launch of the Partially Collateralised Business Loan (PCBL) programme. The PCBL offering has been specifically designed to address customer borrowing needs through more efficient capital structuring.

Furthermore, Project Cyclops marked a significant milestone in transforming LTF's credit assessment framework by enhancing consistency and accuracy in decision-making. Alongside Project Cyclops was 'Project Helios' – an AI-driven assistant that was launched to enhance the speed, accuracy and efficiency of SME credit decisions.

These initiatives have contributed to the loan book scaling to over ₹ 8,500 crore in FY 2025-26 from ~₹ 6,500 crore in FY 2024-25. LTF disbursed ₹ 6,100 crore during the year, a 23% increase over the previous year.



Home Loans

Gold Finance

LTF has significantly strengthened its retail portfolio through the acquisition of Paul Merchants Finance's gold loan business. This acquisition brought in over 130 branches, approximately 700 employees, and a book valued at ~₹ 1,300 crore.

The gold loan vertical is now a core component of LTF's diversified retail franchise, serving as a high-yield secured product within its asset portfolio. Strategically, it is expected to evolve into a key cross-sell tool leveraging LTF's existing customer base across Rural Group Loans and Microfinance, Two-wheeler and Farm Equipment Finance.

Since the acquisition, LTF has added 200 new branches — focusing on high-potential areas, bringing its total distribution network to more than 330 gold loan branches.

By balancing its presence across both rural and urban markets, the company aims to turn the gold loan business into a significant driver of long-term retail growth.

Business Environment

The global economy in 2025 navigated a landscape defined by divergent growth paths and a fundamental reordering of trade priorities. One of the most significant disruptions during the year was the sharp escalation in tariff rates to levels unseen in over a century. Against this backdrop, global growth is estimated to have slowed to 3.0% in 2025, down from the 3.3% seen in 2024.

Despite an increasingly fragmented trade environment, the Indian economy demonstrated remarkable resilience through FY 2025-26 supported by private consumption, a robust manufacturing sector and sustained capital expenditure by the government. As per the second advance estimates, India's real GDP growth for FY 2025-26 is estimated at 7.6%, surpassing previous projections. The economy showed strong momentum through the first three quarters of FY 2025-26, with a slight moderation expected in the final quarter due to the conflict in West Asia and a high base effect.

Headline inflation declined to an average of ~2.1% for FY 2025-26 (vs. 4.6% in FY 2024-25), driven by a prolonged nine-month decline in food prices. The RBI delivered one of the sharpest easing cycles in recent history, cutting policy rates by 1.25% from February 2025 to December 2025, signalling its commitment to sustaining domestic demand amid increasing global uncertainty.

In 2025, S&P upgraded India's long-term sovereign credit rating to 'BBB' from 'BBB-' and its short-term rating to 'A-2' from 'A-3', with a Stable outlook. This marked the country's first sovereign upgrade by S&P in 18 years.

The implementation of GST 2.0 reform in September 2025 resulted in the streamlining of India's previously complex indirect tax rate structure. Early data from 2026 suggest that this rationalisation has successfully balanced the scales: reducing the compliance burden for small businesses and cooling inflation, while simultaneously driving record-high monthly collections through increased volumes.



Personal Loans

Major Achievements

L&T Finance International Ratings – at par with India’s Sovereign Rating

Rating Agency	Long-term / Short-term Rating of LTF
S&P Global Ratings (S&P)	BBB / Stable / A-2
Fitch Ratings (Fitch)	BBB- / Stable

The long-term ratings are investment-grade and at par with India’s sovereign credit rating. These ratings enable the company to tap global capital markets, diversify its liability franchise and further broaden its investor base.

Strategic tie-ups with large technology partners

Continuing its focus on innovation, seamless digital experiences and ecosystem partnerships, LTF entered into strategic collaborations with Google and SuperMoney to develop next-generation credit solutions. These partnerships build on the successful rollout of earlier alliances with platforms such as Amazon Pay, CRED and PhonePe. Together, these initiatives are expected to enhance market penetration, accelerate new customer acquisition and enable faster business scaling.

R.AI.S.E 2025 – Improving and projecting LTF’s tech quotient through RAISE’25 & Investor Digital Day

LTF successfully concluded the second edition of its flagship BFSI-AI event, RAISE 2025, on November 7, 2025 in Mumbai.

With the theme ‘Accelerating Financial Services with AI’, the conclave served as a premier platform to showcase LTF’s digital transformation and its vision of becoming a ‘risk-first, tech-first’ multi-product retail financier.

The event attracted over 4,500 attendees and featured a marquee line-up of 40 national and international speakers, including technology leaders, policymakers and industry practitioners. A major highlight was the introduction of ‘Pitch Point’, an AI startup pitch platform designed to cultivate and incubate the fintech AI entrepreneur ecosystem.

The Investor Digital Day, held on the sidelines of RAISE on November 6, 2025, provided a deep dive into LTF’s proprietary technology AI stack, including Project Cyclops and Project Nostradamus.

RAISE 2025 has reinforced LTF’s position as a magnet for top-tier technology talent and a pioneer in the application of Generative and Agentic AI within the financial services sector.

Project Cyclops & Project Nostradamus

L&T Finance has transformed its credit framework through a proprietary AI-led technology stack. Project Cyclops, a next-generation underwriting engine, now powers 100% of Two-wheeler, Farm, Personal Loans and SME disbursements, significantly reducing Net Non-Starter (NNS). Complementing this, Project Nostradamus was



Gold Loans

launched in Beta in August 2025 as an industry-first portfolio management engine, providing real-time insights down to micro-market clusters. To further augment human decision-making, LTF introduced two 'Agentic AI' co-pilots:

- **Project Helios** - an underwriting assistant that reduced SME disbursement turnaround time by 30%, saving 1.5 hours per case
- **Project Orion** - a conversational interface for Nostradamus, allowing credit teams to query complex delinquency and vintage data in real-time. These initiatives aim to drive significant credit cost reduction

Significant Initiatives

Foray into Gold Financing

L&T Finance entered the gold loan financing business through acquisition of the gold loan business from Paul Merchants Finance. The business acquired comprised 130+ branches, ~700 employees and ~₹ 1,300 crore of loan book.

The integration of technology and people was completed within a short time-frame of eight weeks, which significantly reduced time-to-market while ensuring business continuity and minimal disruption for customers and employees.

Sampoorna Branch

Central to this strategy is the integration of select Gold Finance branches into the multi-product 'Sampoorna' branch network. LTF inaugurated its first Sampoorna

branch in Ujjain, thereby creating a comprehensive service ecosystem for its customers. To date, 11 of the newly established gold loan branches operate under the Sampoorna branch format.

Risk Management

Credit Risk

Management of credit risk, encompassing transactional (default) and portfolio (intrinsic and concentration) risks, is central to company's strategy. LTF has adopted a pragmatic, data-first framework to ensure that every financing opportunity is aligned with its risk-return objectives.

Project Cyclops: AI-Driven Precision

The centerpiece of LTF's credit evolution is Project Cyclops, a proprietary AI-driven digital credit engine. Leveraging advanced machine learning and big data analytics, Project Cyclops has streamlined the entire credit life-cycle — from origination, underwriting to continuous portfolio monitoring. The platform integrates alternative data sources, including account aggregator data and bureau insights, enabling swift credit decisioning, prime onboarding and strategic shifting.

Project Nostradamus: Early Warning Intelligence

To complement Project Cyclops, LTF has deployed Project Nostradamus, an advanced Early Warning Signals (EWS) engine. Operating at both macro and micro levels,



Business Loans

Project Nostradamus analyses behavioural patterns and macroeconomic variables to identify credit stress ahead of defaults. LTF's in-house economic team tracks multiple macroeconomic variables, to proactively steer the portfolio away from potential headwinds. Further, the company has established benchmark vintage thresholds based on budgeted credit costs, enabling close monitoring of the portfolio and timely corrective actions.

Operational and Model Risk

• Operational Risk

Operational Risk is a 'process and people risk' that LTF manages through rigorous internal controls. The internal controls deployed utilise a Risk and Control Matrix (RCM) approach to identify and assess risk across customer onboarding, business operations and collections.

Every new product or feature modification undergoes a strict approval process via the Product and Process Approval Group (PAG). To mitigate 'People Risk' — including human error or fraud — the Operational Risk department periodically updates Standard Operating Procedures (SOPs).

• Model Risk

As reliance on algorithms-driven decision-making increases, LTF has instituted a dedicated Model Risk Management framework. Currently, models are deployed across key areas including credit risk management, collection decisions, market risk management and financial reporting.

To govern model risk, a Board-approved Model Risk Management Policy and Model Risk Management Committee were established in FY 2023-24. Under the oversight of this specialised committee, models are reviewed at every stage — development, active use and retirement — to mitigate the risk of inaccuracies in risk assessment. All models underlying Project Cyclops and Project Nostradamus undergo rigorous validation prior to implementation and are subject to periodic monitoring thereafter.

IT Security Risk

In an increasingly digital landscape, protecting IT assets is paramount. The Information Security (Infosec) team at LTF secures business applications through 'Security by Design' and 'Zero Trust model' with ethical hacking and 24/7 monitoring.

The Information Technology Strategy Committee (ITSC), comprising Board members, oversees LTF's security posture. The company holds an ISO 27001:2022 certification, ensuring that the Information Security Management System (ISMS) meets international standards. Our digital platform features a 3-tier Security Architecture with in-built disaster recovery to protect against ransomware, malware and data leakage. A monthly security dashboard meeting reviews the company's IT security posture across infrastructure, applications, governance, data security and business resilience.



Home Loans

Liquidity Risk

Heightened uncertainty fuelled by shifting global trade dynamics and evolving geopolitical conflicts has increased volatility in funding markets. Consequently, the need to proactively manage liquidity risk — defined as the risk of possessing insufficient liquid assets to meet financial obligations — has never been more critical.

Throughout FY 2025-26, LTF demonstrated robust liquidity risk management, maintaining positive cumulative gaps consistently within the structural liquidity statement for all buckets up to one year.

ESG, Climate and Geopolitical Risks

LTF is a pioneer in integrating emerging risks into its core financial strategy. We recognise that climate change can manifest as operational interruptions or altered asset values.

- **Climate Integration:** The company undertakes detailed analyses of key variables, such as rainfall deviation and reservoir storage capacity, to manage risks primarily within the Rural Business and Farmer Finance portfolios. Climate risk considerations are now embedded in decision-making protocols and periodic portfolio assessments.

- **ESG and ICAAP:** In compliance with RBI directives, LTF has established an Internal Capital Adequacy Assessment Process (ICAAP) that formally incorporates ESG risks.
- **Geopolitical Risk Monitoring Vigilance:** The company actively tracks geopolitical and economic developments to adjust strategies and protect collections at risk.

Outlook

The global economy had been on course for stronger-than-expected growth before the disruption in West Asia started in February 2026. The uncertainty surrounding the duration and magnitude of this disruption will test the resilience of the global economy.

India's GDP is expected to grow at 6.9% in FY 2026-27 driven by strong private consumption, a modest recovery in private investment and robust export performance. However, downside risks to the outlook could emanate from the Gulf conflict. Inflation is projected to rise to 4.3% in FY 2026-27 as it normalises from low levels, with the RBI likely to keep interest rates unchanged while maintaining a neutral stance.

India's financial system recorded steady credit expansion, low asset quality stress and evolving regulatory measures in FY 2025-26. Incremental bank credit growth for FY 2025-26 is estimated at ~₹ 26 lakh crore, representing a ~14.5% y-o-y expansion.



Micro Loans

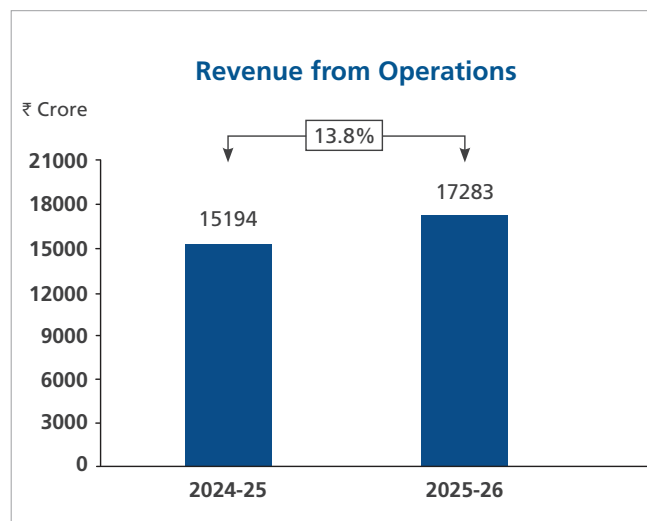
As per the RBI's December 2025 Financial Stability Report, the Indian banking system is robust and resilient, boasting multi-decadal low Gross Non-Performing Assets (GNPA) ratio of 2.1%. Capital buffers are strong, with scheduled commercial banks (SCBs) well positioned to handle financial shocks. The RBI sees the NBFC sector as being stable, showing strong capital buffers, robust earnings, and improving asset quality.

The RBI has, however, flagged specific areas that require vigilance. Unsecured loans (including personal loans, credit cards) accounted for 53.1% of all retail loan slippages. The RBI noted that private banks are particularly exposed, with 76% of fresh slippage originating from this segment. In addition, high impairment has been observed in borrowers who have unsecured loans from five or more lenders, a trend driven largely by rapid fintech credit expansion (36.1% y-o-y growth). Further, while domestic fundamentals remain strong, external risks such as geopolitical tensions, trade uncertainty and currency volatility may continue to pose fresh challenges for financial institutions.

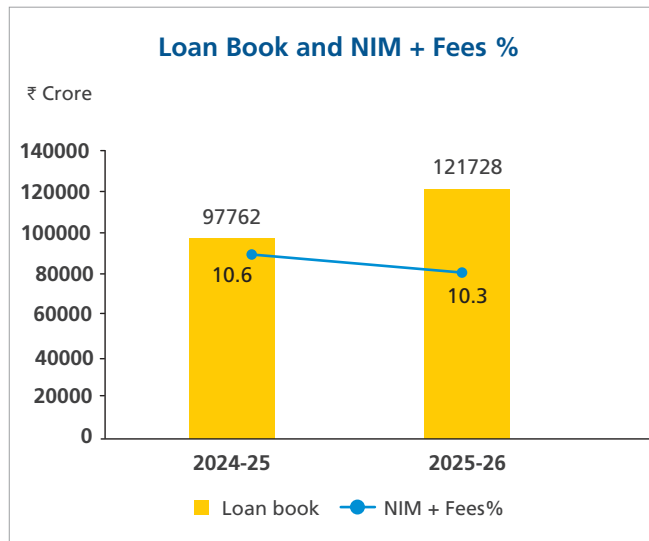
According to CRIF Highmark, India's retail lending market surged to ₹ 162.7 lakh crore by December 2025, supported by 690 million active accounts. The market is undergoing a clear structural shift, secured products like gold and auto loans are now significantly outperforming unsecured

segments. While rising asset values and favourable LTV (loan-to-value) ratios are boosting ticket sizes in top-tier categories, the real volume growth is coming from beyond the Top 100 (BT-100) cities. Driven by robust digital infrastructure, these Tier II and Tier III markets have become the primary growth engines for personal loans, two-wheelers and consumer durables.

Financial performance of the segment



The segment's revenue increased by 13.8% y-o-y to ₹ 17,283 crore for FY 2025-26, driven by the scaling up of retail disbursements. The company's disbursement strategy continues to focus on retailisation, dealer penetration through differential offerings, improved customer retention through top-ups, geographical expansion, and creating strong risk guardrails. As at March 31, 2026, the retail loan book constituted 98% of the total loan book.



Disbursements of loans and advances for the year amounted to ₹ 83,226 crore, registering a y-o-y growth of 38%, reflecting higher credit demand in the various retail segments, supported by resilient domestic economic momentum. The loan book stood at ₹ 1,21,728 crore as at March 31, 2026, registered a growth of 25% over the previous year, primarily driven by higher retail disbursements. Net Interest Margin (NIM), including fee income, at 10.3% reflects a change in the loan mix.

Asset quality indicators continued to improve during the year. The Gross Non-Performing Asset (GNPA) ratio declined to 2.88% as at March 31, 2026, compared to 3.29% as at March 31, 2025. Similarly, the net NPA ratio improved to 0.96% as at March 31, 2026, against 0.97% as at March 31, 2025.

DEVELOPMENT PROJECTS SEGMENT



1 MW Green Hydrogen Plant for Deen Dayal Port Authority at Kandla, Gujarat commissioned by LTEGL

The Development Projects segment comprises:

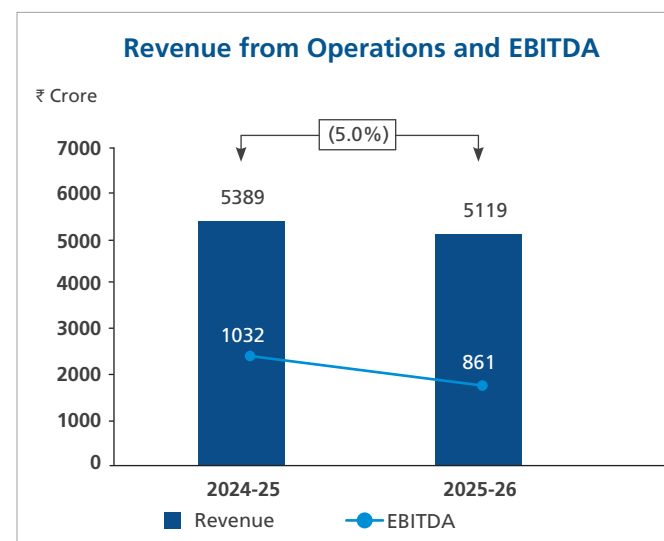
- Hyderabad Metro Rail project, through a subsidiary, L&T Metro Rail (Hyderabad) Limited**
- Coal-based Thermal Power Plant, through Nabha Power Limited, a subsidiary of L&T Power Development Limited**
- Green Energy Business**

Aligned with the evolving dynamics of the Green Infrastructure landscape and to the Company's business strategy to broaden its presence in the green energy space, operations have been realigned by transferring the green development business to the Development Projects segment, effective April 1, 2025. Accordingly, the previous year's financial information has been restated.

During the year, L&T Power Development Limited (LTPDL), a wholly-owned subsidiary of the Company, has signed securities purchase agreement to sell its 100% of equity and convertible instruments in Nabha Power Limited (NPL) to Torrent Power Limited. The divestment of NPL aligns with L&T's objective of divesting its legacy portfolio in the segment.

The Company has executed a Share Purchase Agreement on April 29, 2026, with Hyderabad Metro Rail Limited, a Government of Telangana Enterprise, for disposal of its entire shareholding in L&T Metro Rail (Hyderabad) Limited (L&T MRHL), a subsidiary of the Company. The transaction is likely to be concluded by June 30, 2026. Consequently, both the businesses are classified as 'Held for Sale'.

Financial performance of the segment



*Hyderabad Metro, Telangana*

The segment recorded revenue of ₹ 5,119 crore for the year ended March 31, 2026, representing a decline of 5.0% over the previous year. The reduction was attributable to a lower Plant Load Factor (PLF) at NPL and the absence of revenue from the monetisation of a high-value commercial property by the Hyderabad Metro SPV in the previous year.

The segment reported an operating profit of ₹ 861 crore for FY 2025-26, compared with ₹ 1,032 crore in the previous year. The year-on-year movement reflects, among other factors, the absence of non-recurring income recorded in the preceding year.

The funds employed by the segment as at March 31, 2026, is marginally higher by 2.3% at ₹ 18,679 crore, mainly due to the annual amortisation of intangible assets.

L&T METRO RAIL (HYDERABAD) LIMITED

Overview

L&T Metro Rail (Hyderabad) Limited (LTMRHL) is a special purpose vehicle (SPV) created to undertake the business of constructing, operating and maintaining a metro rail system, including transit oriented development (TOD) in Hyderabad on design, build, finance, operate and transfer (DBFOT) basis under a concession agreement signed between the SPV and the Government of Telangana. The remaining period in the concession is approximately 46 years, with a further extension of 7 years available, subject to approval as per the conditions set out in the concession agreement.

The Hyderabad Metro rail system consists of three elevated corridors from Miyapur to L. B. Nagar, Jubilee Bus Station to Mahatma Gandhi Bus Station, and Nagole to Raidurg, covering a network of 69.2 km. The metro rail system was commissioned in phases, with the final stretch being commissioned in February 2020.



Hyderabad extends ~70km across three lines, easing commuting woes, Telangana

The concession agreement includes real estate development rights of 18.5 million sq.ft. in the form of TOD, of which 4.74 million sq.ft. has been monetised till date. In addition, LTMRL has developed and operationalised four retail malls aggregating to 1.20 million sq.ft. of leaseable area.

Business Environment

The Hyderabad Metro is widely regarded as one of the safest, cleanest, fastest and most reliable modes of urban transport in the city. To encourage commuters to shift from private vehicles to public transport, the metro service has introduced several commuter-friendly initiatives, including reserved seats for senior citizens and women, WhatsApp-based grievance redressal services and various promotional and fare schemes. Beyond enhancing commuter convenience, it also plays a significant role in environmental sustainability. As a non fossil fuel based transport system, it helps reduce carbon emissions and noise pollution, contributing to a cleaner and more liveable urban environment.

The average daily ridership moderated to 4,17,000 in FY 2025-26 from 4,44,000 in FY 2024-25, with the decline partly attributable to the upward fare revision undertaken during the year.

With a view to enhancing the vibrancy of LTMRL's commercial spaces, the company has on-boarded select premium brands to set up outlets across its retail malls and has undertaken various promotional and customer

engagement initiatives during the year. These efforts are aimed at improving footfall and tenant traction across the company's commercial spaces.

The company has progressively increased the use of renewable energy (RE) throughout its operations. During the year, approximately 16% of the grid power requirement for metro operations was substituted with captive solar power, supported by an installed solar capacity of 12.4 MWp. This includes the commissioning of an additional 1.2 MWp ground-mounted solar power plant at the Uppal Depot in FY 2025-26. Solar PV panels have been deployed across metro station rooftops and depot premises to optimise RE generation.

In parallel, water stewardship initiatives remain a key priority. The network is supported by 155 rainwater harvesting pits across stations and depots, enabling the harvesting of approximately 58 million litres of water annually. These initiatives underscore the Company's commitment to reducing its environmental footprint and promoting resource efficiency across operations.

Divestment Process

The Company has executed a Share Purchase Agreement on April 29, 2026 with Hyderabad Metro Rail Limited, a Government of Telangana enterprise, for disposal of its entire shareholding in L&T Metro Rail (Hyderabad) Limited (L&T MRHL), a subsidiary of the Company. The transaction is likely to be concluded by June 30, 2026.



2x700 MW Supercritical Thermal Power Plant, Rajpura, Punjab

Nabha Power Limited

Overview

Nabha Power Limited (NPL) owns and operates a 2x700 MW supercritical thermal power plant located at Rajpura, Punjab. The entire power generation capacity of the plant is contracted with the state distribution utility, Punjab State Power Corporation Limited (PSPCL) under a 25-year Power Purchase Agreement (PPA), which is effective till year 2039.

The plant sources its fuel from the subsidiaries of Coal India Limited (CIL) under a 20-year fuel supply agreement (FSA), with a total annual contracted quantity of 52.4 lakh metric tonnes (MT). To mitigate risks arising from potential supply disruptions, the company has secured the necessary approvals to procure from alternate sources to address any shortfall in supply of coal. The Bhakra-Nangal distributary is a perennial source of water for the plant under an allocation from the state government. The plant is operated by an in-house team of experienced operations and maintenance (O&M) professionals.

The power plant has been operating successfully for over 12 years, consistently maintaining availability levels exceeding 85%. It has been the most reliable source of power for Punjab, supporting the state's requirements with uninterrupted supply, including during peak demand season. Notably, NPL is lowest cost thermal power producer in Punjab with best-in-class operational efficiencies.

Business Environment

India's electricity demand growth moderated during FY 2025-26, with average demand remaining largely stable on a y-o-y basis. The early and prolonged monsoon conditions and a high base effect are primarily attributable to this modest growth of ~0.8% y-o-y. Peak demand also decreased by ~2% y-o-y and stood at approximately 245 GW.

Punjab's power sector also witnessed a drop in annual electricity demand. The demand in Punjab decreased by ~2% from 8,951 MW in FY 2024-25 to ~8,770 MW in FY 2025-26.

During the year, NPL managed to secure 100% domestic coal supplies from various subsidiaries of CIL. This ensured adequate fuel availability, resulting in uninterrupted power supply at a competitive and affordable cost to the state of Punjab.

Major Achievements

- Annual PAF: 96% - the highest ever in NPL's history; ~98% during the critical paddy season
- Annual PLF: ~79% vs all-India thermal average of ~60%
- Successfully achieved 5% biomass co-firing and complied with the stipulated target
- Successfully executed the Unit #1 overhaul, enhancing operational reliability



Green Hydrogen Plant at L&T's A. M. Naik Heavy Engineering Complex, Hazira, Gujarat

Divestment Process

During the year, the Company, through its wholly-owned subsidiary L&T Power Development Limited, entered into a Securities Purchase Agreement (SPA) with Torrent Power Limited on February 16, 2026, for the divestment of its entire 100% stake in NPL. The transaction is subject to receipt of regulatory approvals and fulfilment of customary closing conditions.

Green Energy Business

Overview

The Company's entry into the green energy sector is supported by an integrated business model spanning the full industry value chain, structured around two core segments: (i) Asset Development for Green Hydrogen and its derivatives, and (ii) Hi-Tech Manufacturing for Electrolysers. The approach enables the Company to deliver end-to-end green energy solutions, ranging from equipment supply from original equipment manufacturers (OEMs) to development of build-own-operate (BOO) green energy assets.

The integrated model supports scalable deployment and positions the Company to deliver reliable and sustainable green energy solutions, aligned with global decarbonisation priorities.

Business Model

The business operates across two principal segments:

- **Asset Development**

The segment focuses on developing, owning and operating large-scale integrated green hydrogen and derivative projects, including green ammonia and green methanol, aligned with L&T's long-term decarbonisation and energy transition objectives.

Executed under a BOO framework through dedicated platforms such as L&T Green Energy Kandla Private Limited (LTGEK) and Panipat Green Hydrogen Private Limited (PGHPL), the segment leverages L&T's engineering and execution strengths to deliver end-to-end solutions.

The segment addresses both domestic and export opportunities across key end-use sectors such as refining, fertilisers, power, steel and shipping, in collaboration with strategic partners. The model integrates renewable energy with hydrogen production and downstream conversion, while structured SPVs enable ring-fenced finance structure, efficient execution, partnerships and long-term offtake arrangements, positioning the Company as a long-term participant in the green hydrogen economy.



L&T's advanced pressurised alkaline electrolyser 4 MW XL Stack

• Hi-Tech Manufacturing – Electrolyser

L&T Electrolysers Limited (LTEL), a wholly-owned subsidiary of L&T Energy Green Tech Limited (LTEGL), manufactures advanced, modular, high efficiency, pressurised alkaline electrolyzers at its state of the art, robotic enabled manufacturing facility at Hazira, Gujarat.

The company continues to benefit from a well-established domestic supplier ecosystem, aligned with the Government of India's *Aatmanirbhar Bharat* initiative, thereby enhancing supply chain resilience and localisation. Further, LTEL's integrated testing and validation infrastructure, including an industrial environment test bench, enables rigorous performance assessment under real-world conditions, supporting reliable deployment across both domestic and international clean energy projects.

Business Environment

The global green hydrogen and ammonia sector has entered a critical execution phase, with projects transitioning from final investment decision (FID) to construction and early-stage commissioning. Electrolyser capacity additions have accelerated, with an estimated 3 GW+ added over the past year, alongside rapid scaling of manufacturing capacity, with over 25-30 GW annually

announced globally. The development of international hydrogen corridors, particularly between Asia-Pacific and Europe, is expected to shape future trade flows. Regulatory momentum has been supportive, led by the EU's Carbon Border Adjustment Mechanism (CBAM), which enters its definitive phase in 2026, embedding carbon costs into global trade and mandating verified emissions reporting.

FY 2025-26 marked the operationalisation of India's green hydrogen economy under the National Green Hydrogen Mission, with the Strategic Interventions for Green Hydrogen Transition (SIGHT) programme progressing through awards for ~3,000 MW of electrolyser manufacturing capacity and large-scale production incentives across multiple tranches. The sector has achieved early commercial price discovery, with green hydrogen prices in the range of ₹ 279-336/kg and green ammonia reaching a benchmark of ₹ 49.75/kg through auctions conducted by Solar Energy Corporation of India Limited (SECI). Demand aggregation has gained traction, with over 7 lakh tonnes per annum (TPA) of green ammonia tendered and initial volumes tied up for refinery applications. Key ports such as Deendayal, V. O. Chidambaranar and Paradip are emerging as green hydrogen hubs, supported by the launch of the Green Hydrogen Certification Scheme, strengthening India's position as a cost-competitive and standards-aligned market.



India's first indigenously developed Electrolyser at A. M. Naik Heavy Engineering Complex, Hazira, Gujarat

Major Achievements

• Asset Development and EPC:

- Secured a contract from Indian Oil Corporation Limited (IOCL) for supply of a 10 KTPA green hydrogen for a period of 25 years
- Entered a joint development arrangement with ITOCHU Corporation, Japan, for green ammonia production in western India
- Commissioned a 1 MW green hydrogen plant for Deendayal Port Authority at Kandla, Gujarat
- Completed a front end engineering and design (FEED) study for a clean energy company based in West Asia
- Delivered the FEED package for a large scale green ammonia project for an overseas customer in North America

• Hi-Tech Manufacturing – Electrolyser:

- Indigenised over 85% of the electrolyser supply chain, leveraging strong domestic sourcing and manufacturing capabilities. This significantly enhances cost competitiveness, supply security and scalability
- Commissioned India's first giga-scale expandable high-pressure alkaline state-of-the-art electrolyser manufacturing facility at Hazira, Gujarat
- Recognising the importance of R&D and new product development, established a state-of-the-art in-house R&D and testing facilities, supported by a team of 30 scientists

- Successfully indigenised a 4 MW electrolyser stack featuring next-generation zero-gap technology
- Set up a best-in-class test bench facility for in-house testing of electrolyser stacks

Significant Initiatives

L&T Green Energy business has integrated capabilities across design, engineering and execution. It also includes strong expertise in process plants and in-house electrolyser manufacturing. By leveraging advanced and proven technologies across manufacturing and project execution, these capabilities position the Company as a reliable and cost-effective partner while enhancing its competitiveness against both domestic and international players across its green energy portfolio.

Key Strategic Focus Areas

- Technology alliances across renewable energy, hydrogen storage, ammonia synthesis, maritime transport and port logistics
- Global collaborations to expand market access and lock in offtake agreements with global developers
- Securing order inflows by improving cost competitiveness and accelerating product development
- Dedicated research focused on developing next-generation electrolyser stacks



L&T Electrolyser manufacturing facility at Hazira, Gujarat

Outlook

The sector is transitioning from an initial high momentum phase to a more disciplined execution phase, supported by a growing pipeline of over 200 projects achieving FID (representing ~3-5 MTPA capacity), even as near-term execution challenges persist. Demand continues to be driven by compliance-led mechanisms enabling the positioning of green hydrogen manufacturing facilities as a strategic asset. The Asia-Pacific region is emerging as a key growth driver, supported by substantial hydrogen support programmes in markets such as Japan. Looking ahead, potential green ammonia demand of ~10 MMTPA from Europe and Southeast Asia presents significant opportunities.

India is transitioning from a largely subsidy-driven phase to a self-sustaining green hydrogen ecosystem, with near-term focus on operationalising capacities awarded under SIGHT programme. In the near term, demand is expected to be driven by existing hydrogen consumers such as refineries and fertilisers, with current consumption estimated at ~200-250 KTPA (hydrogen) and ~1,000-1,200 KTPA (ammonia), supported by expected investments of around USD 16 billion over the next five years. Over the medium-term, demand is expected to broaden into additional end-use sectors, including marine, aviation, power and steel. The long-term outlook is anchored by India's target of achieving 5 MMTPA of green hydrogen capacity by 2030, supported by hub-based development and enabling infrastructure such as blending and dedicated pipelines. With anticipated cost reductions over time, India is well positioned to emerge as a globally competitive producer and exporter of green hydrogen and its derivatives.

OTHERS SEGMENT



Artist's Impression

Green Reserve, Noida

The 'Others' segment largely comprises:

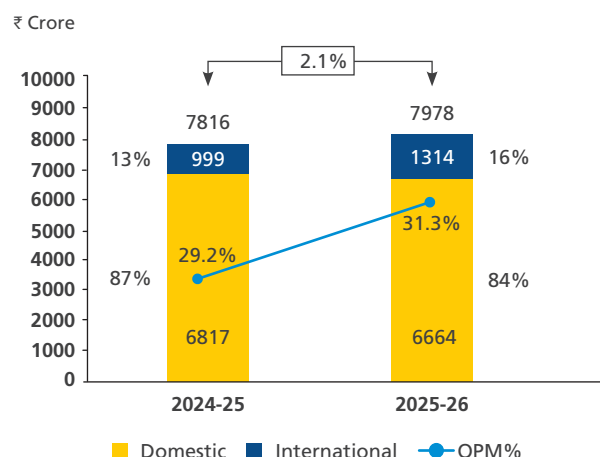
- Realty Business**
- Industrial Machinery, Products & Others comprising of Construction & Mining Equipment, Rubber Processing Machinery and Industrial Valves**

Financial performance of the segment

Revenue for the segment registered a moderate growth of 2.1% to ₹ 7,978 crore in FY 2025-26 primarily due to a higher demand in the Industrial Valves business.

The operating margin for FY 2025-26 improved to 31.3% from 29.2% in the previous year, on the back of improved mix in the Construction & Mining Equipment, Rubber Processing Machinery and Industrial Valves businesses.

Revenue from Operations and OPM%



Following the launch of new projects in the Realty business, funds employed by the segment as at March 31, 2026, stood at ₹ 8,972 crore, an increase of 3.6% over the previous year.



Elixir and Innovation Campus, Powai, Mumbai

Realty Business

Overview

L&T Realty is one of the largest real estate companies in India with a focus on customer centricity and world-class quality. The company has a development and revenue potential of ~71 million sq.ft. across residential, commercial and retail segments in six key metro cities including Mumbai (MMR), Bengaluru, Chennai, and Delhi-NCR. The business model encompasses land acquisition in select cities besides development of owned land, partnership with land or development-right owners, and the sale as well as leasing of commercial spaces.

The Realty businesses currently operate through multiple subsidiaries as well as a business unit within the Company. The Company is proposing to consolidate the Realty businesses under a single corporate entity which will enhance focus and management bandwidth while creating a future ready organisation.

Residential Segment

Ongoing Projects

- **Green Reserve, Noida**

Green Reserve is a luxury residential development in Sector 128, Noida, positioned within the premium golf course micro-market along Yamuna Expressway. Planned

on a 6 acres land parcel, the project's value proposition rests on developer brand credibility, golf view residences, a large club house and amenity stack, and strong connectivity to Noida's commercial hubs as well as South and Central Delhi via the expressway.

- **Crestoria Estate, Panvel**

Crestoria Estate is a large format, premium residential township by L&T Realty in Panvel, Navi Mumbai, spread across 35 acres along the Mumbai-Pune expressway with seamless connectivity to the Navi Mumbai international airport and the Atal Setu. The township concept integrates large landscaped open spaces, a substantial multi-level club house, sports and wellness amenities, and curated retail conveniences to create a self-contained community.

- **Elara Celestia, Bengaluru**

Elara Celestia is a luxury development situated adjacent to Raintree Boulevard, Hebbal. Spread across a 13-acre land parcel, the project features a planned layout with nearly 70% open spaces. The main attractions of the project are views to the open greens of Gandhi Krishi Vigyana Kendra, a rooftop club-house and an infinity pool. Once completed, the project is expected to house 600+ families.


Artist's Impression
Innovation Campus, Kolkata

- **Avinya Enclave, Chennai**

The project is part of a 40-acre mixed-use development parcel and is located across the L&T campus at Manapakkam, Chennai. With access to planned amenities and proximity to retail outlets, commercial hubs and social infrastructure, the residences aim to deliver a high-quality experience.

- **Island Cove, Mumbai**

Island Cove, Mahim's first gated community, offers convenient access to Mumbai's major landmarks. The project comprises well-planned residences supported by a range of lifestyle amenities.

- **The Gateway, Mumbai**

The Gateway at Sewri, Mumbai is a landmark ultra-luxury residential development with a height exceeding 200 metres. The project offers sea-facing apartments facing the Arabian Sea and the Sewri mudflats. The property is located close to India's longest sea bridge - Atal Setu in Sewri - and promises residents unparalleled connectivity and convenience.

- **Elixir Reserve, Mumbai**

Elixir Reserve is a premium residential development located in Powai and surrounded by a forested landscape. This project is replete with state-of-the-art

amenities, including an international-standard school within its premises as well as commercial and retail facilities in the vicinity.

- **Rejuve 360, Mumbai**

The residential development is in Mulund West and is positioned within the premium segment of the micro-market. The project has maintained its standing among established premium residential developments in the area.

- **77 Crossroads, Mumbai**

77 Crossroads is a gated community situated on the Eastern Express Highway in Ghatkopar offering connectivity across the city. The project comprises well-planned residences and provides access to over 20 amenities designed to meet the needs of urban living.

- **Veridian at Emerald Isle, Mumbai**

Set amidst approximately 3 acres of central green spaces, the residential development offers spacious homes supported by a range of amenities. The gated community is located in Powai and is home to over 2,000 families.

- **West Square & West Manor, Navi Mumbai**

West Square & West Manor are residential developments located in Navi Mumbai. The projects offer planned amenities and a focus on privacy, supported by strong



Emerald Isle, Powai

connectivity and proximity to the Navi Mumbai International Airport.

- **Evora Heights, Thane**

Evora Heights is a premium high-rise residential development offering well-designed residences with contemporary features and amenities. Launched during the year, the project is in the heart of Thane, adjacent to Lake Shore Mall. It benefits from proximity to upcoming metro stations, reputed schools and a major hospital.

Commercial Segment

- **Innovation Campus, Powai, Mumbai**

Situated in the prime micro-market of Powai, Innovation Campus offers ~2 million sq.ft. of Grade A office space. Spread across a 5-acre campus, the development will house LEED Platinum-certified towers with office spaces that emphasise sustainability, occupant well-being and high operational efficiency. Featuring advanced infrastructure, optimised floor layouts and contemporary amenities, the campus is well positioned to attract IT/ITeS firms, fintech companies and innovation-led businesses seeking future-ready workspaces.

- **Technology Park, Bengaluru**

Located in the rapidly growing micro-market of Hebbal, the project has a development potential of ~1.8 million sq.ft. of IT/ITeS office space. Tech Park-1

(Phase 1), comprising 1.2 million sq.ft. of office space, has been completed and is fully leased. Construction for Phase 2, with around ~0.6 million sq.ft., is planned to commence shortly.

- **Innovation Campus, Manapakkam, Chennai**

Innovation Campus, Chennai is a mixed-use development spread across 40 acres. The campus offers 10 commercial towers totaling ~6.5 million sq.ft. of Grade A office space with modern amenities and last-mile connectivity through a nearby upcoming metro station. The development provides a 'Walk to Work' lifestyle with premium residences within the campus. Two office towers — Ananda I and Ananda II — are fully leased out, while two additional towers are currently under construction and scheduled for completion in the next year.

- **Innovation Campus, Lower Parel, Mumbai**

Located in Mumbai's premium business district of Lower Parel, the Innovation Campus offers ~5.7 lakh sq.ft. of Grade A office space. The development is supported by modern amenities and benefits from a strategic location directly opposite the upcoming Worli-Sewri Double Decker Connector. Construction of the project is slated to commence next year, and its completion is expected to set a benchmark in Mumbai's real estate market.


Artist's Impression
Crestoria Estate, Panvel

Other Commercial Developments

Initiatives are also being pursued in select locations like Powai East (Mumbai), Whitefield (Bengaluru) and in Coimbatore over the near to medium-term.

New Growth Opportunities

L&T Realty has significantly expanded its footprint in FY 2025-26 through strategic project acquisitions, adding ~15 million sq.ft. of premium residential development across Mumbai (MMR), Delhi-NCR and Bengaluru, along with ~5 lakh sq.ft. of commercial office space at Lower Parel, Mumbai. Backed by a strong pipeline and strategic partnerships, the company is well positioned to accelerate portfolio growth and deepen its presence in high-demand markets.

Business Environment

India's real estate sector is on a strong growth trajectory, with the market expected at ~USD 585 billion in FY 2025-26 and projected to expand to USD 927 billion by 2031. Over the longer term, the sector is expected to reach an estimated USD 5.8 trillion by 2047, contributing around 15.5% of GDP, up from the current 7.3%. Growth is primarily driven by rapid urbanisation, rising disposable incomes, a young demographic profile and the government's push

on infrastructure and housing. Regulatory reforms such as RERA and GST have enhanced transparency, while the entry of institutional investors and REITs has contributed to market maturity.

The residential segment continues to drive sectoral momentum, with housing sales at a decade-high with demand having shifted towards premium and mid-income housing segments. Developers with strong balance sheets continue to consolidate market share. Demand from Tier II and Tier III cities is reshaping the housing landscape as infrastructure development and improving economic activity support sustained residential absorption. Sustainable and green-certified townships are gaining traction as consumer preferences shift towards integrated and environmentally conscious living.

The commercial real estate segment remains resilient, underpinned by strong demand from Global Capability Centres (GCCs), technology firms and BFSI players. Office leasing volumes are at record highs, with Grade A spaces driving occupancy as hybrid work models stabilise. India's GCC footprint is expected to rise from over 1,750 centres at end-2025 to more than 2,400 by 2030. In addition, the rise of flexible workspaces and REIT-led assets is transforming the commercial real estate landscape, while sustainability and ESG compliance are increasingly influencing occupier



Artist's Impression

L&T Realty Innovation Campus, Whitefield - Bengaluru

and investor preferences. Established metros such as Bengaluru, Mumbai (MMR) and Delhi-NCR will remain core markets, while cities like Chennai, Hyderabad and Pune continue to emerge as strategic alternatives.

Overall, India's real estate market is transitioning into a more organised, transparent and institutionally funded ecosystem, with both residential and commercial segments poised for sustained double-digit growth over the next decade.

Major Achievements

- L&T Realty achieved presales of over ₹ 10,000 crore for the first time, driven by successful launch of multiple residential projects across major cities in India.
- New residential project launches during the year:
 - Green Reserve, Noida
 - Crestoria Estate, Panvel
 - New Phases in Avinya Enclave (Chennai), Island Cove (Mahim), Evara Heights (Thane) and Elixir Reserve (Powai West, Mumbai)
- Handed over 1,000 residential units during the year at Seawoods (Navi Mumbai), Elixir Reserve (Powai West, Mumbai), Emerald Isle (Powai East, Mumbai) and Raintree Boulevard (Bengaluru)

Outlook

The growth momentum in the residential segment is expected to continue on the back of stable mortgage rates and a balanced inventory environment. Premium, luxury and ultra-luxury housing are likely to remain key demand drivers, with developers focusing on high-quality developments across established urban markets.

Major trends that are expected to shape the market's direction in the near future include:

- Continued preference for high-quality Grade A / Grade A+ office spaces
- A growing focus on development that is sustainable and energy-efficient
- Rising demand for amenity-rich, experience-driven workplaces aligned with hybrid work models

With a strong pipeline, presence across key markets and focus on premium developments, L&T Realty is well positioned to capitalise on these trends and drive sustained growth in the near to medium-term.



Komatsu GD705 – Proven Performance Motor Grader. Ensuring precision grading with consistent reliability across diverse terrains

Construction Equipment & Industrial Products Design & Development

Overview

The Construction Equipment and Industrial Products Design and Development (CE&IPDD) business comprises Construction and Mining Machinery (CMM) division and the Industrial Products Design & Development (IPDD) division.

The CMM Business is engaged in marketing, sales and after-sales support of construction and mining equipment. The IPDD division is engaged in (i) the manufacture and sale of industrial valves under wholly-owned subsidiary L&T Valves Limited (LTVL); (ii) the manufacture and sale of components of construction equipment and customised equipment under wholly-owned subsidiary L&T Construction Equipment Limited (LTCEL); and (iii) the manufacture and sale of equipment for the rubber and tyre industry by Rubber Processing Machinery (RPM) business of L&T.

The CMM business is engaged in the distribution and after-sales support of hydraulic excavators and dump trucks manufactured by Komatsu India Private Limited (KIPL) and other mining and construction equipment manufactured by Komatsu worldwide. It also handles the distribution and after-sales support of other mining equipment, viz., surface miners, crushing solutions and apron feeders manufactured

at the Company's plant in Kansbahal (Odisha); road machinery and material handling equipment manufactured by Infra Bazaar Technologies Private Limited (IBTPL) / Pai Machines; and specialised tools and attachments for demolition, piling and breaking work.

LTVL, a wholly-owned subsidiary of L&T, is a leader in flow control solutions with a global customer base. The business leverages sixty-plus years of manufacturing excellence to serve key sectors such as oil & gas, defence, nuclear & aerospace, power, petrochemicals, chemicals, water and pharmaceuticals across the globe. LTVL manufactures a wide range of products, such as gate, globe, check, ball, butterfly and double block bleed valves. It also provides automation solutions. The portfolio includes products monogrammed API600, API594, API6D, API609 and API603, valves with CE, ATEX and Safety Integrity Level (SIL) certifications, as well as IoT-ready digital solutions. The business has manufacturing centres with state-of-the-art facilities in Kancheepuram (Tamil Nadu) and in Al Jubail (Saudi Arabia) through a wholly-owned subsidiary. The business has its own internal engineering department and an R&D centre, staffed with a technically empowered team. LTVL's products have an established record of safety, reliability and quality across industry segments.

Leveraging expertise in hydraulics and mechanical, electrical and electronics engineering, LTCEL offers a wide range of hydraulic aggregates such as cylinders, pumps, motors, swivel joints, power packs for construction



Komatsu HD785 – Mighty Hauler. Reliable and efficient hauling solution for large mining applications

and mining equipment, bulk material handling and the defence sector; customised equipment for special projects in the construction industry such as high-speed rail; and customised solution for defence application like hydro-pneumatic suspension and track tensioners from its facility based at Doddaballapura, near Bengaluru in Karnataka.

The RPM business, located in Kancheepuram near Chennai, manufactures rubber processing machines and tyre automation systems for the global tyre industry. It supplies equipment to tyre majors in over 40 countries. With over five decades of expertise, the division also supports customers with build-to-print products and customised machinery.

The Product Development Centre (PDC), a part of the IPDD business based in Coimbatore, with its highly skilled design team, supports engineering and product development for both LTCEL and RPM businesses. PDC plays a key role in designing customised equipment for various industries.

Business Environment

Construction & Mining Equipment (CMM)

Investments in the infrastructure and mining sectors drive demand for the CMM business. During FY 2025-26, despite extended monsoon conditions and a measured pace of government capital expenditure, infrastructure construction activities remained resilient, though the pace of roads and

highways construction moderated. Rural development, housing and urban infrastructure segments recorded modest growth. In this context, demand for construction equipment remained stable during the year.

Demand for mining equipment is largely dependent on growth and expansion plans in core industries such as coal, steel, cement and other allied sectors. During FY 2025-26, India's coal output was maintained at levels similar to the previous year while steel and cement production delivered robust growth of more than 9% over the previous year. Capital investments by mining PSUs and private sector translated into strong demand for mining equipment.

The CMM business has continued to offer cost-effective, performance-driven and sustainable value propositions, backed by robust after-sales support, round-the-clock service at mining sites, application engineering expertise, digital and technological advancements, continuous improvement tools and deep customer engagement.

L&T Valves Limited (LTVL)

The industrial valves market experienced steady demand, supported by investments across oil & gas, petrochemicals, refining, pipelines, LNG infrastructure, power generation and water projects. Global downstream oil & gas segments remained the primary demand drivers, while upstream investments were influenced by crude price volatility and geopolitical developments.



Komatsu PC2000 – Mega Miner. Designed for high-volume operations, delivering exceptional output and efficiency

Investments linked to energy transition, such as large-scale carbon capture projects, moderated in the latter half of FY 2025-26, resulting in more selective project sanctioning by developers. Further, tariff-related developments and ongoing geopolitical uncertainties led to delays and deliberate deferrals in decision-making pertaining to order finalisation.

In India, the business environment remained favourable, supported by sustained public and private investments across refineries, petrochemicals and thermal power augmentation. Supply chain conditions improved compared to earlier periods, although material price volatility and logistics-related uncertainties continued to require close monitoring.

Supported by a geographically diversified demand base and ongoing channel and product expansion initiatives, the business is well positioned to enhance resilience, sustain competitive advantage and capture emerging growth opportunities across end-markets.

L&T Construction Equipment Limited (LTCEL)

The Indian construction and earthmoving equipment market remained stable during FY 2025-26, supported by sustained infrastructure spending on roads, urban development, irrigation and mining. Equipment utilisation levels remained healthy, contributing to replacement demand.

Original equipment manufacturers (OEMs) increasingly focused on localisation, cost optimisation and supply chain resilience, creating opportunities for domestic suppliers of hydraulic systems and aggregates. Export demand remained selective, influenced by geopolitical uncertainties and variability in construction activity across global markets. LTCEL remains well positioned to benefit from sustained domestic infrastructure momentum and OEM localisation trends, supported by its strong customer relationships, expanding product portfolio and focus on operational efficiency.

Rubber Processing Machinery Business (RPM)

Demand for tyre-making machinery continued to be influenced by trends in the global automotive and tyre industries. During FY 2025-26, growth in global vehicle production moderated, leading to tyre manufacturers in developed markets to adopt a cautious approach towards capital expenditure, resulting in subdued international order inflows. The Indian tyre industry demonstrated resilience, supported by replacement-driven demand, increasing export orientation and improved automobile demand following GST rationalisation. India's growing importance as a manufacturing and sourcing hub for tyres continued to partially offset muted investment sentiment in Europe and North America. While international order inflows were impacted by tariff-related uncertainties



L&T Valves offers a comprehensive range of solutions for power projects, both thermal and nuclear

leading to capital expenditure deferrals in markets such as the US, the RPM business maintained a strong domestic footprint in India, reinforcing its overall market resilience.

Major Achievements

Construction & Mining Machinery (CMM)

- Crossed the milestone sale of 5,000th Komatsu PC210LC/PC210-10M0 excavator, sale of the 1,000th Komatsu PC205 and the 1,000th Komatsu D85 dozer in India
- Introduced Komatsu PC225LC-10M0 as part of the multi-model strategy for the 20-tonne class hydraulic excavator segment, addressing diverse application needs
- Launch of Komatsu PC30MR-3 (3T) mini hydraulic excavator, apart from the existing offering of 3.5T hydraulic excavator (PC35MR)
- For the first time in India, L&T's all-women team commissioned a 100-tonne Komatsu dump truck model HD785
- Received the Supplier Relationship Management (SRM) Partner of the Year Award 2025 from Tata Steel

L&T Valves Limited (LTVL)

- Successfully developed and supplied a 20 MT, 6 metre high Bolted Bonnet Gate Valve for a Residue Hydrocracker Unit, demonstrating strong capability in executing large, complex and high integrity equipment for critical refining applications

- Commissioned an 800-kW rooftop solar power plant at the Kancheepuram facility under Project SURYA, enabling ~60% of the plant's operational energy requirements to be met through renewable sources, and reinforcing the company's commitment to sustainability and long-term energy efficiency

L&T Construction Equipment Limited (LTCEL)

- Developed customised trenching and pipe-laying equipment that integrates trenching, backhoe and dozer attachments into a single unit
- Manufactured and supplied torque tube distributor for renewable energy (RE) projects in Riyadh

Rubber Processing Machinery Business (RPM)

- Secured pilot orders for Automatic Visual Inspection (AVI) systems and Passenger Car & Light Truck Tyre Building Machines from leading Indian tyre manufacturer(s), validating RPM's technology leadership and opening new long-term growth opportunities
- Developed and supplied new size hydro mechanical tyre curing presses for a Japanese tyre major's Mexico greenfield project, securing 100% market share of PCR tyre curing presses
- Successfully executed turnkey international projects encompassing design, manufacture, installation and commissioning



Titanium Valves for petrochemical plants



Nickel Aluminium Bronze (NAB) valves for submarines and ships

- Won back a leading Indian tyre manufacturer with the Ecocure series and executed full scope design, manufacturing and installation of PCR curing presses for a German tyre major in Thailand
- Achieved certification as a zero waste to landfill manufacturing facility, reinforcing RPM's commitment to sustainable manufacturing and long-term value creation

Significant Initiatives

- Advanced digital construction solutions such as digital twin and 3D machine guidance technologies were launched, enabling improved operational efficiency, accuracy and productivity for CMM customers
- CMM service network expansion initiatives were undertaken for major service centres across India, reinforcing proximity to customers and enhancing service responsiveness
- LTVL progressed its enterprise-wide digital transformation programme (NOVA) across engineering, manufacturing, supply chain and project execution, including expanded adoption of quick response (QR) code-based track & trace systems to enable end-to-end traceability and process transparency
- LTCEL significantly increased its utilisation of RE, with renewables now comprising approximately 95% of total energy consumption, reinforcing LTCEL's commitment to sustainable operations

- RPM business advanced and validated electric tyre curing press technology, supporting improved energy efficiency and reduced environmental footprint

Outlook

Construction & Mining Machinery Business (CMM)

The government's vision towards Viksit Bharat 2047 has resulted in various initiatives being rolled out under the National Infrastructure Pipeline and PM Gati Shakti programmes. These initiatives are expected to generate robust demand for construction equipment. The government's focus on developing world-class infrastructure, from logistics hubs to smart cities, is expected to propel the industry into its next phase of growth. The continued focus on the development of rural infrastructure including drinking water and sanitation, is expected to aid demand for small- to mid-sized construction equipment.

However, the prevailing geopolitical developments and associated uncertainties could influence the pace of infrastructure spending, which, in turn, may have an impact on demand for construction and mining equipment.

Notwithstanding the significant addition of RE capacity, coal continues to remain the primary contributor to power generation in India. Considering global geopolitical developments and evolving energy security priorities, coal is expected to retain its central role in India's energy mix



Two-wheeler Radial Tyre Building Machine

and support growth. Supported by sustained government expenditure on infrastructure, demand for cement and steel is expected to continue to show healthy growth. Collectively, these factors indicate steady demand for mining equipment.

For the spare parts and services segment, the business will continue to focus on gaining higher market share by providing long-term service contracts to its customers. Accordingly, various initiatives have been undertaken to improve the sale of genuine spare parts.

Digitalisation is steadily transforming the construction and mining equipment industry through better work planning, higher equipment efficiency, improved productivity, lower costs and safer operations. CMM is actively promoting smart construction technologies such as 3D mapping, machine guidance and data analytics, with a clear focus on customer value creation, as well as pursuing the use of AI and digital tools in supply chain and inventory management, forecasting, service support and customer responsiveness.

L&T Valves Limited (LTVL)

The medium- to long-term outlook for the industrial valves business remains structurally positive, supported by investments in energy security, infrastructure development and industrial capacity expansion. While short-term demand may be subject to geopolitical developments, evolving energy transition policies and macroeconomic conditions, the underlying end-use fundamentals remain resilient.

Globally, investments across downstream oil & gas, petrochemicals, LNG infrastructure, gas transportation and water projects are expected to continue. Upstream investments may remain sensitive to crude price movements, while energy transition-related projects are expected to progress in phases as regulatory and techno-commercial frameworks mature. In India, sustained investments across refining, petrochemicals, city gas distribution, pipelines, LNG terminals, thermal power augmentation and water infrastructure are expected to support continued demand. Defence and nuclear segments also present long-term opportunities, supported by indigenisation initiatives and strategic programme execution. LTVL's diversified portfolio, strong engineering capability, global footprint and focus on life-cycle services are expected to support growth.

L&T Construction Equipment Limited (LTCEL)

The outlook for construction equipment and hydraulic systems remains stable, supported by continued investments in infrastructure, mining and urban development. Replacement demand and localisation trends are expected to provide additional demand stability.

While export demand may remain subdued in the near term, medium-term opportunities are expected to emerge as global infrastructure spending improves. LTCEL's focus on customised solutions, operational efficiency, safety, sustainability and customer partnerships is expected to support steady growth.



Truck Bus Hydraulic Tyre Curing Press



Floor Mounted Passenger Car Hydraulic Tyre Curing Press

Rubber Processing Machinery Business (RPM)

Global tyre demand is expected to grow steadily, driven primarily by replacement demand and the gradual penetration of electric vehicles. However, near-term capital expenditure by tyre manufacturers in developed markets is expected to remain selective, influenced by moderated vehicle production, cost pressures and regulatory requirements.

India's tyre industry is anticipated to sustain growth momentum, supported by infrastructure-led freight movement, export orientation and policy support for domestic manufacturing. Increasing focus on energy efficiency, sustainability and automation is expected to drive demand for advanced tyre machinery solutions. RPM's diversified offerings, strong domestic position, engineering strength and growing services portfolio are expected to support steady performance.

Human Resources

L&T's human capital strategy is closely integrated with its transformation agenda, with a strong emphasis on digital capability, engineering excellence and ESG leadership. The Company is committed to building a safe, inclusive and high-performance work environment that empowers talent, prioritises well-being and fosters continuous learning in alignment with evolving business needs.

The Human Capital framework is anchored in five strategic pillars:

- Performance-driven growth with purpose and accountability
- Future-focused learning and digital capability building
- Scalable talent development for emerging business opportunities
- Diversity, equity and an inclusive culture
- Holistic well-being and workforce resilience

These pillars are aligned with L&T's long-term strategic roadmap, reinforcing the Company's ambition to be a technology-led, globally competitive organisation. By investing in people, strengthening leadership pipelines and nurturing critical skills, human capital development remains central to sustained business success and stakeholder value creation.

Campus Hiring and Student Engagement

During FY 2025-26, L&T's Young Professional Talent Acquisition team continued to strengthen the Group's talent pipeline by recruiting and onboarding over 2,200 Graduate Engineering Trainees (GETs) and Postgraduate Engineering Trainees (PGETs) across businesses within the L&T Group from premier institutes such as IITs, NITs and other reputed government colleges.

The Company also onboarded over 1,100 young professionals comprising MBA graduates, Chartered Accountants, Cost Accountants, Diploma Engineers and other trainee cadres. This diverse intake further reinforces the Company's position as a preferred employer for emerging professional talent within India's engineering, technology and infrastructure sectors.

Following their onboarding, young professionals progress into Navis - a structured capability development programme for GETs, PGETs and lateral hires. The programme is

designed to enhance role readiness while strengthening the retention of high-potential talent. The programme offers a 90-day to 1-year learning journey combining hands-on functional training, self-paced modules and periodic assessments.

Campus Engagement

L&T's campus outreach extended to over 260 institutions nationwide, reflecting the Company's sustained engagement with premier engineering and management institutes across the country.

CreaTech, the Company's technology case competition for engineering students, attracted over 14,500 participants from more than 220 engineering institutions. The competition provided students with exposure to real-world engineering problems while enabling L&T to identify high-potential talent and gather innovative ideas relevant to its project ecosystem.

Similarly, OutThink, L&T's national business case competition for premier management institutes, engaged over 6,700 students forming more than 2,200 teams from 34 leading B-schools. Together, CreaTech and OutThink expanded L&T's campus engagement across more than 260 institutions, generating 1 crore+ digital impressions and creating a strong platform for industry-academia collaboration while strengthening L&T's reputation as an employer of choice among India's emerging engineering and management talent.

Talent Management

• Talent Identification

L&T's performance management system differentiates, recognises and rewards talent, while its integration with career development and succession planning ensures seamless leadership transitions. High-potential employees are identified and nurtured through Development Centres (DC) and the Technology Leadership Programme (TLP), which provide participants with clear insights into their strengths and development areas.

In FY 2025-26, over 2,000 employees were assessed through DCs, following which Individual Development Plans (IDPs) were prepared to support their personalised growth journeys.

• **Talent Review**

The Talent Council, comprising business heads, HR and senior executives, plays a key role in identifying and developing future leaders. Through in-depth reviews, the Council designs a personalised development plan based on each candidate's strengths and growth areas. Interventions include cross-functional projects, training, leadership shadowing and coaching. A dedicated digital tool supports this process by tracking progress. This structured approach strengthens leadership capabilities and ensures business continuity.

Performance Management System (FAIR Process - Framework for linking Appraisals with Incentives and Rewards)

L&T's continued success rests on the foundation of a high-performance culture. The performance management philosophy is based on the principles of meritocracy, entrepreneurship, teamwork and continuous learning and development. Performance Management System rewards excellence in performance through –

- Performance planning
- SMART goal setting
- Cascading of goals
- Continuous review, monitoring, feedback and coaching
- Focusing on learning, development and growth
- Fair and objective assessment of performance

ESG Linkage to Performance and KPIs

The Company recognises that long-term value creation is closely tied to its ESG performance, and therefore KRAs and KPIs linked to ESG are embedded into performance management systems. Key ESG metrics are integrated into business/project-level performance indicators and individual KRAs. The performance on these KRAs is linked to annual performance appraisals, thus reinforcing a culture of ownership and impact.

Learning & Development

Learning & Development (L&D) has emerged as a strategic growth enabler — strengthening leadership depth, improving execution predictability and accelerating enterprise-wide capability transformation. The L&D agenda is designed to help leaders and teams make decisions more effectively and efficiently, execute with discipline across risk and interfaces, and adopt digital and AI capabilities to enhance productivity, quality and long-term value creation.

Through this integrated and forward-looking approach, L&T continues to translate its legacy of learning into sustained organisational performance.

At the heart of the leadership pipeline systems will be the LEAP programmes. They represent a deliberate reimagining of leadership development at L&T, integrating best-in-class global learning experiences with a structured, enterprise-wide approach to building leadership capability at scale. The focus is not just on developing individual leaders, but on shaping an ecosystem of leadership that is agile, enterprise-minded and equipped to navigate complexity, drive transformation and sustain long-term value creation.

L&T's L&D architecture: three leadership archetypes

To provide a consistent and scalable approach across businesses, L&T's capability system is structured around three enterprise archetypes — Business Leadership, Project Leadership and Technical Leadership.

• **Business Leadership**

Our flagship programme of Seven Steps Leadership Development and Ascent adopts an integrated approach towards development of leadership competency, and this continues to strengthen the talent bench thus ensuring a seamless transition into future leadership roles.

L&T's Management Development Programmes (MDPs) build functional management capability through structured learning delivered with premier B-schools. Executive and Supervisory Development Programmes (EDPs and SDPs) further support leadership development in collaboration with SIBM and NMIMS.

WINSPIRE is L&T's targeted leadership development initiative for women, designed to address distinct career inflection points through cohort-based, customised journeys for early- and mid-career professionals. The structured programme builds capability, confidence and leadership readiness, strengthening L&T's women leadership pipeline, with over 900 women leaders developed since its launch.

• **Project Leadership**

Project leadership is central to L&T's EPC and infrastructure businesses, where success depends on rigorous planning, risk management, stakeholder alignment and disciplined execution. The L&T Institute of Project Management (IPM) anchors leadership development through structured programmes, knowledge sharing and institutional partnerships.

As project size and complexity increase, L&T has institutionalised the Project Director Academy (PDA) within IPM to build a strong and sustainable pipeline of project directors.

• **Technical Leadership**

Technical Leadership builds the specialist depth and site-ready capabilities critical for execution excellence. The Corporate Technology & Engineering Academy (CTEA) serves as L&T's technical capability engine, delivering hands-on, role-based learning through advanced labs and applied environments.

The Precast Technology Lab offers immersive end-to-end exposure to precast systems, simulating real-world execution conditions. CTEA also strengthens job readiness among early-career engineers through structured programmes for PGETs, GETs and DETs, and anchors the Front-Line Supervisor (FLS) development agenda by transforming skilled workforce personnel into effective site supervisors.

In addition, L&T supports higher education through initiatives such as the Build India Scholarship, enabling engineers to pursue M.Tech. programmes in Construction Technology & Management in partnership with premier institutions.

AI-enabled workforce transformation: building enterprise AI readiness

To build enterprise-wide awareness and responsible adoption of emerging technologies, the ATLVarsity launched focussed programme, 'Demystifying AI & GenAI' to strengthen foundational AI literacy across roles. Over 32,000+ employees have engaged in the programme, reinforcing L&T's commitment to AI readiness at scale.

Key areas where AI / GenAI tools are used to improve L&D team productivity and providing a personalised user experience are:

- Accelerated Content Development
- Hyper-personalisation at Scale
- AI-enabled Coaching & Skill Development

HR Digitalisation Initiatives

L&T undertook a comprehensive role-based organisation structuring and digital system enablement exercise to strengthen governance, organisational clarity and enterprise-wide process integration. The initiative has significantly improved operational efficiency, governance and workforce visibility across businesses.

L&T introduced HEERA Plus, a next-generation Generative AI-powered HR platform that enhances employee experience through real-time HR support using enterprise-wide knowledge and data. Complementing this, the AI-enabled Leadership Assistant empowers HR professionals and business leaders with insights on policies, workforce analytics, talent management and people decision-making, marking a significant step in L&T's AI-led HR transformation journey.

To improve alignment between organisational priorities and individual performance outcomes, L&T introduced MyGoal, an AI-supported goal-setting framework that assists managers and employees in quickly defining sharper, measurable and role-aligned goals.

The Company continued to modernise its talent acquisition ecosystem through the introduction of AI-driven recruitment solutions. The organisation implemented a structured multi-stage digital selection framework comprising AI-based resume screening, intelligent candidate matching, AI-enabled assessments and AI-supported interview mechanisms to improve objectivity and role fitment.

Diversity, Equity and Inclusion

The organisation has taken significant steps to strengthen diversity, equity and inclusion through structured policies, leadership development initiatives and enabling workplace practices.

The continued emphasis on a safe workplace, with zero-tolerance approach to sexual harassment, has been reinforced through the implementation of a gender-neutral POSH policy, supported by a newly introduced Case Management System Portal that enables transparent reporting, monitoring and investigation of cases.

Sustained efforts over the years have contributed to a steady improvement in gender diversity at L&T, representing approximately 5,300 women employees across the organisation.

Employee Experience and Engagement Initiatives

L&T Ignite, a first-of-its-kind, company-wide talent platform launched this year, provided employees with a vibrant stage to showcase their diverse talents beyond the workplace. Bringing together over 1,500 participants across categories such as music, dance, art and creative expression, the initiative celebrated the multifaceted spirit of L&T-ites.

L&T Radio is a unique, in-house digital storytelling and engagement platform that brings the voice of L&T employees to life through curated podcasts and thematic series. With 170+ episodes spanning leadership journeys, business insights, wellness and employee experiences, it has evolved into a powerful medium for knowledge sharing and cultural connect across the organisation.

L&T QuizWiz is a flagship knowledge and engagement initiative that brings together employees across businesses through the spirit of healthy competition and continuous learning. From the participation of 1,500 employees in its inaugural season to over 3,600 in its fifth edition in FY 2025-26, QuizWiz has emerged as one of the most cerebral and anticipated fixtures in the Company's events calendar.

Hi5 Plus, L&T's integrated gamified platform for Appreciation & Recognition and Health & Wellness, engages 30,000+ active users and has powered over 200 Stepathon, Walkathon and corporate challenges across the organisation.

As part of ensuring an enhanced onboarding experience, Pulse Engage surveys are conducted through the HEERA chatbot at critical milestones (7 days, 30 days, 60 days and 180 days) for new joiners. This year, over 8,000 lateral new hires and 2,800 campus hires responded to these surveys.

Employee Wellness: Enabling Sustainable Performance and Resilience

Over time, L&T's wellness initiatives have evolved into an integrated, enterprise-wide ecosystem, centrally stewarded and delivered through reputed external partners. Programmes such as Mindfulness and Art of Living have been institutionalised across the organisation, complemented by Panchakosha Wellness Workshops conducted with IIT Bombay faculty, offering a holistic approach to well-being rooted in ancient Indian wisdom and modern science.

Regular workshops and training on mental health awareness, stress management and self-care techniques are conducted to help employees maintain their mental well-being.

During the year, the Company facilitated mental health counselling services both internally and through external providers. These services ensure employees have confidential access to counselling, mental health resources and support for both personal and workplace challenges.

Mental Health First Aider Training was conducted for two batches of 50 employees each, equipping participants to identify mental health concerns, support individuals in need and guide them to professional help.

L&T HR Conclave 2026

HR Conclave served as a powerful platform to reimagine the future of human resources, bringing together senior leaders, industry experts and HR practitioners to deliberate on building a future-ready organisation. Centred around the theme of reinventing HR for the next decade, the conclave witnessed insightful discussions around themes like 'Building Leaders for a 10x World', 'AI Curiosity to AI Advantage' and 'Culture as a Performance Multiplier'. The event reinforced L&T's commitment to positioning HR as a strategic driver of business excellence, a tool for fostering innovation and agility, and a commitment towards people-centric approach to scale, speed and sustainable performance.

Future Forward – HR Strategy

The HR function will continue to serve as a strategic partner to business through a forward looking approach. This will involve HR playing the role of a key enabler towards achieving the Lakshya objectives, with emphasis on strengthening leadership capacity through selective critical talent induction and grooming in-house talent to take on greater responsibilities.

Digital Transformation, Artificial Intelligence and Information Technology

Digitalisation and AI - Key to Enterprise Transformation and Resilience

At L&T, the Technology function continues to play a pivotal role in enabling business growth, enhancing operational efficiency, strengthening governance and building digital resilience. During FY 2025-26, the Group sustained its focused investments in digital platforms, AI-led innovation, cybersecurity and enterprise standardisation, in alignment with long-term business priorities and evolving stakeholder expectations.

These initiatives reinforce the Company's commitment to operational excellence, scalable growth, regulatory compliance and sustainable value creation.

The following outlines the key IT initiatives undertaken during FY 2025-26:

1. Digital Transformation, AI and Automation

The Group's Technology function intensified its focus on AI-led transformation and intelligent automation to improve productivity, decision-making and customer experience.

- Continued expansion of AI and GenAI-based use cases across business functions, including engineering, project execution, finance, HR and shared services
- Scaling of enterprise AI platforms and data foundations to support responsible, secure and reusable AI innovation
- Increased adoption of automation and workflow digitalisation driving process efficiency, accuracy and turnaround-time improvements
- Strengthening of enterprise integration and low-code / no-code capabilities to accelerate business-led digital solutions within governance frameworks

These efforts enabled faster business responsiveness while ensuring architectural consistency and risk controls.

2. Enterprise Platforms, Data and One L&T Approach

FY 2025-26 witnessed significant strides in standardisation and convergence under the overarching One L&T philosophy.

- Advancements in consolidating enterprise platforms such as ERPs, collaboration tools, identity management systems, network infrastructure and asset visibility mechanisms
- Strengthening of group-wide data and application governance
- Focus on data consolidation enabling advanced analytical capabilities, reporting and AI readiness
- Expansion of unified portals, contributing to consistent user experience, greater transparency and improved collaboration across businesses which create more streamlined, efficient and secure work environment that benefits both employees and the organisation as a whole

These initiatives support scalability, cost optimisation and improved enterprise-wide visibility. With a focus on platform-led transformation, innovation and operational excellence, the Company remains committed to delivering sustained value to its stakeholders.

3. Compliance, Governance and Risk Management

IT governance and regulatory compliance is key focus area for the organisation. The Company sustained compliance with ISO 27001:2022 and other relevant standards through ongoing controls, audits and continuous improvement initiatives. In addition, L&T continues to strengthen its application governance, asset visibility and life-cycle management across businesses. Further, the Company has enhanced monitoring, reporting and controls to support regulatory, audit and investor requirements, ensuring transparency and accountability. These measures reinforce trust with stakeholders while reducing operational and regulatory risk.

4. Cybersecurity and Digital Resilience

With an evolving threat landscape, cybersecurity continues to be a board-level priority to prevent cyber-attacks. The following measures are being taken on an ongoing basis:

- Strengthening of the Central Cyber Security Operations Centre (C SOC) to provide group-wide visibility, monitoring and coordinated incident response
- Deployment of advanced security technologies, including AI-driven threat detection, endpoint, data center, network, mobility protection and cloud security controls
- Ongoing cyber awareness and training programmes conducted across the organisation to enhance employee vigilance and preparedness
- Maintaining compliance with applicable cyber regulations

These measures reinforce trust with stakeholders while reducing operational and regulatory risk.

5. Sustainability and ESG Enablement

Technology continues to play a key role in enabling L&T's sustainability and ESG objectives.

- Continued enhancement of digital platforms to capture, monitor and report ESG metrics, including energy, emissions, water, waste and compliance data

- Integration of ESG data with enterprise systems to support regulatory disclosures, management reporting and internal benchmarking
- Adoption of cloud and digital solutions to improve resource efficiency and support sustainability goals

Outlook and Strategic Priorities

Looking ahead, the Group Technology function will continue to act as a strategic business enabler, with key priorities including:

- **Scaling AI Responsibly:** Expanding enterprise AI and GenAI solutions with strong governance, ethics and security
- **Deepening One L&T Adoption:** Advancing One Identity, One Network, One Data, One Asset and unified digital experiences
- **Industry 5.0 Enablement:** Leveraging human-machine collaboration to drive productivity, safety and sustainability
- **Cyber Resilience by Design:** Strengthening security architectures, zero-trust adoption and future-ready encryption
- **Data-Driven Enterprise:** Enhancing real-time insights, advanced analytics and decision intelligence

Through these strategic investments, the Technology function will continue to support L&T's growth ambitions, operational excellence and leadership as a digitally-enabled engineering and construction major.

AWARDS AND ACCOLADES



Gold Award at the ET Human Capital Awards (ETHCA) 2025

The Company has been ranked as the 9th most valuable brand in India in the Brand Finance India 100 report of 2025. During the year, L&T's businesses have won many awards and accolades. Some of the noteworthy ones are mentioned below:

Human Resources

- Great Place to Work – certified for third year in a row
- Gold Award in the category of 'Excellence in AI for Learning & Development' at the ET Human Capital Awards (ETHCA) 2025
- Ambition Box – Employee Choice Awards 2025 – in the categories of 'Top Rated Construction Companies' and 'Top-Rated Mega Companies'
- 'BW People HR Excellence Awards 2026' – Silver in Best Digital Learning Transformation Programme and Gold in Best Use of AI in Learning
- Recognised with Silver Award in the category of 'Excellence in Learning & Development' by Financial Express at FE HR Awards 2025
- Recognised as one of the 'Top 100 Best Companies for Women in India' by AVTAR & Seramount 2025 and in Conglomerate category
- Recognised as first runners-up in category of 'Excellence in Learning & Development' at the SHRM HR Excellence Awards 2025

- Recognised as one of the Top 25 Companies for 'Excellence in Women in STEM' at CII Awards for Women in Excellence 2025
- Recognised at the FICCI Women Empowerment Awards 2025 for DEI initiatives

Heavy Civil Infrastructure

- 'Infra Company of the Decade' was conferred by EPC World Media Group in recognition of outstanding contribution to the infrastructure sector
- CII Design Excellence Awards at the 25th CII Global Design Summit & Exposition saw the business secure seven top honours for 'Made in India' designs
- MIT-WPU Excellence Award recognised achievements in road and railway tunnel projects
- National Project Excellence Award 2025 was received for the MAHSR C4 Package – in recognition of exemplary project execution
- Recipient of CII Environmental Excellence Award 2025 for initiatives in biodiversity conservation
- 'Sustainability Project of the Year' at the Global Project Controls Awards recognised excellence in sustainable project delivery



Recognised as first runners up in category of Excellence in Learning & Development at the SHRM HR Excellence Awards 2025

Power Transmission & Distribution

- MEW-5 Substation Project, Kuwait awarded 'Power Transmission Project of the Year' at MEED Awards 2025
- TLT Manufacturing Unit, Pithampur named Joint Winner (Global Round) at IAQ Quality Sustainability Awards

Renewables

- MEED Projects Awards 2025 - Ar Rass 2 Project chosen as a National Level Winner – KSA in Power
- Middle East Clean Energy week 2025 – Amaala Utilities chosen as Best Solar Project of the Year under Hybrid category
- DEWA-VI Project was selected as Winner by Solar Quarter MENA at the 2nd Edition of Solar Week UAE Leadership Awards 2025 – Best Solar Project of the Year (Utility)

Energy Hydrocarbon – Offshore

- National Project Excellence Award (NPEA) 2025 for Tapti Decommissioning Project
- MFF Kattupalli received Safety Excellence Award from World Safety Organization
- MFF Hazira received RoSPA Gold Award at ICC National Occupational Health & Safety Conference
- Aramco's recognition for New Technology Adoption in CRPO 80-81

Energy Hydrocarbon – Onshore

- 'CII Gold Category Award for Excellence in EHS Practices' for two projects:
 - Residue Hydrocracker Unit (RHCU) for IOCL Panipat Refinery, Haryana
 - Diesel Hydrotreater (DHDT) Unit for IOCL Panipat Refinery, Haryana
- 'CII Silver Category Award for Excellence in EHS Practices' for two projects:
 - IOCL RHCU
 - IOCL DHDT
- 'Indian Chamber of Commerce (ICC) OHS Gold Awards 2025' for one project:
 - Mono Ethylene Glycol (MEG) for Reliance Industries Limited (RIL), Kakinada, Andhra Pradesh
- 'Indian Chamber of Commerce (ICC) OHS Silver Awards 2025' for one project:
 - Dual Feed Cracker Unit (DFCU) for HPCL Rajasthan Refinery Limited (HRRL), Barmer, Rajasthan



Certificate of Achievement (Within the Fence), CII-National Awards for Excellence in Water Management 2025

- WSO 5 Star Platinum Award for Most Outstanding Performer in EHS for three projects:
 - Residue Upgradation Facility (RUF) for HPCL Vizag Refinery, Visakhapatnam, Andhra Pradesh
 - IOCL RHCUC
 - Hydrogen Gas Unit (HGU) for Mitsubishi Heavy Industries (MHI)
- Best EPC Contractor Award for Mastergas PKG 8 Project in Master Gas System Expansion - III Programme by Saudi Aramco

CarbonLite Solutions

EEPC National Award for Excellence in Export of Engineering Services won by L&T-Sargent & Lundy Limited

Heavy Engineering

- EEPC Award for Export Excellence
- CFBP Jamnalal Bajaj Uchit Vyavahar Puraskar 2025-26 in the category of Manufacturing Enterprises-Large
- Recipient of 'Golden Peacock Award for Energy Efficiency 2025' at the 26th International Conference on Environment Management & Climate Change

- Recipient of 'CII National Best Practices Awards on Future Ready Manufacturing'
- Recipient of 'CII-ITC Sustainability Award for Excellence in Environment Management'
- Awarded as Exemplary Project in categories 'Harnessing Global Expertise for Ultimate Sustainable Energy Security Award' and 'National Project Excellence Award' for the Cryostat Project at 33rd Global Symposium and 7th World Project Management Forum (WPMF) Meet 2025
- Vadodara Heavy Engineering Works received the National Award for 'Outstanding Industrial Relations' from the All India Organization of Employers (AIOE), linked with FICCI

Precision Engineering and Systems

- Recipient of the prestigious 'Champion of Champions' Award from Raksha Mantri at SIDM Champion Awards 2025 for Waterjet Propulsion and Submarine Escape Training Tower (SETT) Projects

LTM

- Honoured as 'Google Partner of the Year 2025 for Industry Solutions in Manufacturing' for the second year in a row



Recognised as Top Rated Construction Companies & Top-Rated Mega Companies by Ambition Box – Employee Choice Awards 2025

- At the annual Snowflake Summit 2025, honoured with the 'Manufacturing & Industrials Data Cloud Services Partner of the Year Award' by Snowflake, the AI Data Cloud company
- Recognised as one of the Strategic Global Partners featured in Microsoft's FY26 Agentic AI Playbook
- Recognised at the CII National HR Excellence Awards in 'Significant Achievement in HR Excellence' category
- Won the '2025 Salesforce Partner Innovation Award' for Manufacturing for its industry expertise and commitment to driving growth through innovation and agility
- Recognised with the 'Cisco CX Visionary Workplace Award' for rapid modernisation of LTM's infrastructure, a testament to the strategic 360° relationship

L&T Technology Services

- Inducted into John Deere Supplier Hall of Fame for Five Consecutive Years of Excellence
- Recognised among CII's Top 20 Most Innovative Companies
- Rated as 'Leaders in Digital Engineering Services 2025' by Avasant
- Rated as Leaders in HFS Semiconductor Horizons: The Best of Service Providers across the Value Chain, 2025
- Rated as 'Leader in Oil & Gas for both EAM and AI & Cloud Services – US 2025' by ISG

L&T Semiconductor Technologies

- Received award of a 'Unique Manufacturer ID (UID)' by BIS, enabling secure IC Manufacturing for Critical Applications

Realty

- Received ISO 9001:2015 certification
- Great Place to Work in Real Estate Sector – certified for second year in a row
- National Safety Council Awards 2025 in the Merit Category for 'Workplace Health and Safety'
- 'Iconic Luxury Project (The Gateway)' recognition from Times Real Estate
- Awarded 'The CII-IGBC Net Zero Water pre-certification for Design'

CE & IPDD

Recognised with EEPC Export Award in 'Gold Plus' category under the CII-EXIM Bank Award for Business Excellence 2025

Green Energy

'Pioneers of Energy Transformation' at The ET Edge Global Sustainability Alliance – Transformation Series 2025



Recognised with Silver Award in the category of 'Excellence in Learning & Development' by Financial Express at FE HR Awards 2025

Hyderabad Metro

- 'Economic Times – Railway Safety Excellence Award 2025' for outstanding safety performance
- 'Platinum 5 Star Trophy' at the 4th World Safety Organization (WSO) India Conference & Awards
- Recognised with 'Excellent Energy Efficient Unit Award' at the CII National Award for Excellence in Energy Management 2025
- Recognised with 'Platinum Award' at the 53rd CII National Kaizen Competition' for continuous improvement and operational excellence

Nabha Power

- Recognised as 'Best Performing Supercritical Power Plant having Lowest Auxiliary Power Consumption' by Centre of Science and Environment (CSE)
- Winner: Gold Award for 'Occupational Health, Safety and Environment (OHSE) Excellence 2025' in the Thermal Power Generation category hosted by the International Business Conferences (IBC)
- Won in the category of 'Energy Efficient Unit' from CII at National Award for Excellence in Energy Management 2025
- Won Innovation Award for 'Energy Conservation achieved by installing ACW Booster Pumps' presented by Independent Power Producers Association of India (IPPAI)

Sustainability

- Awarded 'Sustainability Leadership Excellence' in 3rd Annual Sustainability Symposium by Indian Chambers of Commerce
- Won Mahatma Award 2025 for ESG Excellence, awarded by Mahatma Foundation
- Recognised in Perpetual Capital Hurun India Impact 50 2026 list
- Rank 5 amongst Most Sustainable Companies in the Engineering and Electrical & Electronics sector, and Rank 10 overall, at Business World's India's Most Sustainable Companies (IMSC) Awards 2026

Corporate Social Responsibility

- L&T's Unnati Project honoured with "Significant Achievement Award" at the 19th CII-ITC Sustainability Awards
- CSTIs honoured with six awards from Brandon Hall- 1 Gold, 2 Silver & 3 Bronze Awards
- L&T Heavy Engineering honoured with Aether Award for Outstanding Achievement Award in Social Welfare" from Southern Gujarat Chamber of Commerce (SGCCI) Golden Jubilee Memorial Trust
- Won Mahatma Award 2025 for CSR Excellence

INTEGRATED REPORT

Forward-looking Statement

This section contains forward-looking statements based on reasonable assumptions and past performance. These involve risks and uncertainties and may differ materially from actual results due to changes in industry trends, market conditions, regulations, and other factors. The Company makes no assurance that such statements will prove accurate.



Approach to the Sustainability Disclosures

This section of the Integrated Annual Report highlights the approach to value creation for all stakeholders. It presents a comprehensive sustainability performance overview, encompassing value creation model, sustainability governance, material topics, stakeholder engagement and the six capitals. This disclosure goes beyond statutory requirements, offering a holistic view of the Company's goals, strategy and performance.

Reporting Framework, Guidelines and Standards

- Narrative sections adhere to the IIRC's <IR> Framework guidelines. These sections provide a comprehensive overview of the Company's performance and activities.
- Business Responsibility and Sustainability Reporting (BRSR) based on the National Guidelines on Responsible Business Conduct (NGRBC), mandated by Securities and Exchange Board of India (SEBI).

Reporting Period, Scope and Boundary

This section covers relevant financial and non-financial information for the Company on a standalone basis. The information in this Report pertains to the period April 01, 2025 to March 31, 2026.

External Assurance

An independent reasonable assurance of the Company's BRSR Core parameters has been conducted by BDO India Services Pvt. Ltd.



NATURAL CAPITAL

► Pg. 210



MANUFACTURED CAPITAL

► Pg. 240



HUMAN CAPITAL

► Pg. 248



INTELLECTUAL CAPITAL

► Pg. 284



SOCIAL AND RELATIONSHIP CAPITAL

► Pg. 300

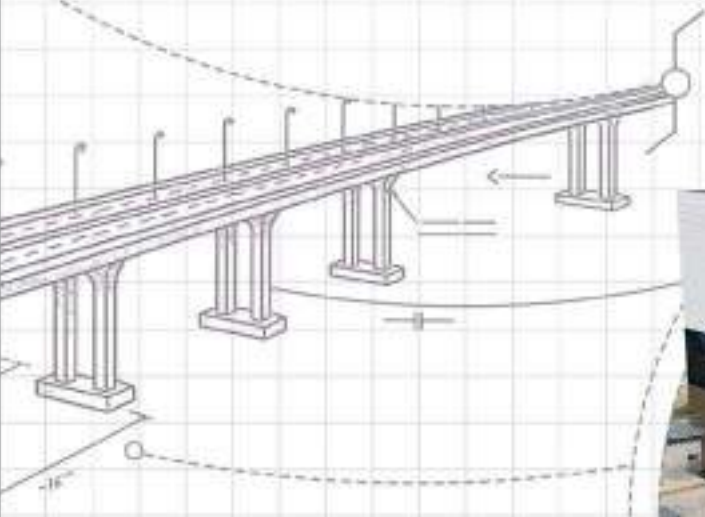


FINANCIAL CAPITAL

► Pg. 338

Other Chapters

Value Creation Process	174
Value Creation Model	176
Stakeholder Engagement	178
Understanding Materiality	186
Sustainability Governance	196
Sustainability Highlights FY 2025-26	208



VALUE CREATION PROCESS

VISION, VALUES AND STRATEGY

Strategic Objectives

- SO-I** Value-accretive growth of current businesses
- SO-II** Scaling up digital and e-commerce businesses
- SO-III** Developing business offerings to ride the Energy Transition wave
- SO-IV** Divestment of non-core businesses
- SO-V** Enabling business sustainability through a high focus on ESG and Stakeholder Value Creation

Strategic Enablers

- SE-1** Operational Excellence
- SE-2** Industry leading capabilities in digital and advanced technologies
- SE-3** Financial resources and strong financial health
- SE-4** Talent and Leadership pipeline
- SE-5** Capability enhancement through innovation, R&D and partnerships



MATERIAL TOPICS

STAKEHOLDER ENGAGEMENT

GOVERNANCE: POLICIES, PROCESSES, RISK MANAGEMENT

VALUE CREATION**VALUE CREATED****Business Models****Creating Value for****NATURAL
CAPITAL****MANUFACTURED
CAPITAL****HUMAN
CAPITAL****INTELLECTUAL
CAPITAL****SOCIAL AND
RELATIONSHIP
CAPITAL****FINANCIAL
CAPITAL****EPC Projects****Hi-Tech
Manufacturing**

The six Capitals are utilised through business processes to create assets and products linked to infrastructure, energy, oil & gas, metals, process plants and other sectors, and create value for the stakeholders.

**Customers****Shareholders****Employees****Supply Chain Partners****Government****Communities****Productive
Assets for Clients****Dividends
and Buybacks****Employee Benefits
and Capability
Development****Business for Supply
Chain Partners****Payment to
Exchequer****Community Assets
and Livelihood**

VALUE CREATION MODEL

Input

	Natural Capital	Water Consumed: 12.7 Mn kl Energy Consumed: 10.2 Mn GJ Spend on Environment ¹ : ₹ 159 Cr Material Consumed (Mn tonnes): - Cement: 3.2 - Sand: 5.1 - Ferrous: 1.8
	Manufactured Capital	Active Project Sites: 630 Manufacturing Facilities: 22
	Human Capital	Employees: 59,403 Worker: 3,78,039 Gender Diversity: 9.6% Safety Training Hours: 7.4 Mn
	Intellectual Capital	R&D Spend (cumulative of 3 years): ₹ 524 Cr IPR filed: 49 R&D Engineers and Scientists: 90 Active Collaborations and Partnerships ² : 42
	Social & Relationship Capital	CSR Spend: ₹ 189.9 Cr CSR Partners: 66 Sourcing from MSME: 11% Memberships of Industry Chambers: 63
	Financial Capital	Order Book: ₹ 6,13,235 Cr Net Current Assets: ₹ 35,958 Cr Net Fixed Assets: ₹ 13,712 Cr

Business Processes and

VALUE ENGINEERING	L&T BUSINESS EXCELLENCE MODEL	
		
	Residential Spaces	
LEAN OPERATIONS		
	Mass Transit and Railways	
		
INTEGRATED ENGINEERING	Data Centres	
		
	Hydel Power Plants	
		
	Water Treatment Plants	
		
	Oil & Gas Facilities	
		
	Process Plant Equipment	

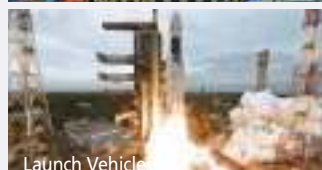
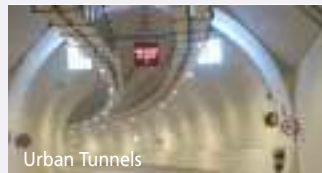
¹ Spend on environmental management: pollution control, environmental monitoring, waste management, wastewater treatment etc. improve project delivery and increase customer satisfaction

² Partnerships with universities, academic and research institutes, start-ups.

Offerings

Output

SPEED & SCALE



DIGITALISATION

AUTOMATION

INNOVATION

GLOBAL SOURCING

GHG Emissions: **0.9 Mn tCO₂e**
 GHG Emission Intensity: **5.9 tCO₂e/₹ Cr**
 Water Offset Created: **4 Mn kl**

SDG Linkage



Green Business (Revenue): ~₹ **78,700 Cr**
 Building Infra Created³: **67.1 Mn sq. ft.**
 Mobility Infra Created⁴: **623**
 Bridges & Tunnels: **122 km**
 Power Infra Created:
 - Transmission Lines: **6,900 ckm**
 - Solar Power Capacity: **8,006 MWp**
 - BESS Capacity: **1,014 MWp**
 Water & Sanitation Infra Created⁵:
 - Water Storage Capacity: **572 Mn ltr**
 - Treatment Capacity: **1,173 Mn ltr/day**
 Factory Output : **3,00,493 tonnes**



Revenue per Employee: ₹ **2.6 Cr**
 Women in Senior Management: **130**
 Accident-free Working Hours: **1,369 Mn**



IPR Granted: **9**
 Value Engineering Projects⁶: **207**



CSR beneficiaries: **1.9 Mn**
 Contribution to Exchequer: ₹ **7,742 Cr**
 Complaints Received⁷ : **1,694**
 Complaints Resolved : **1,503**



Turnover: ₹ **1,53,680 Cr**
 PBIT: ₹ **17,938 Cr**
 Dividend Payout: ₹ **5,227 Cr**
 Return on Net Worth: **8.59%**



³ Also includes Green Building (19.7 Mn sq. ft.)

⁴ Mobility Infra created includes Roads (169 lane km), Rail electrification (166 track km), Rail track (174 track km) and Mass Transit-viaducts (115 km)

⁵ Also includes Irrigation Capacity (1 lakh ha) and Water Pipelines (0.5 lakh km)

⁶ Initiatives for improving processes, products and services to reduce cost, improve project delivery and increase customer satisfaction.

⁷ Across the stakeholders, for breakup refer to Section A in BRSR.

Driving Stakeholder Engagement

Stakeholder engagement is integral to L&T's business and sustainability strategy and is recognised as a key enabler of long-term value creation, responsible growth and effective risk management. Operating across diverse geographies, sectors and value chains, the Company proactively engages with stakeholders to build trust, foster collaboration and respond to evolving expectations in a transparent and accountable manner.

L&T adopts a structured, continuous and inclusive approach to stakeholder engagement to understand material concerns, inform decision-making and align its actions with strategic priorities and ESG commitments. Insights gathered through engagement shape business strategy, strengthen operational agility and enhance the Company's ability to deliver sustainable outcomes across the value chain.

Core Principles of Engagement



Engagement Approach and Governance

Stakeholder engagement at L&T is embedded within its governance framework, policies and management processes. Oversight rests with the Board and its CSR & Sustainability Committee, with senior management accountable for translating stakeholder insights into strategic and operational actions. Engagement outcomes inform, among others:



Business strategy and capital allocation



Project execution and operational excellence



Materiality and ESG priority setting



Enterprise risk identification and mitigation



Policy development and disclosures

Stakeholder inputs also form a core component of the Company's double-materiality assessment, ensuring that both business impacts and stakeholder concerns are systematically evaluated.

The Company engages with a diverse range of stakeholders who influence, or are influenced by, the operations — including employees, customers, investors, shareholders, supply chain partners, regulators, communities, media and civil society organisations. Key stakeholder groups are periodically reviewed based on their influence and impact on the business, ensuring focused and effective engagement. Key examples include:



Customers: Integration of feedback into contract execution, improving delivery timelines and quality benchmarks



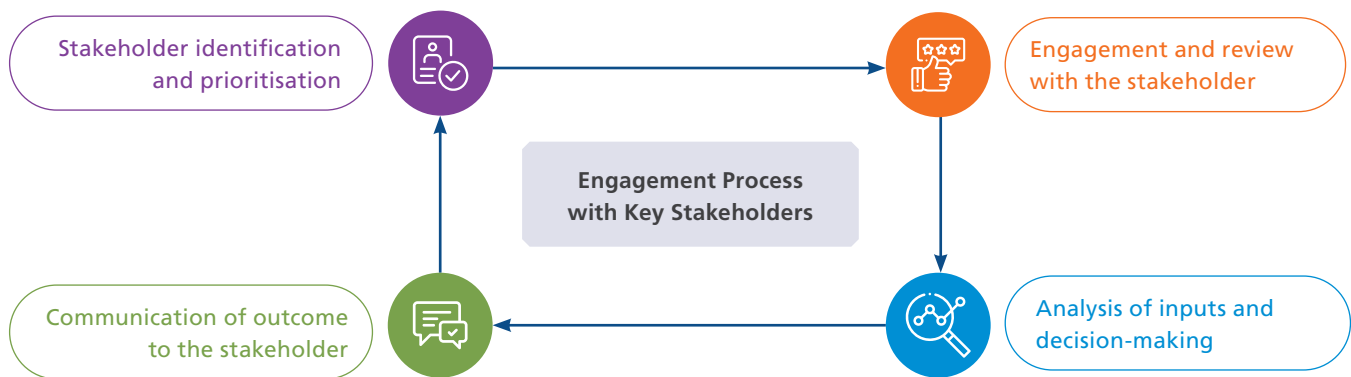
Employees: Enhanced focus on engagement, safety, well-being and capability building



Supply Chain Partners: Strengthening ESG assessments and capacity-building initiatives to improve overall sustainability performance



Communities: Alignment of CSR programmes with local needs through structured assessments and ongoing consultations



Stakeholder Engagement Overview

L&T engages with a diverse set of stakeholders and engagement mechanisms are tailored to stakeholder needs, ranging from continuous project-level interactions to structured surveys and strategic forums.



Government

The government is a key driver of infrastructure development and digital transformation, and a critical customer for L&T. Government entities, including sovereign, sub-national, local bodies and public sector enterprises, account for over ~65% of the Company's revenue. Leveraging strong engineering and execution capabilities, L&T delivers nationally significant projects, reinforcing its position as a trusted nation-building partner.

- Contractual and periodic review meetings
- Representations - direct and through industry associations

- Ongoing, aligned with contract requirement

- Project progress and delivery milestones
- Concerns and support for fulfilling contractual obligations
- Resolution of issues/challenges
- Regulatory compliances and reporting requirements
- Advocacy for policy changes and inputs for new or existing legislations/rules

- Creating nation-building infrastructure
- Job creation and skill development
- Advancing sustainable infrastructure



Customers

Private sector customers constitute a significant segment for L&T, contributing approximately ~35% of the Company's revenue. Growth is driven by long-standing relationships built on execution excellence, reliability and customer satisfaction. These partnerships also enable collaboration with customers on areas including innovation, technology adoption and policy advocacy, thereby strengthening long-term value creation.

- Contractual review meetings
- Direct communication
- Customer satisfaction surveys and feedback
- Account management
- Visits and audits

- Ongoing, aligned with contract requirement
- Customer satisfaction surveys: annual/bi-annual/project completion

- Quality and safety
- Timely execution and delivery of product/project
- Data privacy and confidentiality
- Updates and issues w.r.t. contractual obligations
- Collaboration on innovation and technology

- Customer satisfaction and enhanced customer experience
- Creation of high-quality, productive assets
- Long-term trusted business relationship and partnership

Legend

- | | | | |
|---|---|--|--|
|  Engagement channels |  Frequency |  Key focus areas and topics of discussion |  Value creation |
|---|---|--|--|



Employees and Workers

The workforce, including employees and contract workers, is central to L&T's performance and success. An engaged workforce drives productivity, safety, quality and innovation, while promoting the Company's culture and reputation. Continued investment in well-being, capability building and engagement supports talent retention, boosts morale and sustainable growth.

- Leadership interactions and townhalls
- Employee feedback and engagement surveys
- Induction programmes, trainings, learning programmes
- Performance management process
- Complaints and grievance redressal processes
- Internal communication channels (digital and print) – circulars, broadcasts, magazines and newsletters
- Welfare initiatives and Employee Assistance Programmes
- HEERA: an AI powered employee assistant for HR queries
- Engagement events

- Continuous and need-based

- Work environment and organisational culture
- Professional development and career growth
- Health, safety and well-being
- Compensation and benefits
- Learning, development and career progression
- Business outlook, organisational strategy, policies, priorities and updates

- Enhanced skills and career growth
- Improved well-being and workforce morale
- Employee engagement and productivity
- Safe and inclusive workplace



Supply Chain Partners

L&T's global and complex supply chain, comprising over 1,00,000 partners, is integral to its operational excellence, innovation and resilience. Strong supplier partnerships ensure continuity of goods and services, while also advancing sustainability objectives in an increasingly dynamic and disruption-prone environment. The Company focuses on building collaborative, transparent and responsible relationships to enhance flexibility and long-term value creation.

- Supply chain partner conference and meets
- Leadership interactions and review meetings
- Contractual engagements and grievance redressal platforms
- Training and capacity-building programmes (online and offline)
- Sustainability supply chain assessment of critical supply chain partners
- Partner Portal enabling supply chain partners to manage profiles, update documents and track performance

- Ongoing, aligned with sourcing and contract requirements
- Annual partner engagements

- Contractual and non-contractual grievances, and resolution
- Capacity building and ESG assessments
- Sourcing, quality and service delivery
- Compliance to regulations and industry standards
- Performance monitoring and continuous improvement
- Quality control and improvements
- Risk management and contingency planning

- Strong, long-term and trusted partnerships
- Ethical, transparent and responsible supply chain practices
- Enhancing quality and ESG standards
- Knowledge sharing and innovation
- Enhanced supply chain resilience and risk mitigation
- Economic development of MSMEs
- Ensuring compliance with regulations

Legend

- Engagement channels
- Frequency
- Key focus areas and topics of discussion
- Value creation



Shareholders and Investors

Shareholders and investors are critical to L&T's growth, providing capital, shaping strategic direction and supporting innovation. The Company's focus on transparency, value creation and sustainable performance aligns closely with investor expectations, strengthening long-term confidence and trust.

- Investor meets and one-on-one/group interactions
- Integrated Annual Reports and other public disclosures
- Annual General Meetings (AGMs)
- Quarterly results communications
- Investor Relations (IR) function, exclusive section on the Company website at <https://investors.larsentoubro.com/>, Dedicated email ID (igrc@larsentoubro.com) and contact nos. (India: 1800 209 4545, International: +91 22 67525899)
- Press releases, newsletters, digital platforms and social media
- Regulatory filings and stock exchange disclosures

- Continuous and need-based
- Quarterly performance updates
- AGM

- Business performance – financial and non-financial
- Strategy, outlook and capital allocation
- Governance, policies and risk management
- Sustainability priorities

- Strengthened investor trust and confidence
- Value enhancement – shareholder returns, dividends and buybacks
- Constructive inputs into strategy and governance



Communities and NGO Partners

Communities and NGO partners are key stakeholders in building trust, strengthening L&T's social licence to operate and creating shared value. Local communities provide insights into social, cultural and environmental contexts, ensuring that business activities are respectful, inclusive and responsive. NGO partnerships bring expertise and execution capability in social development and sustainability. Collaborating with these stakeholders not only supports long-term community well-being but also reinforces the Company's reputation, resilience and purpose-driven growth.

- Direct engagement and partnerships with NGOs and civil society organisations
- CSR programmes, including need and impact assessments
- Community visits and interactions with local representatives
- Engagement with village institutions and local bodies
- NGO Mela, Annual Conclave

- Need-based as required for specific programme or project
- Quarterly – NGO partners

- Need-based community development initiatives
- Local employment and livelihood generation
- Grievance resolution related to CSR implementation
- Strengthening local infrastructure and services

- Improved quality of life and empowerment of underprivileged and vulnerable communities
- Skilling and economic development
- Strengthened social licence to operate
- Enhanced community relations and trust
- Positive impact on employee engagement and morale

Legend

- | | | | |
|---|---|--|--|
|  Engagement channels |  Frequency |  Key focus areas and topics of discussion |  Value creation |
|---|---|--|--|



Regulatory Bodies

Regulatory bodies shape L&T's operating environment through standards on finance, governance, sectoral regulations, environmental protection, labour and data privacy. Proactive compliance and engagement support a transparent, level playing field while mitigating legal and reputational risks.

- Participation through industry associations, fora and public consultations
- Collaborative policy development initiatives
- Direct regulatory interactions and submissions
- Regulatory audits, inspections and compliance reviews

- Need-based

- Regulatory compliance and governance standards
- Inputs on new policies and regulations
- Transparency and disclosures
- Climate change and natural resources management

- Alignment with national priorities
- Strengthened governance and responsible conduct
- Stronger brand reputation, credibility and enhanced stakeholder trust



Media

Media plays a critical role in shaping public perception and influencing L&T's reputation. While positive coverage strengthens brand trust, adverse reporting can impact credibility and investor confidence. Proactive engagement with media serves as an important feedback mechanism and supports transparent communication of the Company's strategy, performance and initiatives.

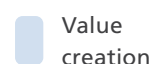
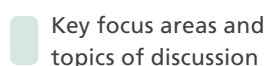
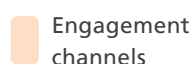
- Interviews and press briefings by leadership
- Media briefing and press releases, available at [Press-Releases](#)
- Integrated Annual Reports and public disclosures
- AGM
- Quarterly results communications, investor presentations
- Updates on key developments and emerging issues
- Digital and social media: [Linkedin](#), [X/Twitter](#), [Youtube](#)

- Ongoing and issue-based
- Quarterly – results and business performance overview

- Major contract wins and business milestones
- Strategic initiatives, including new technology, partnerships and businesses
- Business updates, actions and achievements
- Financial and operational performance
- Sustainability strategy, actions, progress and practices

- Strengthened brand value and public trust
- Inputs and constructive feedback for strategic improvement
- Enhanced visibility of responsible business practices

Legend



Outlook and Strategic Priorities

Looking ahead, L&T will continue to enhance its stakeholder engagement framework by leveraging digital technologies, data analytics and structured feedback mechanisms to enable more insight-driven interactions. Key priorities include:



Deeper integration with ESG

Strengthening linkages between stakeholder inputs and material sustainability priorities. Inform and raise awareness on sustainability and ESG practices of the Company and seek inputs for further improvements.



Collaborative value creation

Increasing partnerships with stakeholders to co-create innovative and sustainable solutions.



Community engagement

Further strengthen community engagement efforts; these collaborations will continue to focus on social development projects, education, skilling, healthcare, water and sanitation, ensuring positive impacts on the communities.



Enhanced communication

Leverage broadcast, digital, print, social and streaming media to maintain continuous and transparent communication with stakeholders. Supported by updates through newsletters, dedicated stakeholder portals, advertising, events and forums.



Transparent reporting

Enhance the reporting mechanisms to provide stakeholders with clear and comprehensive information about the Company's performance, governance, partnerships, technology, new business and sustainability initiatives.

By deepening relationships, acting on shared insights and communicating with clarity, L&T seeks to ensure that every great story it builds, for business and society, truly begins with a leap taken together with its stakeholders.



Understanding Materiality

Materiality assessment is a foundational element of L&T's approach to sustainable value creation. It enables the identification and prioritization of environmental, social and governance (ESG) topics that are most significant to L&T's business performance, long-term strategy and stakeholder expectations. The Company undertakes a comprehensive materiality assessment every three years, supported by annual reviews to ensure continued relevance in a dynamic operating and regulatory environment.

The FY 2025-26 assessment was conducted by an independent third party agency and guided by leading global sustainability and disclosure frameworks, including the European Sustainability Reporting Standards (ESRS) and the Global Reporting Initiative (GRI) Standards 2021. It also aligns with SEBI's BRSR requirements, along with other internationally recognised frameworks such as IFC Performance Standards, SASB, ILO guidelines and key ESG rating methodologies.

Methodology

In FY 2025-26, L&T undertook its first **Double Materiality Assessment** to align with evolving global standards and rising stakeholder expectations. L&T assessed material topics across two dimensions: Impact Materiality and Financial Materiality.

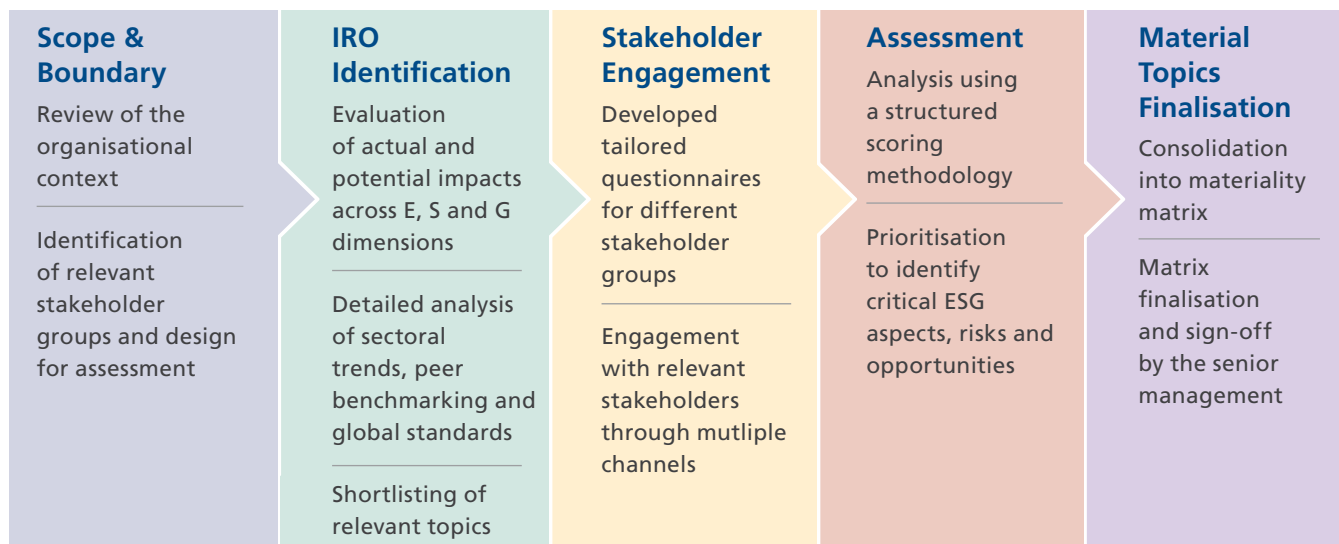
- **Impact Materiality:** Evaluates the Company's actual and potential positive and negative impacts on the environment and society across short-, medium-, and long-term horizons. Actual and potential impacts (positive and negative) were evaluated using the following criteria:
 - **Scale:** Intensity of the impact
 - **Scope:** Extent of impact
 - **Irremediability:** Difficulty of reversing the impact (applicable to negative impacts only)

- **Financial Materiality:** Assesses how ESG factors affect financial performance, including revenues, costs, cash flows, access to capital and profitability. Risks and opportunities were assessed based on:
 - **Financial impact:** Effect in terms of revenue, order inflow and costs
 - **Reputational and compliance impact:** Potential to affect reputation or regulatory compliance

Identified IROs (Impacts, Risks and Opportunities) were assessed across two dimensions: **severity (magnitude)** and **likelihood**.

Each criterion, along with likelihood, was scored on a **scale of 1 to 5** (1 = lowest, 5 = highest). The same scoring scale was applied to both impact and financial materiality.

Process



Assessment Principles



Business Relevance

Aligned with L&T's business model, operating context and strategic priorities.



Stakeholder Inclusivity

Incorporates inputs from internal and external stakeholders.



Structured Scoring

Uses defined criteria and thresholds to evaluate impacts, risks and opportunities.



Governance Integration

Outputs designed to inform strategy, KPIs, enterprise risk management and disclosures.

Stakeholders and their engagement channels

Senior management	1:1 interactions and detailed questionnaire
Employees including Sustainability teams	Questionnaire
Sustainability teams across the Company	Detailed questionnaire
Customers	Questionnaire
Supply chain partners	Focussed group discussions
Local Communities, NGOs and Civil Societies	Survey
Business and Trade Associations, Academia, investors	

Outcome

An initial longlist of 34 topics was identified for evaluation. Following detailed assessment and prioritization, 15 topics were determined to be most material based on their impact and/or financial significance. The identified material topics span environmental, social and governance dimensions and include topics assessed as double material as well as those driven primarily by financial materiality. These topics represent priority areas of focus for L&T's strategy, risk management and sustainability initiatives.

The materiality matrix and its associated targets and KPIs are published on the website.



Environment

Climate Change

Air Quality Management

Water and Waste Management

Land Use and Ecosystem



Social

Labour Practices and Human Rights

Talent Management and Workforce Engagement

Diversity, Equity & Inclusion

Occupational Health and Safety

Community Relations

Sustainable Supply Chain



Governance

Product Quality and Reliability

Customer Satisfaction

Data Privacy and Security

Business Ethics

Geopolitical Risks

New topics

Material Topics: IRO and Linkages

Climate Change

Energy-intensive construction and manufacturing operations rely on fossil fuels, leading to GHG emissions. Business growth may further increase energy demand and emissions. At the same time, opportunities in renewable energy and clean technologies, along with emission reduction and resilience measures, can lower costs and enhance long-term competitiveness.

Actual, Risk and Opportunity

- Exposure to physical and transition climate risks
- Physical risks (e.g., extreme weather) may disrupt operations, affect assets and impact business continuity.
- Transition risks may influence costs, investments and future business opportunities.

Negative

- Potential financial and reputational impacts due to insufficient measures to control emissions
- May lead to increased costs and potential loss of future business opportunities especially in environmentally sensitive areas.
- Inadequate mitigation and adaptation measures may lead to reputational damage and potential regulatory costs, including carbon pricing.

- Targets set for carbon neutrality by 2040 and water neutrality by 2035, supported by energy efficiency and renewable energy initiatives
- Climate risk management is integrated into the Enterprise Risk Management framework
- Project schedules incorporate buffers to mitigate potential disruptions from extreme weather events.
- Portfolio diversification towards low-carbon opportunities to support climate-resilient growth.

Strategy Linkage



SDG Alignment



Air Quality Management

Operations rely on vehicles and diesel-powered equipment that emit nitrogen oxides, sulphur oxides, particulate matter and construction dust, degrading air quality and posing health risks to workers and nearby communities.

Actual, Risk

Construction activities at EPC sites involve extensive use of machinery and equipment, generating pollutants and dust that pose health risks to workers and surrounding communities.

Negative

- Failure to manage air quality may lead to regulatory penalties, reputational damage and loss of competitiveness in environmentally conscious markets.
- Stricter environmental regulations may lead to increased compliance costs and potential project delays

- Air quality management is integrated into the Environmental Management System at EPC sites.
- Preventive and mitigation measures are implemented.
- Air quality is monitored through on-site stations and third-party assessments.

Strategy Linkage



SDG Alignment





Water and Waste Management

Manufacturing and construction activities generate hazardous waste that poses environmental and safety risks. Improper disposal of non-biodegradable construction waste can lead to land, air and water pollution, including soil contamination from landfilling. Mismanagement of wastewater may pollute nearby water bodies, harming aquatic life and shared water resources.

Actual, Risk

- Improper management of operational waste, particularly hazardous waste, poses environmental and social risks to surrounding communities.
- Construction activities require significant water use, potentially affecting availability for other stakeholders.
- Untreated or inadequately treated wastewater can harm ecosystems and nearby communities.

Negative

- Ineffective management may lead to penalties, reputational damage and potential loss of license to operate.

- Waste management is integrated into EHS management system, with defined protocols and monitoring.
- Compliance with regulations for waste, water and wastewater is ensured.
- Recycling and reuse of non-hazardous waste are promoted to reduce impact and support circularity.
- Water efficiency measures, including wastewater recycling and rainwater harvesting, are implemented across locations.

Strategy Linkage



SDG Alignment



Land Use and Ecosystem

Land use changes from construction and infrastructure development can lead to deforestation, habitat loss and ecosystem degradation. These impacts affect biodiversity, soil and water quality and the well-being of surrounding communities. In sensitive coastal and marine areas, activities such as dredging can further disrupt fragile ecosystems, increasing environmental and regulatory risks.

Actual, Risk

- Construction and infrastructure development can lead to land-use change, including deforestation, habitat loss and alteration of natural waterways.
- Environmental disruption may result in legal, social and economic risks, including community opposition and strained stakeholder relationships.

Negative

- Failure to manage habitat alteration may result in regulatory non-compliance, project delays, reputational damage and increased costs due to penalties and environmental restoration requirements.

- All compliances are ensured before start of on-site activities at EPC project sites.
- Environment Management Plan implemented at EPC project sites incorporates all relevant elements from EIA conducted by the customers.
- Responsible sourcing of natural materials monitored closely in resource-depleted regions.
- The Company also helps in mitigation and restoration efforts of the customers.

Strategy Linkage



SDG Alignment





Labour Practices and Human Rights

Nature of operations and dependence on a large contractual workforce presents potential human rights and labour risks. Potential Impact arising from human rights violations in own operations and supply chain due to insufficient measures

Potential, Risk

- Non-compliance with labour laws or human rights standards, including within the supply chain, may result in reputational damage and regulatory action.
- Inadequate local engagement may lead to social unrest, legal disputes and project delays.
- Negative publicity can damage reputation, reduce stakeholder trust, and potentially impact long-term business.
- Improper resettlement can cause social unrest, significant project delays, cost overruns, and reputational damage threatening social license to operate

Negative

- Issues may lead to higher compliance costs, operational disruptions, and stakeholder concerns.
- Human rights violations can result in significant fines and legal costs.
- May cause project delays due to strengthened compliance requirements

- Human rights embedded in the Code of Conduct for employees and suppliers, with mandatory annual sign off.
- Training and awareness programmes conducted on ethical labour practices and compliance.
- Internal Human Rights Due Diligence carried out at sites and facilities to identify risks and gaps.
- Sustainability assessments conducted for critical suppliers to ensure compliance with human rights and labour standards.
- Grievance redressal mechanisms implemented for employees and workers to ensure timely and transparent resolution of concerns.

Strategy Linkage



SDG Alignment



Diversity, Equity & Inclusion

A diverse and inclusive workforce enhances innovation, decision-making, and problem-solving by bringing varied perspectives. Promoting equity ensures fair opportunities, strengthens employee engagement and supports talent attraction and retention.



Actual, Opportunity

- A diverse and inclusive workplace fosters a sense of belonging, which boosts morale, productivity and organisational commitment.
- Strengthens investor confidence and builds a positive brand image that attracts top talent

Positive

- A healthy work environment helps support high employee retention, reduced legal and reputational scrutiny.
- Inclusive environment supports personal growth and equal opportunity for career advancement, drives collective success

- Inclusive culture being fostered – hiring without prejudice or discrimination, inculcating right attitudes through awareness and training.
- Supported by Equal Opportunity Policy, Policy on Prevention of Sexual Harassment at Workplace and Code of Conduct.
- As L&T expands into new markets and hires younger, more diverse talent, inclusive culture positioned as essential for long-term growth.

Strategy Linkage



SDG Alignment



Talent Management and Workforce Engagement



A skilled, motivated, and engaged workforce is essential for safe, efficient and timely execution of complex EPC projects. Engagement initiatives contribute to a more inclusive and collaborative work environment, where employees feel safe and encouraged to share ideas and co-create innovative solutions. This results in a more agile, responsive workforce aligned with continuous improvement goals.

Actual, Opportunity

- Effective engagement improves employee retention and satisfaction.
- Effective talent management reduces attrition, enhances productivity, and strengthens long-term competitiveness.

Positive

- Effective talent management improves productivity and operational efficiency.
- Strong workforce engagement and lower attrition reduce hiring and training costs.
- A robust leadership pipeline enhances execution capability, enabling timely project delivery and improved financial performance.
- Higher employee retention and capability development strengthen revenue growth potential.

- Customized learning and development programmes are delivered in partnership with leading educational institutions, aligned to role-specific and organizational needs.
- Digital platforms used for training, feedback, and engagement to ensure scalable, accessible, and effective capability development.
- Welfare initiatives and Employee Assistance Programmes in place
- Holistic well-being strategy addressing both physical and mental health needs
- Mental health awareness programmes, counselling, coaching and sensitisation workshops

Strategy Linkage



SDG Alignment



Community Relations



Strong community relations build trust, secure social license to operate, and support smooth project execution. Proactive engagement reduces resistance, enhances reputation, and strengthens stakeholder confidence, contributing to sustainable business growth.

Actual, Opportunity

- Strong community engagement builds trust, strengthens relationships, and supports smooth project execution.
- Positive engagement reduces the risk of resistance and enables timely project delivery.
- Community initiatives create shared value and improve socio-economic outcomes for local stakeholders.

Positive

- Enable smoother project execution, reducing delays and associated costs.
- Positive engagement lowers the risk of disputes, improving cost efficiency and project timelines.
- Enhanced reputation and stakeholder trust support project approvals, repeat business and revenue growth.

- Community engagement is integrated into strategy and aligned with business objectives and societal needs.
- CSR Policy provides the guiding framework for community initiatives.
- Community programmes create shared value while enhancing reputation, stakeholder trust, and goodwill among communities, customers, and investors.

Strategy Linkage



SDG Alignment



Occupational Health and Safety

Increased incidents of occupational health and safety resulting from inadequate health and safety measures



Actual, risk

- Ineffective implementation of health and safety systems can expose the workforce to hazards, leading to safety incidents, reduced productivity, lower morale, and higher turnover.
- Adversely affect operations, business performance, and the Company's reputation.
- Employee mental well-being is also an increasing area of concern alongside physical safety.
- Proactive health and safety management helps attract talent and strengthen the Company's brand image.

Negative

- Inadequate safety measures and protective equipment can result in workplace accidents, leading to liability and compensation costs.
- Unsafe work environments may result in regulatory penalties and reputational damage.
- Safety incidents reduce productivity, and result in loss of skilled man-hours.

- Comprehensive OHS approach covering preventive measures, training, and regulatory compliance; systems certified to ISO 45001:2018 and other global standards.
- Focus on leading indicators and preventive controls over reactive incident management.
- Extensive training and awareness programmes to strengthen safety systems and practices.

Strategy Linkage



SDG Alignment





Product Quality and Reliability

Ensuring durability and reliability of L&T's engineered products and systems is critical for long-term success as well as quality of infrastructure delivered

Actual, Opportunity

- High-quality, timely project delivery enhances customer satisfaction and strengthens long-term relationships.
- Strong execution capability creates opportunities for repeat business and new contract wins.
- Consistent quality improves operational reliability and safety, reinforcing trust and brand reputation,
- Robust quality practices reduce errors, minimize risks, and support efficient, cost-effective project delivery.

Positive

- High product quality and reliability enables repeat business and higher order inflows.
- Strong quality performance supports premium pricing and margin improvement.
- Reliable delivery reduces rework, warranty, and life-cycle costs, improving overall profitability.
- Consistent quality strengthens brand reputation and long-term revenue growth.

- Quality assurance systems, continuous improvement practices, and certifications (e.g., ISO 9001) ensure high standards and operational excellence.
- Focus on quality drives innovation in project delivery, supporting cost optimisation, sustainability, and client satisfaction.

Strategy Linkage



SDG Alignment



Customer Satisfaction

Customers expect quality execution and timely delivery in line with contractual commitments. Consistently meeting and exceeding these expectations enables L&T to build trust, enhance customer loyalty, and create differentiation in the market.

Actual, Opportunity

- Drives customer loyalty, positive brand perception, and long-term business relationships.
- Enables repeat business, strengthens competitive positioning, and allows the Company to command pricing premiums.

Positive

- Strong customer satisfaction drives repeat business, higher order inflows, and long-term revenue growth.
- Enhances pricing power and supports margin improvement through premium positioning.
- Reduces customer churn and acquisition costs, improving overall profitability and financial stability.

- L&T strives to strengthen and maintain its customer-centric approach by focussing on first time-right quality, timely execution and continuous improvement.
- Constant engagement with customers for improvement areas as well as technology and business collaborations.

Strategy Linkage



SDG Alignment



Sustainable Supply Chain

L&T's large and diverse supplier base makes supply chain sustainability a critical issue - both as a risk and a strategic opportunity. Weak practices in the supply chain can expose the Company to ESG, regulatory, and reputational risks, while strong sustainability integration enhances resilience, compliance, and long-term value creation.

Actual, Risk and Opportunity

- Supply chain disruptions due to climate events, resource scarcity, or geopolitical instability can affect project timelines and costs.
- A sustainable and resilient supply chain improves efficiency, drives innovation, enhances vendor performance, and strengthens customer trust and alignment with sustainability expectations.

Negative

- Non-compliance by suppliers can expose company to reputational damage and operational disruptions.

- Comprehensive policies, processes, and a Supplier Code of Conduct established to promote responsible practices across the value chain.
- Mandatory acceptance of the Code of Conduct during onboarding of all supply chain partners.
- ESG assessments initiated for critical suppliers to evaluate performance and identify improvement areas.
- ESG awareness sessions conducted to align suppliers with evolving expectations and Company priorities.

Strategy Linkage



SDG Alignment



Geopolitical Risks

Geopolitical instability, such as conflicts, regime transitions, or changes in government policy, causes business risks. These events can disrupt the value chain impacting the overall dynamics of the business environment. Trade wars can disrupt global supply chains, leading to tariffs, trade barriers, and economic sanctions.

Actual, Risk

- Geopolitical instability can disrupt project execution through supply chain constraints, trade restrictions and movement limitations.
- Exposure to conflict zones or politically sensitive regions may increase risks to workforce safety and operational continuity.
- Changes in international relations, sanctions or regulatory regimes can impact market access and project opportunities.

Negative

- Geopolitical conflicts may disrupt supply chains, delay project execution, increase costs, and impact business operations.
- Trade wars and economic sanctions can reduce order inflows and affect revenue from global customers.

- Geopolitical risks are integrated into the Enterprise Risk Management framework.
- Continuous monitoring of geopolitical developments with mitigation measures such as contract structuring, hedging, and contingency planning to manage project and financial exposure.
- Business and geographic diversification enhances resilience and enables response to risks as well as capture of emerging opportunities.

Strategy Linkage



SDG Alignment



Business Ethics



Refers to ethical business practices, legal compliance, transparency, and integrity across all operations and stakeholder interactions. It includes anti-corruption, fair dealing, responsible conduct, and adherence to laws and internal codes. Strong business ethics help maintain stakeholder trust, ensure compliance, and protect reputation, while reducing risks of fraud, corruption, and penalties and supporting long-term sustainable competitiveness.

Potential, Risk

- Lapses in ethical conduct can cause reputational damage, weaken stakeholder trust and lead to regulatory non-compliance.
- Compliance to SOPs can be a challenge due to the nature and wide expanse of the businesses, large workforce and frequent changes to regulatory requirements.

Negative

- Increased regulatory scrutiny, talent acquisition and retention challenges, project delays, financial losses, and erosion of market position.
- Non-compliance with ethical business practices may result in reputational damage and legal liabilities.
- Overall impact may lead to reduced financial performance and weakened market standing.

- Core values of L&T – Integrity, Transparency, Professionalism, Accountability and Fairness, enabled the Company to acquire trust and build a strong brand.
- Clear policies, procedures, code of conduct and management systems are in place to foster ethical behaviour.
- Regular training on business ethics provided to employees.
- Whistleblower Policy establishes a vigil mechanism, allowing employees and supply chain partners to report concerns about unethical behaviour, fraud, or violations of the Company's ethics policies.

Strategy Linkage



SDG Alignment



Data Privacy and Security



Critical to maintaining stakeholder trust, particularly for sensitive project and client information. Strong cyber risk management, continuous monitoring, and employee awareness are essential to protect digital assets and ensure operational reliability amid increasing digital transformation.

Potential, Risk

- Increasing digitalisation heightens cybersecurity risks, making protection of company and customer data critical.
- Cyber incidents or data breaches may disrupt business continuity and result in reputational damage.

Negative

- Inadequate protection of sensitive data may result in legal liabilities, regulatory penalties and loss of stakeholder trust.
- Cyber incidents can disrupt business continuity and lead to significant financial losses.

- Multi-year cybersecurity and resilience roadmap implemented with investment in advanced security platforms.
- Policies and practices aligned with ISO/IEC 27001:2022 certification.
- Security Operations Centres established for 24x7 monitoring and incident response.
- Vendor and third-party cyber risks managed through due diligence and continuous monitoring.
- Regular training and awareness campaigns conducted for employees.

Strategy Linkage



SDG Alignment



Sustainability Governance

L&T's sustainability governance framework is designed to support long-term value creation by integrating sustainability considerations into strategy, capital allocation, enterprise risk management and operational decision-making. In line with the International Sustainability Standards Board (ISSB) Standards (IFRS S1 and IFRS S2) and the Task Force on Climate-related Financial Disclosures (TCFD), sustainability and climate-related risks and opportunities are assessed and handled through a structured, multi-tier framework that ensures effective oversight and accountability across the organisation.

Sustainability considerations are embedded within the Company's strategic planning framework, **Lakshya**, and are periodically reviewed to reflect evolving regulatory requirements, global sustainability trends, stakeholder expectations, and emerging risks and opportunities. This governance framework enables L&T to enhance resilience, strengthen competitiveness, optimise resource allocation and protect stakeholder trust while delivering sustainable financial performance.



Sustainability Governance Framework

L&T has established a multi-level governance architecture to oversee sustainability strategy, performance, risks, and disclosures. The framework ensures alignment among strategic intent, operational execution and accountability, consistent with ISSB and TCFD governance principles.

The governance structure comprises:

- Board of Directors oversight through the CSR & Sustainability Committee
- Executive leadership through the Executive Committee
- Dedicated Corporate Sustainability leadership
- Cross-functional councils and committees
- Business, function and project-level implementation teams

This integrated structure ensures sustainability risks and opportunities related to environment, social, governance and climate are systematically identified, evaluated, managed and monitored across the value chain.



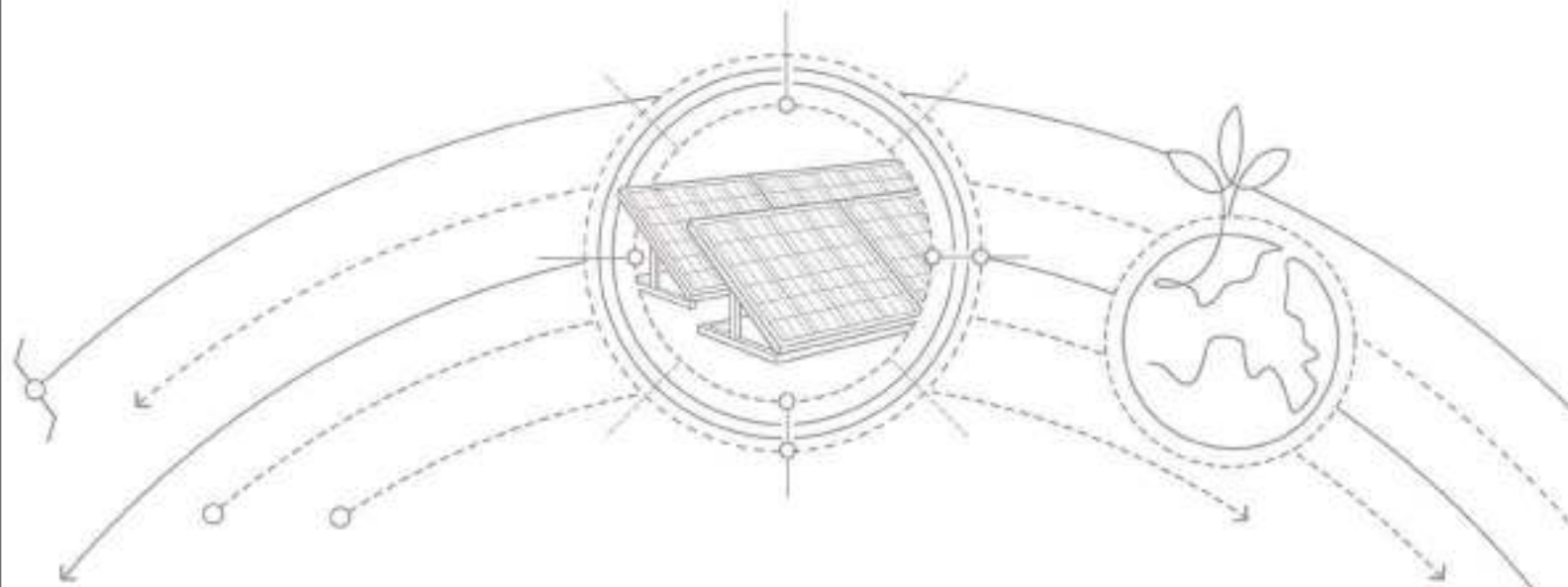
Board Oversight and Strategic Direction

The Board of Directors has overall accountability for sustainability governance, including climate-related risks and opportunities, as part of its fiduciary responsibilities. Oversight is exercised through the CSR & Sustainability Committee of the Board, which provides strategic direction and monitors the execution of sustainability priorities.

The Committee reviews, at least on quarterly basis, sustainability and climate-related matters. This governance approach aligns with the TCFD Governance pillar and IFRS S1/S2 requirements for Board oversight of sustainability-related risks and opportunities. The Committee's responsibilities include:

- Recommending sustainability and climate-related policies to the Board
- Overseeing integration of sustainability into corporate strategy and capital allocation
- Monitoring progress against sustainability and climate targets
- Reviewing sustainability and climate-related disclosures, including the Integrated Report, BRSR and global disclosures
- Overseeing ethical conduct, responsible business practices and stakeholder engagement





Executive Leadership and Accountability

The Executive Committee is responsible for translating sustainability and climate strategy into operational action across L&T's diversified businesses. Sustainability and climate-related considerations are integrated into:

- Strategic and annual business planning
- Project execution and operational decision-making
- Enterprise risk management and internal control systems

Key ESG and climate performance indicators are periodically reviewed by the Executive Committee, ensuring accountability for outcomes and timely corrective actions where required. In line with IFRS S2, senior management is accountable for identifying, assessing and managing:

- Climate-related transition and physical risks
- Climate-related opportunities linked to technology, markets, and services
- Impacts of climate factors on financial performance, cash flows, and long-term resilience

Climate-related risks are integrated into the enterprise risk management framework and are reviewed at senior management and Board level.



Corporate Sustainability

The Company has a central Corporate Sustainability function, headed by the Chief Sustainability Officer, to drive the implementation of sustainability strategy across the organisation. The Corporate Sustainability team drives and collaborates with business units and corporate functions to integrate sustainability principles into operations and decision-making processes. Key responsibilities include:

- Developing sustainability and climate strategies, roadmaps and policies
- Coordinating sustainability and climate initiatives across businesses
- Monitoring sustainability and climate performance and targets
- Supporting integration of sustainability into enterprise risk management
- Managing sustainability and climate-related disclosures
- Engaging with stakeholders, including investors, customers and ESG rating agencies
- Driving awareness, training, and capacity-building across employees and the supply chain



Cross-Functional Governance

To strengthen coordination and implementation of sustainability initiatives, the Company has established several cross-functional councils and committees. The members are representatives from Executive Committee and leaders from different business units and corporate functions, who drive collaboration, implementation of best practices and monitor sustainability performance. These Councils meet at least once in a quarter or on a need basis to review performance, identify improvement opportunities and guide the implementation of sustainability initiatives across the organisation. Key councils and committees include:

Councils and Committees	Scope	ECom Representative	Headed By	Convened By
Group CSR Council	Comprising members across the Group companies, the Council ensures alignment of CSR initiatives to the overall Group vision and strategy, collaboration for effective execution, and leveraging synergies in community development efforts	Group CFO	Head - Strategy & Special Initiatives	Head-CSR
HRC Council	Focuses on improving and implementing HR policies and procedures for talent retention, recruitment, learning & development, skilling, leadership development, and other related areas	Group CFO	Chief Human Resources Officer	
EHS Council	Drive EHS objectives of the Company by embedding a proactive, organization-wide safety culture, ensuring adoption of global best-in-class EHS practices, and driving continuous improvement	Deputy MD	Group Head-Corporate EHS	
Green Campus / Sustainability Task Force	Focuses on setting targets linked to the environment, driving the implementation of Carbon and Water Neutrality plans, and identifying improvement areas	Deputy MD	Head - Strategy & Special Initiatives	Chief Sustainability Officer
Material Council	Formulate strategies for procurement of key input materials, supply chain risk management, cascading best practices in supplier management and sustainability in the supply chain	Whole-time Director	Senior Vice President	Vice President & Head - Supply Chain Management
Group IT & Cybersecurity Council	Apex level Council focuses on strategic decisions related to IT systems and infrastructure management, cybersecurity management, and implementation of policies and procedures	Whole-time Director	Head - Strategy & Special Initiatives	Chief Information Officer
Quality Council	Apex level Council aims for continuous improvement of quality across the Company by integrating quality leadership in its diverse businesses through collaboration and leveraging cross-learning	Whole-time Director		Head - QA & QC of one of the businesses

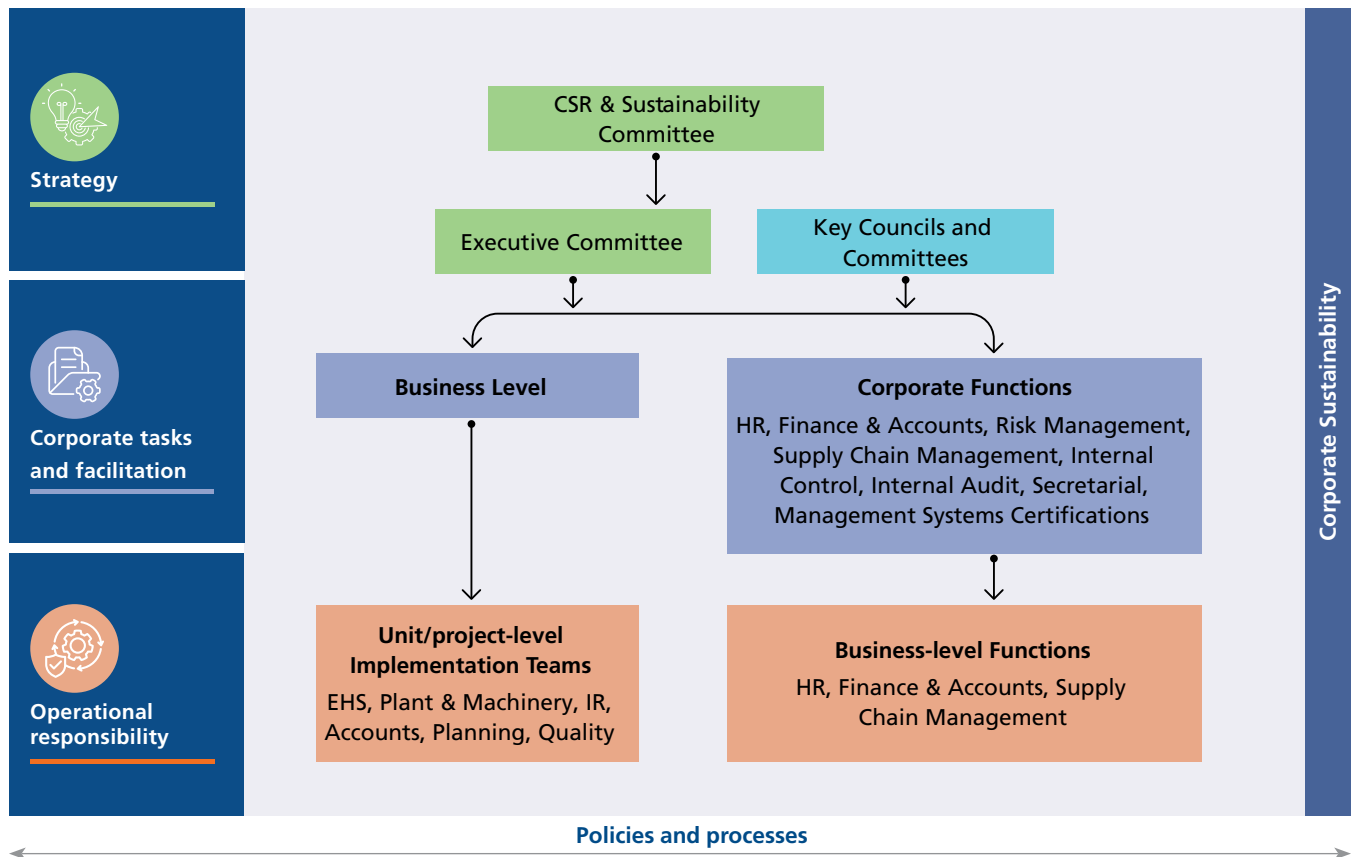


Business Level

Comprises representatives from various business verticals, facilitates collaboration and ensures that sustainability goals are met across all work locations i.e. EPC project sites, manufacturing facilities and offices.

Board and Leadership Oversight

Review level	Review frequency
Board Committee overseeing sustainability	Every quarter by the CSR & Sustainability Committee
Review by Group CMD and CFO	Quarterly
Executive Committee updates	Monthly
Board Committee review of sustainability disclosures	Annually, Integrated Report and BRSR





Integrating Sustainability into Business Operations

Sustainability is integrated into day-to-day operations through dedicated teams across key functions including planning, execution, environment, EHS, procurement, HR, finance, quality, IT and digital. This integrated approach ensures that sustainability and climate considerations are embedded into:

- Project planning and execution
- Resource utilisation and operational efficiency
- Health, safety and environmental management
- Supply chain engagement and responsible sourcing
- Stakeholder engagement and community development



Management Systems and Standards

The Company has implemented management systems certified against globally recognised standards (e.g., ISO 9001, ISO 14001, ISO 45001) to ensure structured, reliable processes that enhance quality, efficiency, and stakeholder trust. Core systems such as Quality, Environment, Occupational Health & Safety, and Integrated Management Systems, are deployed across all business units, while other standards (e.g., Energy Management, Social Accountability, Information Security) are implemented in select businesses or locations. All systems are certified by independent third-party agencies.

Coverage of the business

100%

ISO 9001: Quality Management System (QMS)

100%

ISO 14001: Environment Management System (EMS)

100%

ISO 14001: Environment Management System (EMS)

>50%

ISO 50001: Energy Management System (EnMS)

Modular Fabrication at Kattupalli and Hazira

SA8000: Social Accountability Standard