DEVELOPMENT PROJECTS SEGMENT

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

The Development Projects segment comprises:

a) **Hyderabad Metro Rail project, through a subsidiary, L&T Metro Rail (Hyderabad) Limited**

b) **Coal-based Thermal Power Plant, through Nabha Power Limited, a subsidiary of L&T Power Development Limited**

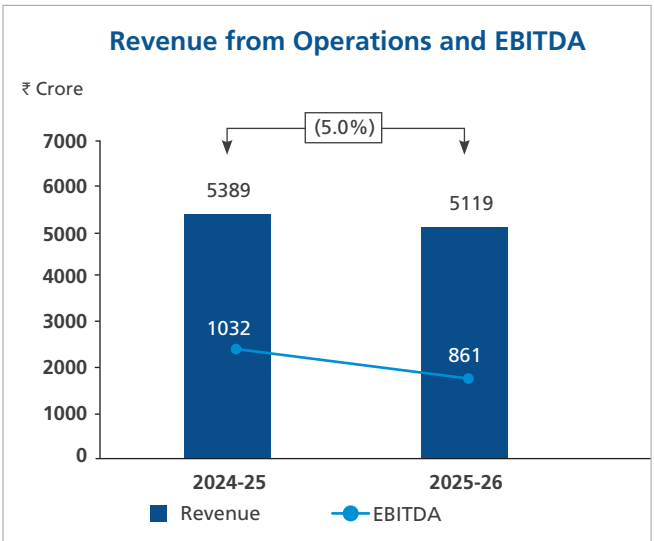
c) **Green Energy Business**

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, LTMRHL 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 LTMRHL'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 electrolysers 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.