ENERGY PROJECTS SEGMENT

Marjan Increment Program Package 2, Kingdom of Saudi Arabia

The Energy Projects segment comprises:

a) **Energy Hydrocarbon - Onshore**

b) **Energy Hydrocarbon - Offshore**

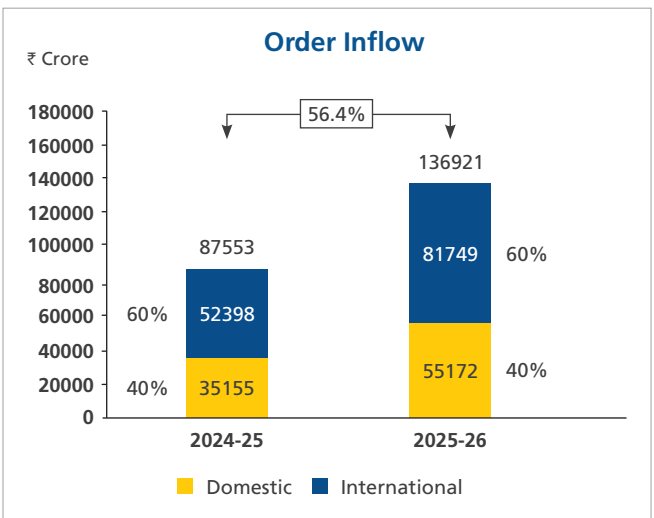
c) **Energy Hydrocarbon - Offshore Wind**

d) **CarbonLite Solutions**

The global energy sector is undergoing a significant transformation, driven by rapid technological advancements, evolving climate commitments and rising energy demand. In order to build deeper domain expertise, enhance strategic focus, accelerate growth and strengthen leadership oversight, the Energy Hydrocarbon business has been restructured effective April 1, 2025.

The Hydrocarbon business has been split into three distinct sub-segments namely Onshore Business, Offshore Business and Offshore Wind. This strategic move will enable greater specialisation, operational agility, enhanced capabilities and better client focus and relationship to navigate the evolving energy landscape while continuing to deliver world-class solutions.

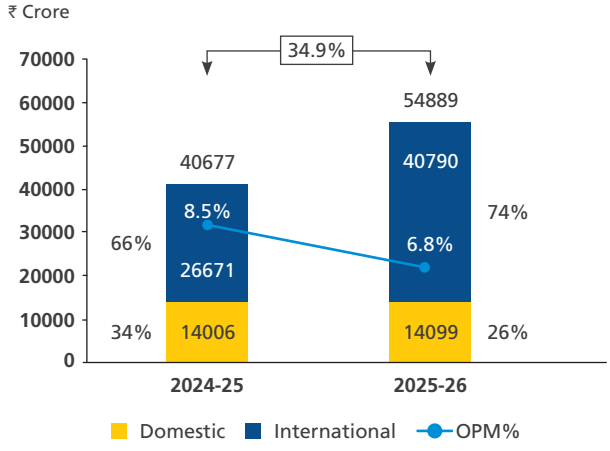
Financial performance of the segment



Offsite Tankages and Bullets (incl. all associated facilities) for Indian Oil Adani Ventures Limited (IAVL) at IOCL Panipat Refinery, Haryana

The Energy segment recorded order inflows of ₹ 1,36,921 crore in FY 2025-26, registering a significant growth of 56.4% over the previous year, driven by the receipt of a few ultra-mega orders across the Hydrocarbon verticals and multiple BTG orders in the CarbonLite Solutions business. The share of international orders remained stable at 60% in FY 2025-26.

Revenue from Operations and OPM%



The Energy segment recorded revenue at ₹ 54,889 crore for the year, registering a growth of 34.9% y-o-y, driven by a strong pick-up in the execution momentum, primarily in the Hydrocarbon business. The CarbonLite Solutions business also reported growth, as projects from the order book began moving into execution, although these remain at a relatively early stage. International revenues at the segment level increased to 74% in FY 2025-26, compared with 66% in the previous year, reflecting higher execution of the international order book, particularly in the Hydrocarbon business.

The segment's operating margin declined to 6.8% from 8.5%, mainly due to cost pressures in few legacy jobs in the Hydrocarbon business.

Funds employed by the segment as at March 31, 2026, is negative at ₹ 2,533 crore, compared to previous year at ₹ 2,278 crore mainly due to receipt of customer advances from the newly awarded orders.

Residue Upgradation Facility (RUF) for HPCL Vizag Refinery, Visakhapatnam, Andhra Pradesh

Energy Hydrocarbon – Onshore

Overview

L&T Energy Hydrocarbon – Onshore Projects business delivers end-to-end solutions across Engineering, Procurement, Construction and Commissioning (EPCC). Leveraging these capabilities, the unit provides design-to-build Lump Sum Turnkey (LSTK) EPC solutions across the onshore segment.

Its diversified portfolio spans onshore oil & gas field development, processing and treatment facilities, petroleum refining, petrochemicals, fertilisers, cross-country pipelines, chemicals, crude oil and product storage tanks and terminals, cryogenic storage / liquefied natural gas (LNG) storage tanks and terminals, coal gasification, decarbonisation initiatives, and complex composite mechanical, electrical and instrumentation (CMEI) works executed on an LSTK basis.

Business operations are supported by established engineering, procurement and project management centres located in Mumbai, Vadodara and Chennai. In addition, the business operates through branches and international subsidiaries, including L&T Hydrocarbon Saudi Company LLC in the Kingdom of Saudi Arabia (KSA) and Larsen & Toubro Electromech LLC in the Sultanate of Oman (Oman).

The Onshore business has developed integrated fabrication capabilities, including pipe fabrication facilities in KSA, thereby strengthening localisation initiatives while enhancing execution efficiency. This operating model enables seamless execution across domestic and international markets.

With a proven track record of concurrent execution of multiple mega / ultra-mega projects across domestic and international markets, the business collaborates with a diverse range of technology process licensors, ensuring efficient and cutting-edge project execution.

Business Environment

The domestic economic environment remained strong during FY 2025-26, supported by policy initiatives aimed at enhancing self-reliance and energy security. Sustained investments across refinery, petrochemical, LNG, fertiliser and coal gasification sectors created a robust pipeline of opportunities. Within this context, the business operated in a stable execution environment, backed by continued spending on brownfield expansions and downstream capacity augmentation.

West Asia continued to be the primary market, driven by sustained investments in oil & gas and petrochemical infrastructure. While the overall environment remained growth-oriented, certain markets faced challenges in aligning project budgets with prevailing market conditions.

Jafurah Export Pipeline Project for Saudi Aramco, Kingdom of Saudi Arabia

Geopolitical developments, including regional tensions in West Asia, had a limited impact in FY 2025-26, except during March, and consequently had a minimal overall effect on the performance. Notwithstanding these factors, the business maintained a resilient order pipeline, supported by strong client relationships and active participation in strategically significant projects across key geographies.

Major Achievements

Major Orders Won

- An ultra-mega order was secured from QatarEnergy LNG for the Natural Gas Liquids-5 (NGL-5) Plant and associated facilities for processing Rich Associated Gas (RAG), marking one of the largest project awards in the sector
- A large order was secured from Saudi Aramco under the Unconventional Resources Maintain Potential Program for Packages 28 and 29
- A major order was secured from Bharat Petroleum Corporation Limited (BPCL) for a Linear Low-Density Polyethylene (LLDPE) / High-Density Polyethylene (HDPE) Swing Unit, comprising two trains of 575 kilo tonnes per annum (KTPA) each, at BPCL's Bina Refinery in Madhya Pradesh
- A large order was secured from Petronet LNG Limited for the EPC of LNG and ethane double-wall storage tanks, with capacities of 1,70,000 cubic metres and a Propane double-wall storage tank of 1,40,000 cubic metres, at the Dahej Petrochemical Complex in Gujarat
- A large order was secured from Bharat Coal Gasification & Chemicals Limited for the Coal-to-Nitric Acid and Ammonium Nitrate Project and the Ammonia Synthesis Project at Lakhanpur, Jharsuguda District, Odisha

Key Projects Completed / Under Execution

- Successful completion and commissioning of the Jafurah Gas Compression Project Phase-1 for Saudi Aramco in KSA
- Successful completion and commissioning of the Jafurah Export Pipeline Project for Saudi Aramco in KSA
- Mechanical completion of the Petrochemical Fluidised Catalytic Cracking Unit (PFCCU) and Propylene Recovery Unit (PRU), with a capacity of 2.9 million metric tonnes per annum (MMTPA), for HPCL Rajasthan Refinery Limited (HRRL) at Barmer
- Mechanical completion of the Atmospheric and Vacuum Distillation Unit (AVU), with a capacity of 9 MMTPA, for Indian Oil Corporation Limited (IOCL) at Barauni in Bihar
- Successful commissioning of the Residue Upgradation Facility (RUF), with a capacity of 3.55 MMTPA, for Hindustan Petroleum Corporation Limited (HPCL) at Visakhapatnam in Andhra Pradesh

Petrochemical Fluidised Catalytic Cracking Unit & Propylene Recovery Unit for HPCL Rajasthan Refinery Limited (HRRL), Barmer, Rajasthan

Significant Initiatives

During the year, the Onshore EPC business maintained a strong focus on execution efficiency and competitiveness through focused initiatives in value engineering, digitalisation, smart procurement practices and productivity enhancement.

The business remains focused on scaling modular construction, adopting advanced work packaging and strengthening digital EPC capabilities, while continuing to emphasise strategic sub-contractor partnerships, disciplined project selection and robust risk management.

Outlook

The outlook remains positive underpinned by sustained and increasing investments across the energy sectors in India and West Asia.

In India, continued investments in refinery expansion, petrochemical integration, LNG infrastructure, coal gasification and fertiliser projects are expected to drive steady demand for EPC services.

In West Asia, despite geopolitical uncertainties, the market remains resilient, with a strong pipeline of projects across oil & gas, LNG and petrochemicals. Major projects across KSA, Oman, the United Arab Emirates (UAE), Qatar, Kuwait and Algeria are expected to progress, with several currently at the bidding stage, and anticipated to be awarded in the near term.

While geopolitical developments in West Asia towards the end of FY 2025-26 have near-term implications, the extent and timing of any impact will depend on their nature and duration. Nevertheless, interactions with key clients and market stakeholders indicate that project award timelines are expected to broadly remain aligned with original plans.

The industry continues to operate in an environment of heightened competitive intensity. Project execution remains influenced by cost pressures and evolving supply chain dynamics. This operating landscape underscores the need for disciplined bid strategy and execution excellence. Against this backdrop, the business is well positioned to leverage its proven execution strengths, deep technical capabilities and strong client relationships to sustain growth and pursue opportunities.

North Field Production Sustainability (NFPS) COMP4, QatarEnergy LNG, Qatar

Energy Hydrocarbon – Offshore

Overview

LTEH Offshore business is a comprehensive EPCIC (Engineering, Procurement, Construction, Installation and Commissioning) solutions provider for offshore oil & gas projects globally. With end-to-end capabilities spanning project management, engineering, procurement, fabrication, offshore installation, hook-up and commissioning, the business offers a single-point turnkey solution across the project life-cycle. Its integrated execution model, strong engineering depth and proven delivery credentials have positioned LTEH Offshore as a preferred partner for complex, large-scale offshore investments across key energy markets.

The Offshore business solutions cover the full spectrum of projects, including:

- Process Complexes, Wellhead, Tie-in and LQ Platforms
- Subsea Pipelines and Systems
- Gas Compression Modules
- FPSO Topside Modules
- Brownfield Upgrades
- Transportation and Installation Services
- Deepwater Subsea Systems
- Pre-assembled Modules for Complete Plants
- Decommissioning – Asset Repurposing and Retiring Solutions

This wide capability spectrum enables portfolio balance across project types, geographies and investment cycles.

Recognised as a preferred contractor by leading national and international oil companies, LTEH Offshore's project management teams consistently deliver complex offshore projects on schedule, adhering to the highest quality benchmarks while ensuring a safe, incident-free work environment. The business has an in-house engineering division which offers value engineering solutions covering the entire project life-cycle — from concept and detailed design to commissioning.

The Offshore business operates state-of-the-art fabrication facilities at Hazira and Kattupalli in India and Sohar in Oman, collectively offering over 2 million sq.m. of yard space and an annual production capacity of 2,00,000 MT of offshore structures and onshore modules. These yards are equipped to fabricate and load out super-heavy integrated structures up to 30,000 MT. The business' marine fleet includes the self-propelled heavy-lift-cum-pipelay vessel LTS 3000 and the pipelay barge LTB 300, enabling greater schedule control over offshore installation and ensuring timely project completion. The Offshore business has signed an MoU with Bluewater to collaborate on the construction, deployment and operations & maintenance (O&M) of FPSO projects.

India's First Decommissioning Project - Tapti Facilities Decommissioning, British Gas Exploration & Production India Limited (BGEIPL)

The business has successfully delivered and executed projects across multiple regions, including India, Saudi Arabia, Qatar, Kuwait, Australia and the United States. It continues to broaden its client portfolio and geographical presence through focused strategic initiatives.

Business Environment

The capex cycle in the offshore sector is supported by rising global oil & gas consumption, necessitating the timely addition of new supply infrastructure. The sector remains structurally strong with continued growth in production and exploratory drilling spend — indicating sustained demand for platforms, pipelines and associated offshore infrastructure.

In Saudi Arabia, tendering activity moderated following several large awards earlier in the year, although new tenders continue to support production sustenance and priority developments. In Qatar, sustained investments in offshore compression platforms continue to underpin a strong pipeline of EPCIC opportunities. In the UAE, ADNOC's gas expansion and oil capacity maintenance initiatives are driving selective offshore investments.

In India, ONGC's offshore tendering activity has accelerated, reflected in recent awards, new tender issuances and the rationalisation of earlier contracting strategies.

LNG capacity expansions are further accelerating module fabrication business, while the ageing profile of existing assets is driving platform replacements, brownfield upgrades and life-extension investments to exploit remaining reserves. Consequently, the fundamentals for offshore production remain highly favourable.

Major Achievements

Major Orders Won

- Ultra-mega Offshore contract from Saudi Aramco for Zuluf Redevelopment PKG 1 & PKG 2 (CRPO 145-146) for the replacement of 15 old platforms, 2 new tie-in platform topsides, associated pipelines and modifications
- Two significant orders from Saudi Aramco (CRPO 158, 160) for 10 jackets and 2 Production Deck Modules (PDMs)
- Significant order from a new customer for Al Khafji Joint Operations – which operates field in the common offshore area between Kuwait and KSA – for EPCIC of 7 jackets

Key Projects Completed / Under Execution

- Mechanical completion has been achieved for facilities under Zuluf North & South Water Injection Facilities (CRPO 80/81)
- Successfully dispatched PAR & PAU modules for Linde – Blue H2 Project, Nederland, Texas, USA
- Successfully dispatched duly commissioned modules to Australia for CERES Project for Perdaman

Marine Terminal Expansion Project, Juaymah NGL facilities, Kingdom of Saudi Arabia

- The business is in the final stage of completing 2 major ONGC projects this year, including MHN TCPP PGC BGC project and phase 8 of Pipeline Replacement project
- The business has completed Daman Upside Development Project and enabled ONGC to monetise earlier than their original plan by offering innovative solutions
- Multiple ultra-mega and mega projects are under execution and progressing well including North Field Production Sustainability Project (NFPS-4) and EPCIC 12 Package for NOC Ruya

Significant Initiatives

To drive productivity enhancement, the business has implemented a suite of structured initiatives designed to streamline operations and maximise output. These efforts focus on production and assembly cycle time reduction programmes and significant advancements in yard automation, including the adoption of robotic welding, automated inspection and digital work packs.

The organisation's approach to Value Engineering (VE) is driven by the integration of advanced technology and collaborative processes to optimise project outcomes. VE workshops and AR/VR-enabled design reviews help to significantly improve constructability while optimising designs.

The business is advancing digitalisation through end-to-end digital procurement and fabrication dashboards for monitoring project progress in near real-time. 4D/5D planning and drone-based yard monitoring provide unprecedented visibility and control over complex operations. Knowledge management has been bolstered by the usage of Drishti, an AI-based portal dedicated to capturing and utilising organisational learnings through simple English queries. The business has also enabled proactive real-time HSE monitoring through video analytics platforms to ensure a safer working environment.

The organisation's Smart Procurement framework is built on a foundation of operational efficiency and strategic localisation. Key initiatives include the optimisation of vessel campaigns and the shift towards in-house fabrication of critical items to mitigate supply chain risks.

Outlook

External industry assessments for calendar year 2026 point to a challenging environment shaped by heightened war risks, supply chain disruptions and geopolitical uncertainties. However, rising global energy demand continues to sustain offshore investment momentum, despite the challenging operating environment.

HVAC Offshore Substation

India continues to rely heavily on energy imports, despite efforts to enhance energy security through ONGC-led Offshore E&P initiatives. Ongoing tensions in West Asia are expected to further accelerate exploration and development activities, requiring additional offshore infrastructure for oil & gas production in the country.

From a regional perspective, Saudi Arabia continues to maintain large-scale spending momentum across mega-programmes such as Marjan, Zuluf and Safaniyah, with continued investments in both greenfield developments and maintain-potential projects. Qatar's ongoing LNG expansion continues to remain a key driver of EPCIC opportunities. In the near term, reconstruction and capacity augmentation requirements could further elevate demand for offshore assets.

In developed markets — including the Americas, Europe, Singapore and Australia — high labour costs and shortages of skilled workforce are accelerating the adoption of modular construction, with fabrication activities increasingly being undertaken in offshore locations.

Across Africa, Mexico and Southeast Asia, rising deepwater exploration and production activity is driving a surge in global demand for FPSOs. The Offshore business is actively positioning itself to capture these emerging opportunities.

Energy Hydrocarbon – Offshore Wind

Overview

L&T's Offshore Wind business is dedicated to advancing cleaner energy solutions and sustainability. The business provides turnkey EPCI (Engineering, Procurement, Construction, Transportation and Installation) services, specialising in both offshore HVAC/HVDC substations and Wind Turbine Generator (WTG) foundations encompassing both fixed and floating worldwide.

The business consists of a strong multidisciplinary team, industry partnerships and a resilient supplier network supported by three state-of-the-art fabrication facilities across India and Oman — all operating under a 'Think Global, Act Local' ethos. Key operational hubs include the project management centre in Mumbai, the engineering & technology centre in Chennai, and the centre of excellence in Sharjah. Fabrication capacity is expected to be further strengthened by the Kattupalli Upgradation Project (KUP), which is being transformed into a specialised 'Wind Hub'.

By virtue of gaining significant traction with offshore wind developers and transmission systems operators in Europe, the business formalised its European entry in FY 2025-26 through the incorporation of L&T Energy Offshore Wind B.V. in The Netherlands.

HVDC Offshore Substation

Business Environment

The renewable energy sector is witnessing strong growth, fuelled by rising clean energy demand and a supportive policy environment. Offshore wind capacity reached approximately 85 GW by the end of 2025, with around 19 GW expected to come onstream in 2026, thereby crossing the 100 GW milestone. Energy security concerns and net-zero commitments are key drivers of this expansion. Europe remains the most developed offshore wind market, led by the UK, with Germany and The Netherlands emerging as key hubs. In Asia, markets such as Taiwan, Vietnam, Japan and South Korea are progressing steadily. India is expected to become a significant offshore wind market, offering L&T an advantage anchored in its strong local ecosystem.

Despite headwinds such as regulatory challenges and supply chain constraints – including limited OEM manufacturing capacity and extended lead times – the industry is expected to demonstrate resilience and sustain steady growth.

Major Achievements

Major Orders Won

- Ultra-mega Order of HVDC for offshore wind programme of TenneT, the Dutch German transmission system operator
- Pre-FEED engagement for foundations for RWE's Dogger Bank South Project
- A technical collaboration with an OEM for its HVDC Platform Cooling System Study

Significant Initiatives

The business has developed a robust ecosystem through strategic partnerships with HVDC/HVAC electrical technology suppliers, alliances with floating foundation technology providers, and has collaborated with fabrication yards across geographies to enhance local content. To support increasing demand, the business is investing in automation capabilities and positioning the Company's manufacturing facility on the east coast as key driver of future growth.

Outlook

Global offshore wind installations are projected to reach around 240 GW by 2030. Leveraging its core strength in EPCI of HVDC/HVAC offshore substations, the business is well positioned to capitalise on the opportunities that could arise across Europe and the Far East. These geographies remain near-term priorities, while markets such as India and the broader Asia Pacific region remain under active consideration. North American markets, including the United States and Canada, are also being evaluated from a strategic perspective as regulatory frameworks mature and market conditions become more conducive.

2x660 MW Buxar Thermal Power Plant, Bihar

CarbonLite Solutions

Overview

L&T Energy - CarbonLite Solutions (LTECLS), erstwhile L&T Energy - Power, is a leading EPC contractor offering turnkey solutions for the BTG (boiler-turbine-generator) island components of coal-based power plants, encompassing design, engineering, procurement, manufacturing, construction and commissioning. In addition, the business aims to leverage its existing expertise to develop and deliver solutions for nuclear projects (turbine-generator island) and for pumped storage plant turbine-generator systems.

The business has integrated state-of-the-art manufacturing facilities at Hazira (Surat) for ultra-supercritical and supercritical boilers, turbines and generators, pulverisers, axial fans, air preheaters and electrostatic precipitators.

The business has the following joint venture (JV) companies within its fold:

L&T-MHI Power Boilers Private Limited, a JV with Mitsubishi Heavy Industries (MHI), Japan – world's leading power equipment maker, for the design, manufacturing, erection and commissioning of ultra-supercritical / supercritical boilers, up to a rating of 1,000 MW

L&T-MHI Power Turbine Generators Private Limited, a JV with MHI and Mitsubishi Electric Corp. (MELCO), Japan, for the manufacture of steam turbine and generator (STG) with a capacity ranging from 660 MW to 1,000 MW. The company is engaged in design, manufacture, erection and commissioning of ultra-supercritical / supercritical turbines and generators

L&T Howden Private Limited, a JV with Howden Group (part of Chart Industries Company, USA), is in the business of regenerative air preheaters and variable pitch axial fans for power plants

L&T-Sargent & Lundy Limited, a JV with Sargent & Lundy LLC, USA, is engaged in the business of providing design, engineering and project management services for power projects

Business Environment

Central Electricity Authority (CEA) has projected a requirement of approximately 307 GW of coal- and lignite-based generation capacity by FY 2034-35, reflecting the need for reliable base-load power to support sustained economic and industrial growth. In line with this outlook, power producers across the public and private sector are developing new coal-based capacity. During FY 2025-26 alone, coal-based projects with a cumulative capacity of approximately 22 GW were awarded, underscoring continued investment momentum in the segment.

Turbine Manufacturing Facility at Hazira, Gujarat

Major Achievements

Some of the major achievements by the business during the year include:

- High-value orders received from leading independent power producers (IPPs) for multiple 800 MW ultra-supercritical power projects in Bihar, Madhya Pradesh and Chhattisgarh
- Commercial operation declared for the first unit of 2x660 MW ultra-supercritical power project for a central utility in Bihar
- Commercial operation declared for the second unit of 3x660 MW ultra-supercritical power project for a central utility in Uttar Pradesh
- Commercial operation declared for the second unit of 2x660 MW ultra-supercritical power project for a central utility in Uttar Pradesh
- Operational acceptance certificates received for 11 units of Flue Gas Desulphurisation (FGD) for central utility projects located in Madhya Pradesh, Chhattisgarh, Odisha and West Bengal

Significant Initiatives

To improve profitability and ensure on-time execution, the business is undertaking a range of operational excellence initiatives, including the implementation of an integrated project management system (IPMS) and a digital material thread.

The IPMS provides a centralised repository of data across core functions such as EPC along with dashboards of other key functions including quality and environment, health & safety (EHS). The digital material thread initiative provides real-time visibility of material at various phases in the life-cycle, from engineering till erection. The IPMS and digital material thread have seamless data exchange with systems like SAP leading to unified data platform.

Apart from these major initiatives, digital and analytical levers such as AI (including ML), IoT-isation, immersive technologies like virtual reality, building information modelling (BIM), drones, process automation, value engineering through automation, business intelligence and analytics are now a part of the day-to-day operations of the business.

Outlook

As India's economy continues to expand — having emerged as world's third largest economy in purchasing power parity — sustaining growth momentum and supporting an increasingly large industrial base will require a strong and enduring focus on the country's energy security.

Coal-based power continues to contribute approximately 70-75% of India's total electricity generation and remains central to the country's power system. The requirement for dependable base-load capacity, energy security imperatives and sustained industrial and infrastructure-led demand growth underpin the continued relevance of coal-based generation, even as renewable capacity scales up rapidly and India progresses toward its long-term climate commitments.