

MESSAGE FROM CHAIRMAN EMERITUS

Bigger Bets. Bolder Moves. Beyond Boundaries.



Late Sunjay Kapur
Chairman Emeritus

Dear Shareholders,

As we celebrate the 25th year of Sona Comstar, I look back with pride at the journey that has brought us here, a journey defined by transformation, resilience, and belief in innovation.

What started as a forging company in India is now a global mobility technology leader – one that builds for the future while staying deeply rooted in its founding principles.

This milestone is both a reflection of our progress and a starting point for what comes next. While our roots remain deeply embedded in India, our presence today spans continents, reflecting a business that is both grounded and global. Our mission is as clear today as it was on day one: to be leaders in the technology we invest in, delivering a competitive edge to our customers, while designing and building products that enable the future of mobility.

A year of strategic expansion

FY 2024–25 was a defining year in our evolution. We took bold steps beyond our traditional domain, ventured into new frontiers of mobility and deepened our R&D capabilities, all while reaffirming our commitment to innovation-led growth.

One of our key moves was the acquisition of the Railway Equipment Division from Escorts Kubota. This strategic step demonstrated our ability to advance in connecting avenues of public transportation with new technology, reinforcing our commitment to enabling faster, smarter, and more sustainable mobility solutions.

We are also developing powertrains for eVTOLs (electric vertical take-off and landing aircraft) and drones. eVTOLs are set to revolutionise urban transportation by reducing congestion and enabling quicker, cleaner commutes across densely populated areas. Drones, on the other hand, are enhancing logistics by enabling rapid delivery of goods, especially in remote locations. Both of them will support building sustainable, scalable mobility systems that reduce environmental impact and increase access.

Finally, our most significant achievement this year is the initiation of developing components for humanoid robots that can perform complex, repetitive tasks on assembly lines with high precision and consistency. Once developed, these robots can enable flexible manufacturing by adapting to new models or production changes, operate 24/7, and significantly raise productivity while lowering downtime.

These developments signal our direction and reflect our resolve to build a broader, more diversified portfolio of advanced mobility solutions.

Staying resilient amid global trade shifts

This progress unfolded amid significant trade disruptions and evolving geopolitical dynamics. The global trade environment continues to undergo transformation, increasingly defined by protectionist policies and tariff-related uncertainties. Rather than just enduring these shifts, we are leveraging them as opportunities to strengthen our position.

We are well-placed to benefit from the shifts in the new trade policies, and we firmly believe that today's disruptions will eventually lead to consolidation around companies with strong technological moats. Indian companies like ours, delivering world-class product performance and quality while maintaining robust margins and healthy cash reserves, are well-positioned to emerge from this period of change even stronger than before.

Building with India

India is experiencing a manufacturing resurgence. With increasing digitalisation, significant infrastructure investments, and clear policy direction, the country is positioning itself as a trusted global hub for clean, scalable production. At Sona Comstar, we take immense pride in being part of this transformative journey. Our systems-led approach and expanding R&D capabilities enable us to contribute meaningfully to this momentum. With five R&D centres and over 500 engineers dedicated to research and development, we are driving innovation from India to the world. As global supply chains continue to diversify, our strong alignment with India's industrial growth becomes increasingly evident.

The World Bank forecasts India's economy to grow by 6.3% in FY 2025–26, solidifying its position as the fastest-growing major global economy. Sona Comstar is poised to play a significant role in India's extraordinary economic growth story.

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Innovation anchored in purpose

Our commitment to innovation remains steadfast, serving as the cornerstone of our growth. Over the past four years, we have successfully commercialised eleven new products, including three in FY 2024-25, bringing our total to 22. We have revised our product and technology roadmap to reflect an expanding focus beyond the automotive sector, to the broader mobility market, including railways, drones, eVTOL aircraft, AGVs, AMRs, industrial robots, and humanoid robots. These initiatives are unlocking exciting new opportunities for both capability and value creation. We are making bold, forward-thinking strategic investments grounded firmly in our purpose, and we are enthusiastic about the growth prospects that lie ahead.



Re-certified as Great Place to Work in 2025

Sustainable growth rooted in values

At Sona Comstar, we are deeply committed to responsible growth, recognising the urgent need to address climate change and minimise our environmental impact. As a technology-driven company, we concentrate our efforts on areas where we can truly make a difference: reducing greenhouse gas emissions, protecting the environment, and promoting innovation for sustainable development. We take pride in our achievements thus far and remain committed to advancing our sustainability efforts in the years ahead.

Over the past two years, we have improved our emissions intensity by 10% and water intensity by 15%. Beyond our rooftop solar projects, we are also developing captive solar power facilities in Maharashtra and Haryana. We have been re-certified as a 'Great Place to Work', with an improved rating that recognises us as one of the leading employers in the large enterprise category. Furthermore, our robust Corporate Social Responsibility (CSR) framework prioritises education, livelihood, innovation, and environmental sustainability to uplift the communities we serve.

I am profoundly grateful to the entire Sona Comstar team. Their hard work, innovative thinking, and commitment to excellence have been central to our progress. Their resilience and dedication in navigating a volatile global environment are among our greatest strengths. We believe in creating shared values and building opportunities for our colleagues to participate in ownership. We believe when success is shared, commitment deepens.

Looking ahead

Mobility is a fundamental human need – essential to our freedom, autonomy, and quality of life. In today's interconnected world, the demand for efficient movement of people and goods continues to rise, driven by urbanisation, globalisation, and technological advancements. However, the mobility landscape is shifting from traditional vehicle ownership to shared, autonomous, and multimodal solutions. As these services expand, the conventional automotive sector may face shrinking market share, prompting a rethinking of business models across the industry.

Rail transport stands out as one of the most sustainable and cost-effective methods for moving people and goods. According to the IEA, rail consumes twelve times less energy and emits seven to eleven times fewer greenhouse gases per passenger-kilometre than private vehicles and airplanes. This efficiency underscores the crucial role of railways in achieving sustainable transportation goals.

Emerging technologies such as drones, eVTOL aircraft, and humanoid robots are creating exciting new possibilities in mobility. The advanced air mobility sector, which focuses on eVTOL aircraft for urban settings, is rapidly gaining traction, offering air taxis and cargo transportation services. These innovations promise substantial growth opportunities, transforming logistics, urban planning, and the wider mobility ecosystem. At Sona Comstar, we

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fully embrace these transformative trends and are committed to innovating and adapting our strategies to thrive in this dynamic landscape.

The next 25 years will call for courage, clarity, and conviction. We will lead with a steadfast customer focus, intelligent risk-taking, and a relentless drive to innovate. As we chart new frontiers, our direction remains clear. We will continue to create enduring value for our customers, our people, and you, our shareholders.

Thank you for your continued trust. Together, we will go further. We will go beyond boundaries. We will always stay in motion.

With best regards,

Late Sunjay Kapur
Chairman Emeritus