

Corporate Social Responsibility (CSR) Committee for Anadrone Systems Limited

1. Preamble

As per Section 135 of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, Anadrone Systems Limited ("the Company") is required to constitute a Corporate Social Responsibility (CSR) Committee. This requirement applies to every company having a net worth of Rs. 500 crore or more, or a turnover of Rs. 1,000 crore or more, or a net profit of Rs. 5 crore or more during the immediately preceding financial year. Additionally, a CSR Committee is mandatory if the amount to be spent on CSR activities exceeds Rs. 50 lakhs in the previous financial year. This document outlines the constitution, composition, roles, responsibilities, and operational framework of the CSR Committee for Anadrone Systems Limited in compliance with the applicable legal provisions.

2. Objective

The CSR Committee is constituted to formulate and recommend a CSR Policy, oversee the implementation of CSR activities, ensure compliance with Section 135 of the Companies Act, 2013, and promote the Company's commitment to sustainable development and societal welfare.

3. Legal Basis

- **Section 135(1):** Mandates the constitution of a CSR Committee for companies meeting the specified financial thresholds.
- **Section 135(9):** Clarifies that if the CSR expenditure does not exceed Rs. 50 lakhs, the functions of the CSR Committee may be discharged by the Board of Directors. However, if the CSR expenditure exceeds Rs. 50 lakhs or if there is any amount in the Unspent CSR Account as per Section 135(6), the constitution of a CSR Committee is mandatory.
- **Companies (Corporate Social Responsibility Policy) Rules, 2014:** Provides guidelines for the composition, functions, and reporting requirements of the CSR Committee.
- **Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and 2022:** Introduces amendments related to impact assessment, unspent CSR amounts, and reporting obligations.

4. Applicability to Anadrone Systems Limited

Anadrone Systems Limited, incorporated on 17 June 2004, with its registered office at Unit No. 020, Ground Floor, Emaar Capital Tower 1, M.G. Road, Sector 26, Gurugram – 122002, Haryana India, is required to constitute a CSR Committee due to its CSR expenditure exceeding Rs. 50 lakhs in the previous financial year or meeting the financial thresholds under Section 135(1). The Company is committed to fulfilling its CSR obligations as mandated by the Companies Act, 2013.

Anadrone Systems Private Limited

Regd. Office: GF-020, Ground Floor, Emaar Capital Tower 1, M.G. Road, Sector 26, Gurugram – 122002, Haryana (India)

Tel: +91 (124) 4207284 / 85 • **Fax:** +91 (124) 4207287

Work Address: IDCO Food Park, Plot No.7(P), Khata No.456, At. Mundaamba, Post. Jankia, Dist. Khordha, Pin-752020, Odisha (India)

E-mail: info@anadrone.com • **Website:** www.anadrone.com

CIN: U25200HR2004PTC103398

5. Composition of the CSR Committee

As per Section 135(1) and Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee shall consist of three or more directors, out of which at least one shall be an independent director. However, for private companies like Anadrone Systems Limited, where the appointment of an independent director is not mandatory under Section 149, the CSR Committee may be constituted with two or more directors.

The CSR Committee of Anadrone Systems Limited is hereby constituted with the following members:

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|--|--------------------|
| 1. Mrs. Shikha Varma (Independent Director)- | Chairperson |
| 2. Mr. Anant Arun Bhalotia (Managing Director and CEO)- | Member |
| 3. Mrs. Shriya Anant Bhalotia- | Member |

6. Roles and Responsibilities of the CSR Committee

The CSR Committee shall perform the following functions as mandated by Section 135 and Rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

1. Formulation of CSR Policy:

- Develop and recommend a CSR Policy to the Board, indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- Ensure the policy aligns with the Company's values and focuses on areas such as education, healthcare, environmental sustainability, and rural development, with preference given to the local areas around the Company's operations.

2. Recommendation of Expenditure:

- Recommend the amount of expenditure to be incurred on CSR activities, ensuring that at least 2% of the average net profits of the Company, calculated as per Section 198, for the three immediately preceding financial years, is allocated for CSR.

3. Implementation and Monitoring:

- Formulate and recommend an annual action plan for CSR activities, including project details, implementation schedules, and monitoring mechanisms.
- Monitor the implementation of the CSR Policy and projects to ensure effective execution and measurable outcomes.

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4. Compliance and Reporting:

- Ensure compliance with the provisions of Section 135 and related rules, including the transfer of unspent CSR amounts to the Unspent CSR Account or funds specified in Schedule VII, as applicable.
- Review and recommend the annual CSR report to be included in the Board's Report, as required under Section 134(3)(o).
- Disclose the composition of the CSR Committee, CSR Policy, and approved projects on the Company's website, if any, for public access.

5. Impact Assessment:

- If the Company has an average CSR obligation of Rs. 10 crore or more in the three immediately preceding financial years, ensure that impact assessments are conducted for CSR projects through an independent agency, as per Rule 8(3).
- Book the expenditure on impact assessment, not exceeding 2% of the total CSR expenditure or Rs. 50 lakhs, whichever is higher, as CSR expenditure.

7. Operational Framework

1. Meetings:

- The CSR Committee shall meet at least **Twice** a year to review the progress of CSR activities and formulate recommendations.
- The quorum for the meeting shall be **Two members** or **One-Third** of the Committee's strength, whichever is **higher**.
- Meetings may be conducted physically or through video conferencing, as permitted under the Companies Act, 2013.

2. Decision-Making:

- Decisions shall be made by a majority vote, with the Chairperson having a casting vote in case of a tie.
- Minutes of the meetings shall be recorded and maintained as per the Secretarial Standards issued by the Institute of Company Secretaries of India.

3. Annual Action Plan:

- The Committee shall prepare an annual action plan, including:
 - List of approved CSR projects or programs.

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- Manner of execution (direct or through implementing agencies).
- Modalities of fund utilization.
- Implementation schedules.
- Monitoring and reporting arrangements.
- Details of need and impact assessment, if applicable.

4. Unspent CSR Amount:

- For ongoing projects, any unspent CSR amount shall be transferred to the Unspent CSR Account within 30 days of the end of the financial year, as per Section 135(6).
- For non-ongoing projects, unspent amounts shall be transferred to a fund specified in Schedule VII (e.g., PM National Relief Fund) within six months of the end of the financial year.

8. Penalties for Non-Compliance

As per Section 135(7), non-compliance with CSR provisions may result in the following penalties:

- **For the Company:** A fine of twice the amount required to be transferred to the Fund specified in Schedule VII or the Unspent CSR Account, or Rs. 1 crore, whichever is less.
- **For Officers in Default:** A penalty of one-tenth of the amount required to be transferred or Rs. 2 lakhs, whichever is less. The CSR Committee shall ensure strict adherence to the provisions to avoid such penalties.

9. Disclosure Requirements

- The Board's Report shall include an annual report on CSR activities in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- The CSR Policy, Committee composition, and details of approved projects shall be disclosed on the Company's website, if applicable.
- Impact assessment reports, if conducted, shall be placed before the Board and annexed to the annual CSR report.

10. Effective Date

This CSR Committee is constituted and shall be effective from **01st April 2026** subject to the approval of the Board of Directors of Anadrone Systems Limited.

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11. Approval

This document has been prepared in compliance with the Companies Act, 2013 and shall be placed before the Board of Directors for approval. Any amendments to the composition or functioning of the CSR Committee shall be subject to Board approval and in accordance with applicable laws.

12. Contact Information

For any queries related to the CSR Committee or CSR activities, please contact:

Registered Office: GF-020, Emaar Capital Tower 1, M.G. Road, Sector 26, Gurugram, HR- 122002

Last Revised: 01st April 2026

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