

Director's Report

To,

The Members of

SCHNELL DRONE TECHNOLOGIES LIMITED

Icon Tower Office No 402 & 403 S.No. 114/5/1, 115/1/1, 114/6, /3, 115/2, 4th Floor, Baner, Pune - 411045 Maharashtra

Your Directors have pleasure in presenting the 15th Annual Report of your Company together with the Audited Statement of Accounts and the Auditors' Report of your company for the financial year ended, 31st March, 2025.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

(Amounts in '000)

Particulars	Current year (Year Ended 31 st March 2025)	Previous Year (Year Ended 31 st March 2024)
Revenue from Operations	1,31,420	1,07,503
Other Income	775	498
Total Income	1,32,195	1,08,001
Less:-Total expenses	1,08,078	79,974
Profit/loss before Exceptional items and Tax Expense	24,117	28,027
Add/(less): Exceptional items	6,254	-
Profit/loss before Tax Expense	17,863	28,027
Less: Tax Expense		
Current Tax	(6,730)	(7,807)
Deferred Tax	771	155
Profit/loss for the year	11,904	20,375

2. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

(Amounts in '000)

The Company has transferred Rs. 11,904/- under the head of Reserve and Surplus Account. The Reserve and Surplus Account as on 31st March, 2025, stood at Rs. 28,085/- as compared to Rs. 16,182/- as on 31st March, 2024.

3. FINAL DIVIDEND

The Board of Directors of your company, after considering holistically the relevant circumstances, has decided that it would be prudent, not to recommend any Dividend for the year under review.

STATE OF COMPANY'S AFFAIRS

(Amounts in '000)

i	Segment-wise position of business and its operations	The Company is engaged in the industry of drone and during the year under review, the total Income of the Company was Rs. 132,195/- against Rs. 108,001/- in the previous year which shows the increase in revenue by 18.30%. During the period, The Company has earned a Profit after tax of Rs. 11,904/- compared to Rs. 20,375/- in the previous year which shows decrease in profits by 71% Though the profit has declined this year, the Company is actively taking measures to enhance profitability in the coming periods."
ii	Change in status of the company	There has been no change in the status of the Company.
iii	Key business developments	1. Deployment of first-of-its-kind DaaS (Drone as a Service) project in India for the Department of Fisheries, Government of Maharashtra for maritime surveillance to identify illegal fishing 2. Empanelment with prominent Government organizations such as Andhra Pradesh Drone Corporation, ITDA Uttarakhand, ORSAC (Odisha Space Applications Centre) for carrying out drone related projects 3. Development of Agriculture Drone "Himalaya" & successful completion of Stage-1 as well as Stage-2 as a part of DGCA Type certification. 4. Signing of MoA (Memorandum of Agreement) with IFFCO for the year FY 2025-26 to carry out Agriculture fertilizer spraying over 1,00,000 acres across 4 states namely Maharashtra, Telangana, Karnataka & Madhya Pradesh
iv	Change in the financial year	There is no change in the financial year of the Company.
v	Capital expenditure programmes	1. Procurement of various types of drones such as Fixed-Wing UAV, Quadcopters & Hexacopters for DaaS (Drone-as-a-Service) projects 2. Research & Development of new drone products
vi	Details and status of acquisition, merger, expansion,	No such restructuring took place in the Company during the year under review.

	diversification	
vii	Developments, acquisition and assignment of material Intellectual Property Rights	-
vii i	Any other material event having an impact on the affairs of the company	-

4. COMMENCEMENT OF ANY NEW BUSINESS

During the financial year under review no new business commenced by the company.

5. MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

6. DETAILS OF REVISION OF FINANCIAL STATEMENT OR ANNUAL REPORT

No revision of the financial statement or Annual report has been revised during Financial Year 2024-25 for any of the three Preceding financial year.

7. GENERAL INFORMATION

OVERVIEW:

The Indian drone industry has witnessed a rapid growth in recent years, driven by the increasing demand for drones across a range of sectors, including agriculture, infrastructure, public safety, and defense. The GoI is actively promoting the growth of this industry by introducing policies and initiatives to encourage innovation and entrepreneurship in this field. The Civil Aviation Ministry estimates that the Indian drone market shall reach an estimated turnover of INR 120 to 150 billion by 2026. The government would play a critical role in creation of a viable market for drones, so that the country can realize its own manufacturing potential. The government's fillip through its role as market maker has a potential to expand demand to approximately INR 75,000 Cr in the Commercial sector, and INR 23,000 Cr in the Homeland Security sector. As much as 60% of the commercial manufacturing potential will arise from Government dominated sectors.

EXTERNAL ENVIRONMENT AND ECONOMIC OUTLOOK:

The international outlook for drone technology is overwhelmingly positive, with the global market projected to be worth hundreds of billions by 2030, driven by rapid advancements in AI and propulsion, and expanding use in defense, agriculture, and logistics. Key drivers include technological innovation and increasing investments, though regulatory hurdles and supply chain dependencies on regions like China remain challenges. Emerging economies are also seeing a rise in drone adoption, with countries like India aiming to become global drone hubs by boosting domestic manufacturing and R&D. Drones are being used in warfare for reconnaissance and surveillance,

precision strikes using missiles and bombs, logistics and supply, and electronic warfare. With recent conflicts between Russia & Ukraine or Israel & Palestine, importance of drones is getting highlighted to a large extent.

INDUCTION OF STRATEGIC AND FINANCIAL PARTNERS:

Schnell Drone Technologies Ltd. is an exclusive partner of USA based Blue Marble Geographics for the supply of its famous software Global Mapper, which is now being used widely by Indian Defense Forces apart from Private industry.

Schnell is also having partnership with Russia based Agisoft LLC to deploy its Drone Data Processing software Agisoft Metashape.

In Drone technology space, Schnell is working closely with ideaForge Technology, which is one of the biggest Drone manufacturer in India. Schnell has been supplying its services to ideaForge & its clientele, mainly India Defense Forces.

Schnell has signed MoA (Memorandum of Agreement) with IFFCO for carrying out Fertilizer spraying across 4 states in India, namely Maharashtra, Telangana, Karnataka & Madhya Pradesh.

8. SHARE CAPITAL STRUCTURE OF THE COMPANY:

a) Authorized Capital:

Rs. 14,00,00,000/- (Rs. Fourteen Crores) divided into 1,40,00,000 Equity Shares of Rs. 10/- each.

b) Issued Capital:

Rs. 9,78,21,960/- (Rs. Nine Crores Seventy-Eight Lakhs Twenty-One Thousand Nine Hundred and Sixty) divided into 97,82,196 Equity Shares of Rs. 10/- each.

c) Subscribed and Paid-up Capital:

Rs. 9,78,21,960/- (Rs. Nine Crores Seventy-Eight Lakhs Twenty-One Thousand Nine Hundred and Sixty) divided into 97,82,196 Equity Shares of Rs. 10/- each.

9. CREDIT RATING OF SECURITIES

During the Financial Year 2024-25, no credit rating for securities had been obtained.

SN	Particular	Remarks
a)	credit rating obtained in respect of various securities;	NA
b)	name of the credit rating agency;	NA
c)	date on which the credit rating was obtained;	NA
d)	revision in the credit rating;	NA
e)	reasons provided by the rating agency for a downward revision, if any	NA

10. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

11. BOARD OF DIRECTORS

The board of directors of the company duly constituted and there was no change in the composition of Board of Directors.

12. APPOINTMENT OF INDEPENDENT DIRECTORS IN THE BOARD AND DECLARATION UNDER SECTION 149(6)

The Board of Directors of the Company hereby confirms that all the Independent directors duly appointed by the Company have given the declaration and they meets the criteria of independence as provided under section 149(6) of the Companies Act, 2013.

13. COMPOSITION OF AUDIT COMMITTEE

The Audit Committee consists of the following members:

Name of the Director	Position held in the Committee	Category of the Director
Pavan Joseph	Chairman	Independent Director
Anjani Kumar Agarwal	Member	Independent Director
Bhushan Sharad Khomane	Member	Chairman and Managing Director

The above composition of the Audit Committee consists of independent Directors viz., Mr. Pavan Joseph and Mr. Anjani Kumar Agarwal who form the majority.

The Audit Committee mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations.
2. Management letters/letters of internal control weaknesses issued by the statutory auditors.
3. Internal audit reports relating to internal control weaknesses.
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;

14. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE

The Company's Nomination and Remuneration Committee comprises of three Non-executive Directors. The table sets out the composition of the Committee:

Name of the Director	Position held in the Committee	Category of the Director
Pavan Joseph	Chairman	Independent Director
Anjani Kumar Agarwal	Member	Independent Director

Shailesh Shrinivas Rathi	Member	Non-Executive Director
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Terms of Reference

The Terms of Reference of the Nomination and Remuneration Committee are as under:

The role of the Nomination and Remuneration Committee includes, but not restricted to, the following:

1. Formulation of the criteria for determining qualification, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, Key Managerial Personnel and other employees.
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. Devising a policy on diversity of Board of Directors.
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria, laid down, and recommend to the Board of Directors their appointment and removal.
6. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
7. recommend to the board, all remuneration, in whatever form, payable to senior management.
8. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

15. CONSTITUTION OF STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee consists of the following members:

Name of the Director	Position held in the Committee	Category of the Director
Pavan Joseph	Chairman	Independent Director
Anjani Kumar Agarwal	Member	Independent Director
Satyawan Balwant Jadhav	Member	Whole-time Director and Chief Technical Officer

This Committee supervises all grievances of Shareholders and Investors and its terms of reference include the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

16. MEETINGS OF THE BOARD OF DIRECTORS

The following Meetings of the Board of Directors were held during the Financial Year 2024-25:

SN	Date of Meeting	Board Strength	No. of Directors Present
01/2024-25	24.05.2024	6	3
02/2024-25	11.07.2024	6	6
03/2024-25	02.09.2024	6	3
04/2024-25	06.09.2024	6	5
05/2024-25	05.12.2024	6	3
06/2024-25	31.03.2025	6	3

17. PRESENCE/ATTENDANCE OF DIRECTORS IN THE MEETINGS

SN	Name of Director	Board Meeting			Committee Meeting			AGM
		No of Meeting held	No of Meeting attended	%	No of Meeting held	No of Meeting attended	%	
1.	Bhushan Sharad Khomane	6	6	100	2	2	100	Yes
2.	Satyawan Balwant Jadhav	6	6	100	1	1	100	Yes
3.	Sharmin Sahil Inamdar	6	6	100	-	-	-	Yes
4.	Anjani Kumar Agarwal	6	2	33.33	4	3	75	
5.	Pavan Joseph	6	1	16.67	4	4	100	Yes
6.	Shailesh Rathi Shrinivas	6	2	33.33	1	1	100	No

18. BOARD EVALUATION

The provision of section 134(3)(p) relating to board evaluation is not applicable on the company.

19. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been

followed along with proper explanation relating to material departures;

- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) Company being an listed/unlisted company, the said para is applicable and complied accordingly / not applicable.
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

20. REPORTING OF FRAUDS BY AUDITORS

For the Financial year 2024-25, the Statutory Auditor has not reported any instances of frauds committed in the Company by its Officers or Employees.

21. INFORMATION ABOUT SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANY

Company does not have any Subsidiary, Joint venture or Associate Company.

22. DEPOSITS

The company has not accepted deposits from public within the meaning of Section 73 of the Companies Act, 2013 also no unsecured loan accepted from its directors and relative of directors under sub rule 1 clause (C) sub clause (Viii) of rule 2 of Companies (Acceptance of Deposits) Rules 2014.

23. LOANS, GUARANTEES AND INVESTMENTS

The Company has not made / given / advanced any Loan, Guarantee and Investment during the financial year covered under section 186 of the Companies Act, 2013.

24. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company.

Particulars of Transactions with Related party with noted on accounts forming part of the Financial Statements.

Further all the necessary details of transaction entered with the related parties as defined under Section 188 of the Companies Act, as defined under Section 2 (76) of the said Act are attached herewith in form no. AOC-2 for your kind perusal and information.

25. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 so there is no requirement to constitution of Corporate Social Responsibility Committee.

26. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Information on conservation of Energy, Technology absorption, Foreign Exchange earnings and outgo required to be disclosed under Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 are provided hereunder:

PARTICULARS	REMARKS
A) CONSERVATION OF ENERGY:	
> the steps taken or impact on conservation of energy;	The Corporation is taking due care for using electricity in the office and its branches. The Corporation usually takes care for optimum utilization of energy. No capital investment on energy Conservation equipment made during the financial year.
> the steps taken by the company for utilizing alternate sources of energy;	
> the capital investment on energy conservation equipments;	
B) TECHNOLOGY ABSORPTION:	
> the efforts made towards technology absorption;	-
> the benefits derived like product improvement, cost reduction, product development or import substitution;	-
> in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	-
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; Not applicable since 5 years period is over	
> the expenditure incurred on Research	-

and Development	
(c) FOREIGN EXCHANGE EARNINGS AND OUTGO:	
> The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows	-

27. RISK MANAGEMENT

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework. As a formal roll-out, all business divisions and corporate functions will embrace Risk Management Policy and Guidelines, and make use of these in their decision making. Key business risks and their mitigation are considered in the annual/strategic business plans and in periodic management reviews. The risk management process in our multi-business, multi-site operations, over the period of time will become embedded into the Company's business systems and processes, such that our responses to risks remain current and dynamic.

28. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism / Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy has a systematic mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or policy.

29. REGULATORY ACTION

There are no significant and material orders passed by the regulators or courts or Tribunals that could impact the going concern status and operations of the company in future.

30. STATUTORY AUDITORS AND THEIR REPORT

At the Annual General Meeting held on 30th September 2022, M/s. Malani Somani Chandak And Associates, Chartered Accountants (FRN No. 119584W) was appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2027. In terms of the first proviso to Section 139 of the Companies Act, 2013.

Company has received certificate from the Auditors to the effect they are not disqualified to continue as statutory auditors under the provisions of applicable laws.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditor's Report are self-explanatory.

31. SECRETARIAL AUDITORS

The Secretarial Audit is not applicable to the company as it is not covered under the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

32. COST RECORDS

The Cost Audit Report for the financial year ended March 31, 2025 is annexed as Annexure: A to the Auditor Report. The Cost Audit Report does not contain any qualification, reservation or adverse remark.

33. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC)

No such process initiated during the period under review under the Insolvency and Bankruptcy Code, 2016 (IBC)

THE DETAILS OF DIFFERENCE BETWEEN THE AMOUNTS OF THE VALUATION DONE

Clause not applicable

34. FAILURE TO IMPLEMENT ANY CORPORATE ACTION

All the corporate action taken during financial year 2024-25 and reporting for the same with the concerned department has been completed within specified time limit.

35. ANNUAL RETURN

The copy of Annual Return as required under section 134(3) of the Companies Act, 2013, is available on Company's website i.e. <https://schnelldronetech.com/> for the kind perusal and information.

36. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

37. HUMAN RESOURCES AND INDUSTRIAL RELATIONS

The Company takes pride in the commitment, competence and dedication of its employees in all areas of the business. The Company has a structured induction process at all locations and management development programs to upgrade skills of managers. Objective appraisal systems based on key result areas (KRAs) are in place for senior management staff.

The Company is committed to nurturing, enhancing and retaining its top talent through superior learning and organizational development. This is a part of our Corporate HR function and is a critical pillar to support the organization's growth.

38. HEALTH, SAFETY AND ENVIRONMENT PROTECTION

Company's Health and Safety Policy commits to comply with applicable legal and other requirements connected with occupational Health, Safety and Environment matters and provide a healthy and safe work environment to all employees of the Company.

39. SECRETARIAL STANDARDS

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board and General Meetings of the Company.

40. APPRECIATION AND ACKNOWLEDGEMENT

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment. The Board places on record its appreciation for the support and co-operation, your company has been receiving from its Suppliers, Retailers, Dealers & Distributors and others associated with the Company. The Directors also take this opportunity to thank all Clients, Vendors, Banks, Government and Regulatory Authorities for their continued support.

Date 08/09/2025

Place Pune.

For & on behalf of the Board of Directors



BHUSHAN SHARAD KHOMANE

DIN : 02922158

(Chairman)

J-103, AIR CASTLES, MARUNJI ROAD, NEXT TO
ALARD INSTITUTE, PUNE - 411057 Maharashtra
India

Contact Us :

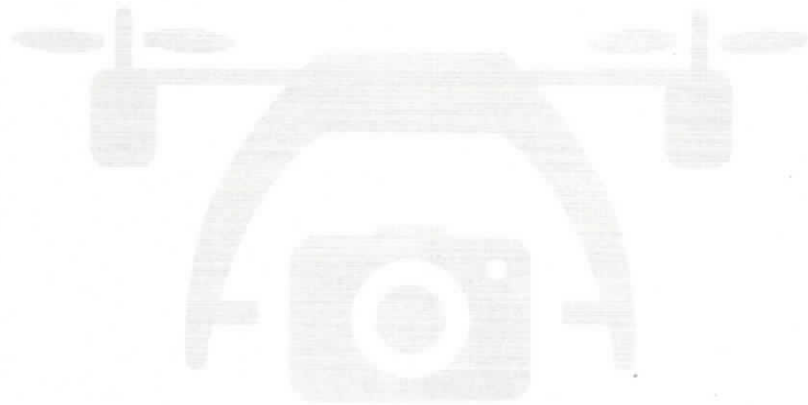
SCHNELL DRONE TECHNOLOGIES LIMITED

ICON TOWER OFFICE NO 402 & 403 S.NO. 114/5/1, 115/1/1, 114/6, /3, 115/2, 4TH FLOOR, BANER
Baner Gaon

Pune - 411045 Maharashtra

CIN : U72200PN2010PLC135732

e-mail : info@schnellinformatics.com



Annexure - II
Form No. - AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

(All figures are in INR thousands, unless stated otherwise)

Form for Disclosure of particulars of contracts/arrangements entered by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of Contracts or Arrangements or Transactions not at arm's length basis

NIL

2. Details of Contracts or Arrangements or Transactions at arm's length basis:

Sl No	Name of the related party and nature of relationship	Nature of Contracts/arrangements/transactions	Salient terms of the contracts or arrangements or transactions including value, if any *	Transaction Amount in INR thousands
1	Bhushan Khomane- Managing Director	Remuneration		720/-
2	Bhushan Khomane- Managing Director	Loan Accepted	At cost	6,344/-
3	Bhushan - Khomane- Managing Director	Loan Repaid	At cost	5,980/-
4	Satyawan Jadhav- Whole-time	Remuneration		720/-

	Director			
5	Satyawan Jadhav- Whole-time Director	Travelling Advance	At cost	281/-
6	Sharmin Inamdar- Whole-time Director	Remuneration		720/-

Date

08/09/2025

Place

Pune

For & on behalf of the Board of Directors

**BHUSHAN SHARAD KHOMANE****DIN : 02922158****(Chairman)****J-103, AIR CASTLES, MARUNJI ROAD, NEXT TO
ALARD INSTITUTE, PUNE - 411057 Maharashtra
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