



**Sundrop Brands Limited**

(Formerly known as Agro Tech Foods Ltd)

Annual Report 2024-25



Bringing joyful food experiences to the modern consumer

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### BOARD OF DIRECTORS & CORPORATE INFORMATION

#### Directors

Harsha Raghavan* (DIN 01761512) <sup>1</sup>	Chairman
Manish Mehta (DIN 06442038) <sup>1</sup>	
Harjeet Singh Kohli (DIN 07575784) <sup>2</sup>	
Rajesh Jain (DIN 10619014) <sup>3</sup>	
Richa Arora (DIN 07144694) <sup>3</sup>	
Satish Premanand Rao (DIN 03265301) <sup>3</sup>	
Om Prakash Manchanda (DIN 02099404) <sup>4</sup>	
Karamendra Daulet Singh (DIN 00110827) <sup>5</sup>	
Nitish Bajaj (DIN 10835891) <sup>6</sup>	Group Managing Director
Asheesh Kumar Sharma (DIN 10602319) <sup>7</sup>	Executive Director & CEO

#### Leadership Team

Gaurav Gupta <sup>8</sup>	Head of Marketing
Dharmesh K Srivastava	Vice President-Supply Chain
Shrey Dixit	Head of Research, Quality & Innovation
KPN Srinivas	Chief Financial Officer
Hitesh Yadav	Head of Procurement
Padmavathi Tuluva <sup>9</sup>	Head of Human Resources
Rikesh Kotwal	Head of Sales
Sanjay Srivastava	Head of Manufacturing
Hem Jadeja <sup>10</sup>	Head of Strategy and Business Transformation

#### Company Secretary

Jyoti Chawla

#### Auditors

M/s. B S R and Co, Chartered Accountants  
Hyderabad. Firm Regn. No. 128510W

#### Registered Office

31, Sarojini Devi Road  
Secunderabad - 500003, Telangana, India  
Website : [www.sundropbrands.com](http://www.sundropbrands.com)  
Tel No. : 040- 66650240  
CIN : L15142TG1986PLC006957

#### Registrars & Share Transfer Agents

KFin Technologies Limited  
Selenium Tower B, Plot 31-32,  
Gachibowli Financial District, Nanakramguda,  
Hyderabad - 500032, Telangana. Ph : 040-67161606

1. Mr. Harsha Raghavan and Mr. Manish Mehta were appointed as Non-Executive Directors of the Company w.e.f. August 28, 2024.
2. Mr. Harjeet Singh Kohli was appointed as Non-Executive Director of the Company w.e.f. February 6, 2025.
3. Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora were appointed as Independent Directors of the Company for an initial term of 3 (three) years w.e.f. July 17, 2024 till July 16, 2027.
4. Dr. Om Prakash Manchanda was appointed as Independent Director of the Company for an initial term of 5 (Five) years w.e.f. November 15, 2024 till November 14, 2029.
5. Mr. Karamendra Daulet Singh was appointed as Independent Director of the Company for an initial term of 5 (Five) years w.e.f. February 6, 2025 till February 05, 2030.
6. Mr. Nitish Bajaj was appointed as the Group Managing Director of the Company for a period of 5 years w.e.f. November 25, 2024 till November 24, 2029.
7. Mr. Asheesh Kumar Sharma was appointed as Managing Director and CEO of the Company for a period of 5 years w.e.f. April 25, 2024 till April 24, 2029. Later, he resigned as the Managing Director and continued to act as Whole-Time Director (Designated as 'Executive Director & Chief Executive Officer-Sundrop & Act-II Business') of the Company w.e.f. November 25, 2024 for the remaining period till April 24, 2029.
8. Mr. Gaurav Gupta was appointed as Head of Marketing w.e.f. July 8, 2024.
9. Change in designation of Ms. Padmavathi Tuluva from General Manager to Head of Human Resources w.e.f. July 01, 2024.
10. Ms. Hem Jadeja was appointed as Head - Strategy and Business Transformation w.e.f. April 25, 2025.

\* Mr. Harsha Raghavan has been appointed as the Regular Chairman of the Company w.e.f. May 19, 2025.

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

# NOTICE TO MEMBERS

Notice is hereby given that the **Thirty Eighth (38th)** Annual General Meeting (AGM) of the Members of Sundrop Brands Limited (Formerly known as Agro Tech Foods Limited) will be held on **Thursday, August 28, 2025 at 11.30 AM (IST)** through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year Ended March 31, 2025, the Consolidated Financial Statements for the said Financial Year and the Report of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Harsha Raghavan (DIN: 01761512) who retires by rotation and, being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Manish Mehta (DIN: 06442038) who retires by rotation and, being eligible, offers himself for reappointment.

### SPECIAL BUSINESS

4. **Appointment of M/s. Tumuluru & Company, Company Secretaries Firm (Firm Registration No. P1988AP052200) as Secretarial Auditor for a period of 5 years starting from April 01, 2025**

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION** :

**"RESOLVED THAT** pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended, and based on the recommendation of the Audit Committee and the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for appointment of M/s. Tumuluru and Company, Company Secretaries (Firm Registration No. P1988AP052200) as the Secretarial Auditor of the Company for a term of five (5) years, commencing from April 01, 2025, until March 31, 2030, to conduct the Secretarial Audit of the Company and to furnish the Secretarial Audit Report at such remuneration as may be mutually agreed upon between the Board of Directors and the Secretarial Auditor including the manner of payment thereof."

**"RESOLVED FURTHER THAT** the Company Secretary of the Company or any one of the Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be required in order to give effect to the above resolution on behalf of the Company."

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION** :

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any modification(s) or re-enactment thereof, M/s. Vajralingam & Co., Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial year 2025-26, be paid

remuneration as set out in the Statement annexed to the Notice convening this Meeting."

### NOTES :

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021, December 28, 2022, September 25, 2023 and September 19, 2024 (collectively referred to as "MCA Circulars") and SEBI vide its Circular - SEBI/HO/CFD/PoD-2P/CIR/2024/133 dated October 3, 2024 permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA and SEBI Circulars, the AGM of the Company shall be held through VC/OAVM. The deemed venue for the **Thirty Eighth AGM** shall be the Registered Office of the Company.
2. In accordance with the Provisions of Section 102 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Explanatory Statement in respect of item No. 4 and 5 being items of Special Business, is annexed.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA and SEBI Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [saravana1015@gmail.com](mailto:saravana1015@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com)
5. M/s. KFin Technologies Limited (KFintech) will be providing facility for voting through remote e-voting, for participation in the Thirty Eighth AGM through VC/OAVM and e-voting during the AGM.
6. Members may join the Thirty Eighth AGM through VC/OAVM by following the procedure which shall be kept open for **the Members from 11.15 a.m. i.e. 15 minutes before the time scheduled to start the AGM** and the Company may close the window for joining the VC/OAVM 15 minutes after the scheduled time to start the Thirty Eighth AGM. The detailed instructions for participating in the Thirty Eighth AGM through VC/OAVM are given as a separate attachment to this Notice.
7. Members may note that the VC/OAVM provided by KFintech, allows participation of at least 2000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel,



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the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.

8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from August 22, 2025 to August 28, 2025 (both days inclusive). The Members, whose names appear in the Register of Members/List of Beneficial Owners as on close of business hours of **August 21, 2025, being the cut-off date**, are entitled to vote on Resolutions set forth in this Notice.
10. SEBI vide Master Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 has mandated that with effect from April 01, 2024, dividend to Members who are holding shares in physical form shall be paid only through electronic mode. Such payment shall be made only after the Members furnish their PAN, contact details (postal address with PIN and mobile number), bank account details, e-mail and specimen signature ('KYC') and choice of Nomination. As per the aforesaid SEBI Circular, Members holding shares in physical form may note that any future dividend payable against their shareholding would be withheld if their KYC and choice of Nomination are not updated with the RTA.

Members holding shares in physical form are requested to furnish Form ISR-1, Form ISR-2 and SH-13, available on Company's website at [www.sundropbrands.com](http://www.sundropbrands.com) to update KYC and choice of Nomination (in case the same are not already updated), to KFin Technologies Limited ('KFinTech'), Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 who are the Company's Registrar and Share Transfer Agents. Alternatively, Members may send their documents by email to KFinTech at [inward.rs@kfintech.com](mailto:inward.rs@kfintech.com) or upload on their web portal <https://www.kfintech.com> provided in both cases the documents furnished shall have digital signature of the holders.

Similarly Members holding shares in demat mode are requested to update their details with the depository participants.

11. Brief profile of the Directors proposed to be appointed/re-appointed is given towards the end of this Notice pursuant to Regulations 26(4) & 36(3) of the Listing Regulations and Secretarial Standard issued by Institute of Company Secretaries of India. None of the Directors is related to one another.
12. As per Regulation 40 of SEBI Listing Regulations, as amended securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, however, pursuant to SEBI (LODR) (Amendment) Regulations, 2022, w.e.f. January 24, 2022, also the transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, the Company can issue the securities in dematerialized form only while processing the following service request: i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal / Exchange of securities certificate; iv. Endorsement; v. Sub-division / Splitting of securities

certificate; vi. Consolidation of securities certificates/folios; vii. Transmission; viii. Transposition.

In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFinTech, for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website: <https://www.sundropbrands.com/pdf/other-information/Compulsory%20Dematerialisation%20Of%20Shares%20Detailed%20Procedure.pdf>

13. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Company's Registrars and Transfer Agents, KFinTech, in case the shares are held by them in physical form.
14. Members are requested to update and/or intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Company's Registrars and Transfer Agents, KFinTech, in case the shares are held by them in physical form.
15. Members who have multiple folios in identical names or joint names in the same order are requested to intimate the Registrar and Transfer Agents, KFinTech about these folios to enable consolidation of all such shareholdings into one folio.
16. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically/physically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM. Members seeking to inspect such documents can send an email to [InvestorRedressal@sundropbrands.com](mailto:InvestorRedressal@sundropbrands.com)
18. Pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolution proposed to be passed at AGM by electronic means. The detailed instructions for e-voting are given as a separate attachment to this Notice. The Members, whose names appear in the Register of Members/List of Beneficial Owners as on close of business hours of August 21, 2025, being the cut-off date, are entitled to vote on Resolutions set forth in this Notice.

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Those who are not Members on the cut-off date should accordingly treat this Notice for information purpose only. Members may cast their votes on electronic voting system from any place (remote e-voting).

**The remote e-voting period will commence at 9.00 A.M. on Sunday, August 24, 2025 and will end at 5.00 P.M. on Wednesday, August 27, 2025.** Members who have cast their vote by remote e-voting prior to the Thirty Eighth AGM may also participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again. The Members joining the AGM through VC/OAVM, who have not cast their vote by remote e-voting shall be eligible to vote through e-voting system at the e-AGM.

19. The Company has appointed M/s. Tumuluru & Company, Company Secretaries Firm, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Scrutinizer shall within 2 workings days of conclusion of the AGM, submit his report of the votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing, and the result of the same will be disclosed forthwith. The Company has appointed M/s. KFin Technologies Limited as the Agency for the purpose of facilitating the electronic voting.

20. In accordance with the circulars issued by MCA and SEBI, the Notice of the 38th AGM along with the Annual Report for the financial year 2024-25 is being sent by electronic mode to Members whose e-mail ids are registered with the Company / Registrar & Share Transfer Agent (RTA) or the Depository Participants (DPs).

Additionally, in accordance with Regulation 36(1)(b) of the Listing Regulations, the Company is also sending a letter to Members whose e-mail ids are not registered with Company/RTA/DP providing the weblink of Company's website from where the Annual Report for financial year 2024-25 can be accessed.

Members may note that the Notice and Annual Report for FY 2024-25 will also be available on the Company's website <https://www.sundropbrands.com/annual-reports.aspx>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of Company's Registrar and Transfer Agent, KFinTech at <https://evoting.kfintech.com/>

21. For receiving all communication (including Annual Report)

from the Company electronically :

- a) Members holding shares in physical mode and who have not registered/updated their email address with the Company are requested to register/update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at [InvestorRedressal@sundropbrands.com](mailto:InvestorRedressal@sundropbrands.com) or to KFinTech at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)
- b) Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participant.
22. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated time line. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.mca.gov.in](http://www.mca.gov.in)
23. Unclaimed dividend for the financial year ended March 31, 2018 will be due for transfer to IEPF on August 31, 2025, pursuant to the provisions of Section 124 of the Companies Act, 2013. In respect of the said unclaimed dividend, it will not be possible to entertain any claims received by Company's Registrar and Share Transfer Agents, KFinTech, after August 16, 2025.
- Details of unclaimed dividend in respect of the financial year ended March 31, 2018 and up to and including the financial year ended March 31, 2025 are available on the Company's website [www.sundropbrands.com](http://www.sundropbrands.com) under Investor Relations.
- The unclaimed shares pertaining to the year 2017-18 will also be transferred to IEPF of the Central Government on or before September 30, 2025.
24. Members are requested to contact KFinTech for encashing the unclaimed dividends standing to the credit of their account. The detailed dividend history and due dates for transfer to IEPF are available on the website of the Company [www.sundropbrands.com](http://www.sundropbrands.com)
25. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

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### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND THE LISTING REGULATIONS**

#### **Item No. 4**

Pursuant to the amendment made to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 vide SEBI Notification No. SEBI/LAD-NRO/GN/2024/21 dated December 12, 2024, the Board of Directors at their meeting held on April 29, 2025 based on the recommendation of the Audit Committee, have approved the appointment of M/s. Tumuluru and Company, Secretarial Audit Firm, having firm registration number P1988AP052200 as the Secretarial Auditor of the Company with effect from April 01, 2025 for a term of five years up to March 31, 2030 as set out in this item of Notice taking into account their credentials and also based on the evaluation of the quality of audit work as the Secretarial Auditor of the Company. The registered office of the firm is at F No.102, Surya Kiran Complex, S.D. Road, Secunderabad – 500 003, Telangana.

M/s. Tumuluru & Company is a peer reviewed firm of Company Secretaries in Practice bearing Unique Identification No. P1988AP052200 and peer reviewed firm bearing Certificate No. 1159/2021. The firm has more than 37 years' experience in Secretarial Services and provides audit services to the clients in Manufacturing, Technology and Health Services.

The proposed remuneration to be paid to M/s Tumuluru & Company, Company Secretaries Firm, for Secretarial Audit services for the financial year ending March 31, 2026 is ₹ 3,00,000/- (₹ Three Lakhs only) plus applicable taxes and out-of-pocket expenses.

Besides the audit services, the Company would also obtain certifications from the Secretarial Auditor under various statutory regulations and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors.

The Board of Directors may alter and vary the terms and conditions of appointment, including remuneration, in such a manner and to such an extent as may be mutually agreed with the Secretarial Auditor.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board recommends the resolution set forth in Item No. 4 for the approval of Members as an Ordinary Resolution.

#### **Item No.5**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2025-26 at a fee not exceeding ₹ 1,80,000/- (₹ One Lakh Eighty Thousand only) plus applicable taxes and actual traveling and out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2025-26.

None of the Directors, Key Managerial Personnel or their relatives, of your Company is concerned or interested in the said Resolution.

Your Directors recommend the Resolution for your approval.

By Order of the Board  
for **Sundrop Brands Limited**  
(Formerly known as  
AgroTech Foods Limited)  
**Jyoti Chawla**  
Company Secretary  
ACS : 20392

Place : Gurugram  
Dated : May 19, 2025

Registered Office : 31, Sarojini Devi Road, Secunderabad-500003, Telangana, India.

## Sundrop Brands Limited

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### PROCEDURE FOR REMOTE E-VOTING

- i. Pursuant to SEBI Master Circular No. SEBI/HO/ CFD/PoD2/ CIR/P/2023/120 dated July 11, 2023, e-voting process has been enabled for all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/DPs in order to increase the efficiency of the voting process. **Individual demat account holders** would be able to cast their vote without having to register again with e-voting service provider.
- ii. Members are advised to update their mobile number and email address in their demat accounts in order to access remote e-voting facility.
- iii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- iv. Any person holding shares in physical form and non-individual shareholders as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@kfintech.com](mailto:evoting@kfintech.com). However, if he / she is already registered with KFintech for remote e-Voting, then he /she can use his / her existing User ID and password for casting the vote.
- v. **The details of the process and manner for remote e-Voting are explained herein below:**

**Step 1 :** Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2 :** Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

**Step 3 :** Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

**Details on Step 1 are mentioned below:**

- i) **Login method for remote e-Voting for Individual shareholders holding securities in demat mode.**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p><b>1. User already registered for IDeAS facility:</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"</li> <li>IV. Click on company name or e-Voting service provider and you will be redirected to e-Voting service provider website for casting the vote during the remote e-Voting period.</li> </ol> <p><b>2. User not registered for IDeAS e-Services</b></p> <ol style="list-style-type: none"> <li>I. To register click on link : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a></li> <li>II. Select "Register Online for IDeAS" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>III. Proceed with completing the required fields.</li> <li>IV. Follow steps given in point 1.</li> </ol>

	<p><b>3. Alternatively by directly accessing the e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>I. Open URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a></li> <li>II. Click on the icon "Login" which is available under 'Shareholder/Member' section.</li> <li>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech.</li> <li>V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.</li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<p><b>1. Existing user who have opted for Easi / Easilest</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="https://web.cdslindia.com/myeasitoken/Home/Login">https://web.cdslindia.com/myeasitoken/Home/Login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on New System Myeasi</li> <li>III. Login with your registered user id and password.</li> <li>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.</li> <li>V. Click on e-Voting service provider name to cast your vote.</li> </ol> <p><b>2. User not registered for Easi/Easilest</b></p> <ol style="list-style-type: none"> <li>I. Option to register is available at <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</a></li> <li>II. Proceed with completing the required fields.</li> <li>III. Follow the steps given in point 1</li> </ol> <p><b>3. Alternatively, by directly accessing the e-Voting website of CDSL</b></p> <ol style="list-style-type: none"> <li>I. Visit URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Provide your demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e-Voting is in progress.</li> </ol>
Individual Shareholder login through their demat accounts / Website of - Depository Participant	<ol style="list-style-type: none"> <li>I. You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility.</li> <li>II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>III. Click on options available against company name or e-Voting service provider-KFintech and you will be redirected to e-Voting website of KFintech for casting your vote during the remote e-Voting period without any further authentication</li> </ol>



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### Important note :

Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: <b>1800 1020 990</b> and <b>1800 22 44 30</b>
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at <b>022-23058738</b> or <b>022-23058542-43</b>

Details on Step 2 are mentioned below:

### II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFinTech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number), followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
- After entering these details appropriately, click on "LOGIN".
- You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- You need to login again with the new credentials.
- On successful login, the system will prompt you to select the "EVEN" i.e., Sundrop Brands Limited (Formerly known as Agro Tech Foods Limited) and click on "Submit"
- On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat

accounts.

- Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- You may then cast your vote by selecting an appropriate option and click on "Submit".
- A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to cast its vote through remote e-voting on its behalf to the Scrutinizer at email id [saravana1015@gmail.com](mailto:saravana1015@gmail.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Even No."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently this Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- Members who have not registered their email address and in consequence this Notice and e-voting instructions cannot be serviced, may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)
- Alternatively, member may send an e-mail request at the email id [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending this Notice of AGM and the e-voting instructions.
- After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

### I) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

- Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFinTech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFinTech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- Facility for joining AGM through VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.
- Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from



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Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at [InvestorRedressal@sundropbrands.com](mailto:InvestorRedressal@sundropbrands.com) Questions /queries received by the Company till August 23, 2025 shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

### OTHER INSTRUCTIONS

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from KFintech. On

successful login, select 'Speaker Registration' which will be opened from 9.00 A.M. on August 23, 2025 to 5.00 P.M. on August 25, 2025. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com> Please login through the user id and password provided in the mail received from KFintech. On successful login, select 'Post Your Question' option which will open from 9.00 A.M. on August 23, 2025 to 5.00 P.M. on August 25, 2025.
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFintech Website) or write at [evoting@kfintech.com](mailto:evoting@kfintech.com) or [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.
- IV. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at [evoting@kfintech.com](mailto:evoting@kfintech.com).
- V. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

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### ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT / RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

#### I. HARSHA RAGHAVAN

<b>Name &amp; DIN</b>	<b>Mr. Harsha Raghavan (DIN 01761512)</b>
<b>Designation</b>	Non-Executive Director
<b>Date of Birth (Age)</b>	October 10, 1971 (53 years)
<b>Date of first appointment on the Board of the Company</b>	August 28, 2024
<b>Qualification</b>	Mr. Raghavan holds a Master of Business Administration degree and Master of Science degree in industrial engineering both from Stanford University and a Bachelor of Arts degree from the University of California at Berkeley, where he double-majored in computer science and economics.
<b>Brief Profile and Nature of expertise in specific functional area/skills and capabilities</b>	<p>Mr. Harsha Raghavan is the Founder and Managing Partner of Convergent Finance LLP headquartered in Mumbai, India. Mr. Raghavan has been involved with the Indian private equity industry since 1996. He most recently served as the Founding Managing Director &amp; CEO of Fairbridge Capital Private Limited, the Indian investing entity of Fairfax Financial Holdings, from 2009 to 2018.</p> <p>He was also Head of India for Candover Investments, Co-Head of India for Goldman Sachs Principal Investment Area and Vice President of Indocean Chase Capital. Mr. Raghavan has experience investing over \$3.0 billion across multiple continents, with a track record of value creation through intensive engagement with portfolio companies.</p> <p>At Fairbridge, Mr. Raghavan was responsible for all capital allocation decisions and led the investment of more than \$2.1 billion, a figure that rose by over 2.6x to \$5.5 billion in a sevenyear period. Portfolio companies leveraged Mr. Raghavan's operational expertise and global networks to meet their strategic objectives, including mergers and acquisitions, business expansions, and board appointments.</p>
<b>Terms and conditions of Appointment/Re-appointment</b>	Re-appointment as director who retires by rotation and, being eligible, offers himself for reappointment
<b>Remuneration last drawn</b>	NA - Director appointed with no remuneration and sitting fees
<b>Directorships in other Companies as on the date of AGM Notice</b>	1) Camlin Fine Sciences Limited 2) Jagsonpal Pharmaceuticals Limited 3) Del Monte Foods Private Limited

	4) Just Udo Aviation Private Limited 5) FLY91 Aircraft Leasing IFSC Private Limited 6) Agilitas Sports Private Limited 7) Onward Technologies Limited
<b>Number of Board meetings attended as on the date of AGM Notice</b>	4
<b>Chairperson/ Members hip of the Committee(s) of other Companies as on the date of AGM Notice</b>	<p><b>Camlin Fine Sciences:</b> 1) Audit Committee - Member 2) Nomination &amp; Remuneration Committee - Member 3) Project Evaluation Committee - Chairman</p> <p><b>Jagsonpal Pharmaceuticals Limited:</b> 1) Audit Committee - Member 2) Risk Management Committee - Member</p> <p><b>Onward Technologies Limited:</b> 1) Audit Committee - Member 2) Nomination &amp; Remuneration Committee - Member</p>
<b>Listed entities from which the Director has resigned in past 3 years</b>	1) Hindustan Foods Limited
<b>No. of Shares held in the Company, including shareholding as a beneficial owner</b>	Nil
<b>Disclosure of inter-se relationships between Directors and Key Managerial Personnel</b>	None

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### II. MANISH MEHTA

<b>Name &amp; DIN</b>	<b>Mr. Manish Mehta (DIN 06442038)</b>
<b>Designation</b>	Non-Executive Director
<b>Date of Birth (Age)</b>	July 19, 1976 (48 years)
<b>Date of first appointment on the Board of the Company</b>	August 28, 2024
<b>Qualification</b>	Mr. Manish Mehta earned his MBA from the Harvard Business School where he graduated with Distinction. Mr. Mehta also has a Masters of Science in Transportation & Logistics from Massachusetts Institute of Technology (MIT) and received his Bachelors degree in engineering from Indian Institute of Technology (IIT), Roorkee where he was the top ranking student in his class. Manish is also a Chartered Financial Analyst (CFA).
<b>Brief Profile and Nature of expertise in specific functional area/skills and capabilities</b>	<p>Mr. Manish Mehta is a Managing Director, Investments &amp; co-CIO at Samara India Advisors Private Limited and has been with the company since 2010. Manish has led investments in the Consumer, Retail, Healthcare and Business Services verticals for Samara Capital Funds.</p> <p>Prior to Samara India Advisors Private Limited in 2010, Manish worked with the Private Equity Fund at Lehman Brothers in New York. Before that, he was a Principal in a US\$10 billion multi-strategy hedge fund at Barclays Global Investors.</p> <p>Manish also briefly worked in real estate private equity at Grove International Partners (Soros Fund) where he was covering India investments primarily in the hotel sector. Manish began his finance career with Lehman Brothers in 2001 in New York.</p>
<b>Terms and conditions of Appointment</b>	Re-appointment as director who retires by rotation and, being eligible, offers himself for reappointment
<b>Remuneration last drawn</b>	NA – Director appointed with no remuneration and sitting fees
<b>Directorships in other Companies as on the date of AGM Notice</b>	1) Firstmeridian Business Services Limited 2) Samara India Advisors Private Limited 3) Edme Insurance Brokers Limited 4) Del Monte Foods Private Limited
<b>Number of Board meetings attended as on the date of AGM Notice</b>	4

<b>Chairperson/ Membership of the Committee(s) of other Companies as on the date of AGM Notice</b>	<b>Firstmeridian Business Services Limited:</b> 1) Audit Committee – Member 2) Nomination & Remuneration Committee –Chairman <b>Edme Insurance Brokers Limited:</b> 1) Corporate Social Responsibility Committee - Member
<b>Listed entities from which the Director has resigned in past 3 years</b>	1) Sapphire Foods India Limited
<b>No. of Shares held in the Company, including shareholding as a beneficial owner</b>	Nil
<b>Disclosure of inter-se relationships between Directors and Key Managerial Personnel</b>	None

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## REPORT OF THE DIRECTORS AND MANAGEMENT DISCUSSION & ANALYSIS

Your Directors hereby present their Annual Report, together with the audited accounts of the Company for the financial year ended March 31, 2025.

### 1. PERFORMANCE OF THE COMPANY

#### 1.1 Results

Your Company's Standalone Financial Results for the year ended March 31, 2025 is as follows:

Particulars	2024-25	2023-24
<b>Net Sales</b>	<b>7,913.66</b>	7,566.39
Other Income*	34.22	34.42
<b>Total Income</b>	<b>7,947.88</b>	7,600.81
Operating Expenses	7,703.06	7,262.79
<b>EBITDA</b>	<b>244.82</b>	338.02
Depreciation	220.56	205.23
Interest	15.96	28.76
<b>Profit before Tax &amp; exceptional item</b>	<b>8.30</b>	104.03
Exceptional items-Income/(Exp.)	(1,467.54)	26.81
<b>(Loss)/Profit Before Tax</b>	<b>(1,459.24)</b>	130.84
Taxes	(352.08)	34.42
<b>(Loss)/Profit After Tax</b>	<b>(1,107.16)</b>	96.42
Other Comprehensive Income/(Loss) #	(2.30)	(1.94)
<b>Total Comprehensive Income/Loss</b>	<b>(1,109.46)</b>	94.48

\*Includes other operating revenue

# Net of taxes

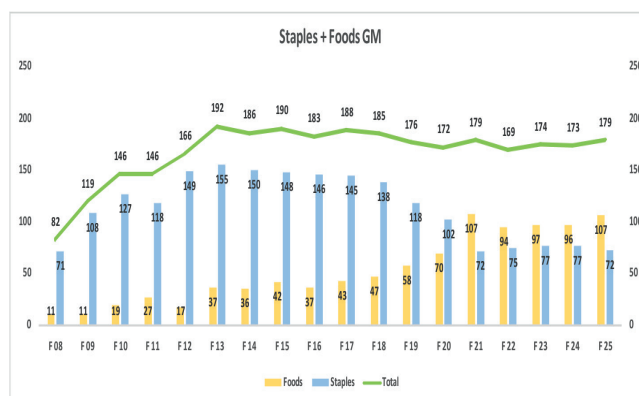
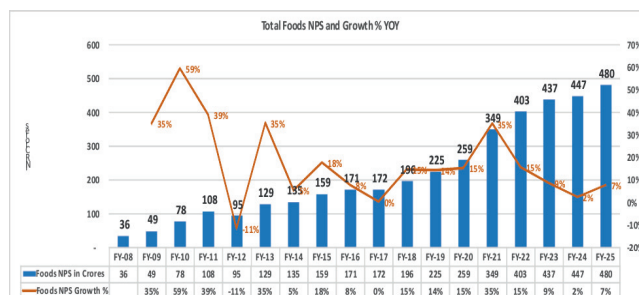
The Company closed the year with revenue of ₹ 791 Crore, 5% higher than FY24. The Foods business closed the year with revenues of ₹ 480 Crore, 7% higher than FY24. While your Company witnessed significant inflationary pressures during the year, it was able to largely mitigate the impact of commodity price changes and improved Gross Margin (GM) by ₹ 6 Crore. However, EBITDA/Profit before exceptional items declined due to change in accounting estimate for the sales returns, increase in secondary freight & warehousing and higher royalty payout compared to prior year. Exceptional items include i) Provision for Impairment of ₹ 70.57 Crore related to identified three cash generated units (CGUs) and Provision for impairment of ₹ 65.47 Crore related to specified property, plant and equipment pertaining to certain products not expected to continue and where management will initiate process of disposal in due course, ii) Acquisition related costs of ₹ 5.16 Crore on legal and professional, due diligence costs and other fees, iii) Provision for duty paid under protest for Custom Duty related litigation of ₹ 5.55 Crore.

#### 1.2 Key Indicators

With 18 years Revenue CAGR in the Foods business of 16.4% and accelerated growth in second half of FY25, your Company continues on track to be

amongst India's best food companies.

FY25 Gross Margin was higher than prior year by ₹ 6 Crores led by increase in Foods GM by ₹ 10 Crore while Staples' GM declined by ₹ 4 Crore.



### 2. DIVIDEND

With the change in ownership and board, your Company has embarked on a new phase and a revised business strategy is being developed. As a part of this exercise, the Board has evaluated all lines of business. As an outcome, the Company is going to enhance focus on high growth areas while some businesses that are underperforming are being deprioritized. In addition, the Company has revisited and provided for expenses related to certain past legal obligations where recovery was due to the Company. As a result, the Company has a negative PBT and PAT in FY25. Given the need to preserve cash and continue to be a zero-debt company, your Directors are recommending no Dividend for the year ended March 31, 2025.

#### STATEMENT OF RETAINED EARNINGS (₹ Millions)

Particulars	2024-25	2023-24
a) <b>At the beginning of the year</b>	<b>3,672.77</b>	3,650.89
b) Add: (Loss)/Profit for the year	(1,107.16)	96.42
c) Add: Other Comprehensive Income/Loss (net of tax)	(2.30)	(1.94)
d) Less: Dividends	73.11	72.60
e) <b>At the end of the year</b>	<b>2,490.20</b>	3,672.77



## **Sundrop Brands Limited**

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Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), the Company adopted a Dividend Distribution Policy vide its Board meeting held on July 22, 2021 in terms of the requirements of the Listing Regulations. The Policy is available on the Company's website at <https://www.sundropbrands.com/pdf/code-of-conduct/DividendDistributionPolicy.pdf>

### **3. RESERVES**

The Board proposes not to transfer any amount to reserves.

### **4. RESPONSIBILITY STATEMENT**

The Directors confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) they have 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 statement of profit and loss of the Company for that period;
- (c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared the annual accounts on a going concern basis.
- (e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **5. CHANGE IN CONTROL**

The Promoter of the Company i.e. CAG-Tech (Mauritius) Limited, along with its holding company, Conagra Europe B.V. had entered into a Share Subscription Agreement dated February 29, 2024 (SSA) with Zest Holding Investments Limited ("Acquirer"), whereby, the Acquirer had acquired 100% control over the Promoter Company. Pursuant to the Public Announcement of Open Offer made on the February 29, 2024, Detailed Public Statement made on March 7, 2024, and pursuant to indirect acquisition of the Company by the Acquirer, the Acquirer indirectly held

1,26,16,619 equity shares of the Company on a fully diluted basis and has acquired control over the Company effective from August 28, 2024.

This Transaction had attracted an obligation on the Acquirer to make an open offer to the Public Shareholders of the Company as required under Regulation 3(1), 4 and 5 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Accordingly, Letter of Offer (the "LOF") in relation to the Open Offer was dispatched to the Eligible Public Shareholders of the Company by Zest Holding Investments Limited along with Zest Investments Limited ("PAC 1"), Samara Capital Partners Fund III Limited ("PAC 2"), Infinity Holdings ("PAC 3") and Infinity Holdings Sidecar I ("PAC 4") collectively referred to as the persons acting in concert with the Acquirer. The date of Opening of Offer was Thursday, July 11, 2024 and date of Closing of Offer was Thursday, July 25, 2024.

Pursuant to the completion of Open offer, 86 shares were tendered and transferred by 4 Shareholders of the Company in favour of Zest Investments Limited ("PAC 1").

Pursuant to change in Control of the Company, the Board of Directors was re-constituted with new nominees Directors recommended by the Promoter Company.

### **6. ACQUISITION OF DEL MONTE FOODS PRIVATE LIMITED ("DMFPL")**

During the year, your Company has completed the acquisition of 100% of the issued and outstanding equity shares of Del Monte Foods Private Limited pursuant to (i) the share purchase agreement dated November 14, 2024 executed amongst the Company, DMPL India Limited and Del Monte Foods Private Limited ("DMFPL"); and (ii) the share purchase agreement dated November 14, 2024 executed amongst the Company, Bharti Enterprises Limited, Bharti (SBM) Holdings Private Limited, Bharti (RBM) Holdings Private Limited, Bharti (RM) Holdings Private Limited and Bharti (Satya) Trustees Private Limited (on behalf of Bharti (Satya) Family Trust) and DMFPL. The acquisition was completed on February 6, 2025. Following the completion of the acquisition, DMFPL has become a wholly owned subsidiary of the Company. Consequent to acquisition of DMFPL, subsidiary of DMFPL, Delmonte Foods India (North) Private Limited has also become the step-down subsidiary of your Company.

The boards of directors of DMFPL and its subsidiary Del Monte Foods India (North) Private Limited was reconstituted with: (a) nominees of the Company along with 1 independent director appointed on the board of directors of DMFPL; and (b) nominees of the

## **Sundrop Brands Limited**

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Company appointed on the board of directors of Del Monte Foods India (North) Private Limited.

### **7. PREFERENTIAL ALLOTMENT OF SHARES**

In consideration for the acquisition of DMFPL and to give effect to the share swap arrangement (i.e. consideration other than cash), the Company has allotted 1,33,27,589 fully paid-up equity shares of the Company having a face value of ₹ 10/- each at a price of ₹ 975.5/- per equity share to the selling shareholders of DMFPL by way of a preferential allotment. The selling shareholders include DMPL India Limited, Bharti Enterprises Limited, Bharti (SBM) Holdings Private Limited, Bharti (RBM) Holdings Private Limited, Bharti (RM) Holdings Private Limited and Bharti (Satya) Trustees Private Limited (on behalf of Bharti (Satya) Family Trust). The preferential allotment was for consideration other than cash. However, for the purpose of accounting of business combination, the Company has considered fair value of ₹ 792.75 per equity share on the date of the completion of acquisition i.e. February 6, 2025.

### **8. INCREASE IN AUTHORIZED SHARE CAPITAL**

During the year, the Authorised Share Capital of the Company has been altered from the existing Authorised Share Capital of ₹ 35,00,00,000 (₹ Thirty-Five crore) divided into 2,50,00,000 (Two crore fifty lakhs) Equity Shares of ₹10/- (₹ Ten Only) each and 10,00,000 (₹ Lakhs) cumulative preference shares of ₹100/- (₹ Hundred Only) each to ₹ 50,00,00,000 (₹ Fifty crore) divided into 5,00,00,000 (Five Crore) Equity shares of ₹ 10/- (₹ Ten Only) each and consequently the Memorandum of Association of the Company was also altered.

### **9. CHANGE OF NAME OF THE COMPANY**

The name of the Company has been changed from "Agro Tech Foods Limited" to "Sundrop Brands Limited" w.e.f. March 8, 2025 as approved by the Ministry of Corporate Affairs. The new name of the Company i.e. Sundrop Brands Limited was also approved by BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), the stock exchanges where the Shares of the Company are listed. The new name reflected on BSE & NSE' websites w.e.f. March 28, 2025.

Consequently, the old name, i.e. "Agro Tech Foods Limited" was substituted with the new name "Sundrop Brands Limited", wherever it occurred in all the relevant documents of the Company including agreements, deeds, documents, contracts, POA wherein the Company is a party or interested and at all other places, wherever appearing.

### **10. ADOPTION OF NEW SET OF MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION**

The Company has adopted the new set of Memorandum of Association and Articles of Association of the Company to align it with the provisions of Companies Act, 2013, which was approved by the Board of Directors of the Company, in their meeting held on November 14, 2024. The Shareholders' approval was also obtained in the 12th Extra Ordinary General Meeting (EGM) held on December 11, 2024.

### **11. CORPORATE GOVERNANCE**

In terms of the Listing Regulations, a report on Corporate Governance along with Auditors' Report on its compliance is annexed, forming part of the Annual Report.

Additionally, this contains compliance report signed by the Group Managing Director and CEO of the Company in connection with compliance with the Code of Conduct, and also CEO/CFO Certification as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In-line with the requirements of Companies Act, 2013, your Company has constituted the Board Committees and has in place all the statutory Committees required under the law.

Details of Board Committees along with their terms of reference, composition and meetings of the Board and Board Committees held during the year, are provided in the Corporate Governance Report.

### **12. MANAGEMENT DISCUSSION & ANALYSIS REPORT (MD&A)**

Based on feedback from members on the Annual Report and Accounts, this report includes MD&A as appropriate so that duplication and overlap between the Directors' Report and a separate MD&A is avoided and the entire material is provided in a composite and comprehensive document.

### **13. INDUSTRY STRUCTURE & DEVELOPMENTS**

The Indian FMCG market stays poised for remarkable growth in the coming years, fueled by rising disposable incomes, expanding middle-class, strong rural growth and the proliferation of digital commerce. While the industry witnessed a slowdown in 2024 and was impacted by rising raw material costs and inflation, the Company has seen a recovery from second half of 2024 and expect the momentum to sustain in 2025.

To secure a profitable slice of this competitive market, one needs to have a diverse portfolio of products with clear right to win which your Company has already established over many years of sustained investments. Because of the attractive nature of the Indian Foods market, it continues to attract capital both through public and private markets. However, your Company's strengths of a well distributed in-house manufacturing capabilities and a powerful distribution network

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covering around 493,000 stores across India ensures that your Company is well positioned to defend its turf and drive aggressive growth. Your Company continue to invest on mass media to strengthen the brand imagery and drive new consumer acquisition & consumption expansion from existing consumers. The Company also continue to innovate and expand the consumer base through entry in new segments, formats and taste experiences for the consumers and thereby ensuring that the brands and product offerings remain a preferred choice of the consumers.

### **14. OPPORTUNITIES AND THREATS**

The continued growth of the Indian Foods market and your Company's presence in low penetrated categories in food provides an enormous opportunity for a steady growth in Revenues and Profits for the Company.

The Company has strong Brands and powerful Foods portfolio representing fast growing categories like Ready to Cook Snacks, Ready to Eat Snacks, Spreads and Breakfast Cereals. The directors also believe that the company needs to prioritise resource allocation to proven high growth and high market share categories to power the Company into a strong Foods Company in India.

However, rising input costs, particularly for raw materials in edible oils segment, are impacting margins and potentially leading to price hikes there by impacting consumption and premiumisation. The primary threat to your Company's P&L has been the significant contribution of the Edible Oils business. However, over time this has been significantly reduced and in FY25 the Foods business contributed to 60% of sales and 60% of Gross Margin.

### **15. STATE OF THE COMPANY'S AFFAIRS**

Your Company has registered a consistent growth in the Foods business with 16% CAGR over the last 18 years through entry into new categories and fast-growing segments. Your Company has been pioneers in building the Popcorn based snacks and Peanut butter segment in the country and occupy a leadership or dominant share position in these categories. Key to this continued growth is expansion of distribution and investment in advertising spends. The Company was successfully able to further expand retail coverage in FY25 ending the year with direct retail coverage of around 493,000 retail stores. The Company also invested to build the Brand franchise in emerging channels like E-commerce and Quick Commerce and were able to grow its business in these channels substantially. Overall, A&P spends increased marginally but remained at healthy 6% to foods topline. The expansion of coverage together with steady brand investments sets your Company in a

good place for a steady and sustained growth in the Foods business.

### **16. PRODUCT CATEGORIES**

#### **16.1 Ready to Cook (RTC) Snacks:**

Revenues from the Ready to Cook Snacks business were up by 7% in FY'25 driven by 5% growth in volumes. While your Company enjoy leadership in the segment it operates in, it has significant headroom in this category by driving both penetration and consumption. Thus, the Board has enhanced the investments on mass media in latter part of last year and have seen growth acceleration. The Board shall continue to drive investments and shall innovate on pack size, price points and new flavours to further expand the business going forward.

#### **16.2 Ready to Eat (RTE) Snacks:**

Revenues from the RTE Snacks business grew handsomely by 30% in value and 26% in volume. The Company saw significant success in the RTE Popcorn business (grew by 42% vs prior year) and is now in a dominant national leadership position in this category. Going forward, your Company will seek to leverage the learnings, trade relationships and distribution infrastructure of RTE Popcorn business to help scale business in other RTE Savoury and Sweetened snack products in the portfolio and enhance its revenue and profitability of the segment.

#### **16.3 Spreads & Dips:**

Revenues from the Spreads business were lower by 7% vs. prior year. The Company has seen multiple new players entering the Peanut Butter segment in last few years which has expanded the category through innovations of natural and / or high protein offerings. The Company has been also innovating through launches of new tastier peanut butter products like Peanut Butter jelly which has seen good success in the last few months. Building on our recent success, the Company now plans to introduce and compete in a fast-growing high protein segment. The Company expects these introductions to significantly aid the expansion of Peanut Butter business in fast growing E-commerce and Quick commerce channels.

Your Company has continued to invest in mass media in the Peanut Butter on-the-table segment and have seen growth in small packs giving the confidence that the Company continue to attract new consumers in this fast-growing segment. Your Company shall also continue to launch newer tastier products and convenient formats in this segment to sustain the strong share and market position. Through this approach, the Board is confident to be able to drive growth and share recovery in the years ahead and strengthen the Company's market position in the overall segment.



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### **16.4 Breakfast Cereals:**

Overall, Breakfast Cereals revenue declined by 3% as the Company discontinued some of the product lines launched in the previous year based on the muted market response. Having said that, your Company has also been able to identify winning products which shall allow to build attractive and sizeable portfolio in this segment. A steady expansion of distribution enabled the Company to grow centre-filled Sundrop Popz revenues by 11% in FY25. A distributed supply chain supported by plants across the country places the Company in a strong position to have clear leadership in this important category in the future. The Company also had a strong response in the Masala Oats segment with revenue growth of 15% and volume growth of 4%.

### **16.5 Chocolates:**

The Company saw a decline of 23% in revenue in the Chocolate Confectionery category in FY25. Based on the Board of Directors' assessment of the business, they have taken a call to focus on the fast-growing segments and hence not make any further growth investments in this category. In due course of time, the Board of Directors shall also look at opportunities to dispose off or re-pivot the capacities in this segment.

### **16.6 Premium Staples:**

In line with the stated goals of the Company, the focus in FY25 remained on profitability for this category. The 20% additional import duty introduced on edible oils in the second half of the year led to a significant increase in raw material prices of edible oils, thereby impacting Gross Margins. While the Company was able to pass on the price increases, it did see the impact on volumes in response to the increased pricing. On a full year basis, your Company was able to increase the premium staples volume by 2% and value by 4%, though the Gross Margin was marginally lower than the Prior Year by 3%. The Company was also successfully able to grow the adjacencies such as Plain Oats by 17% in value terms and is looking to further strengthen the business in this fast-growing segment.

### **16.7 Mass Edible Oils/Staples:**

Due to significant increase in the edible oil prices and to protect the margin, the Company reduced its focus in this Category in FY25 resulting in volume decline of 21% and revenue decline of 17%. Going forward the Company is re-evaluating its play in edible oils segment and shall focus on growth of premium oils while continuing to operate in the mass oil segment as a flanker. The Board believes play in this segment may be needed to sustain the sourcing strengths and scale of operation, which is critical to sustain the margins in this highly competitive category.

## **17. RESEARCH, QUALITY & INNOVATION (RQI)**

Innovation remains the driver of growth for your Company and the Board continues to make investments which ensure that your Company continue to deliver innovative products which address unmet consumer needs and bring delightful food experiences to the consumers. Your Company's unique plant centered innovation model ensures a robust flow of innovation at an efficient cost and quick turnaround time.

## **18. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

A Statement giving details of conservation of energy, technology absorption and foreign exchange earnings and outgo in accordance with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as **Annexure A** and forms part of this report.

## **19. HUMAN RESOURCES / INDUSTRIAL RELATIONS**

Engaged Employees are critical to the success of your Company. In FY25, despite the change of control news at the start of the year, employees have remained engaged and the Company successfully managed the transition with improving revenue growth rates quarter on quarter (from -3% in Q1, +2% in Q2, +8% in Q3 to +12% in Q4). The continuing strong momentum in the Company driven by solid foods business growth and innovation has helped the Company to stay positive on the future outlook for the business.

Your Company will continue to ensure that it has a highly engaged and productive organization to deliver on its vision and goals.

## **20. KEY FINANCIAL RATIOS**

The details of significant changes in the key financial ratios are as follows:

Particulars	2024-25	2023-24	%Variance
(i) Debtors Turnover Ratio	12.13	11.14	8.89%
(ii) Debt Service Coverage Ratio	13.20	7.52	75.78%
(iii) Current Ratio	2.10	2.05	2.49%
(iv) Inventory Turnover Ratio	3.94	3.04	29.43%

## **21. RETURN ON NET WORTH**

The Return on Net worth as compared to the previous financial year is as follows:

Particulars	2024-25	2023-24
(i) Return on Net Worth	(11.43%)	1.96%

## **22. PARTICULARS OF EMPLOYEES**

The information required pursuant to Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, inter alia, ratio of remuneration of directors and KMP to



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median remuneration of employees and percentage increase in the median remuneration are annexed herewith as **Annexure B** and forms part of this Report.

The statement containing particulars of employees as required under Section 197 of the Act read with Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this Report. However, in terms of Section 136 of the Act, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company. In case any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary of the Company. The Nomination and Remuneration Committee of the Company has affirmed that the remuneration is as per the Remuneration Policy of the Company.

### 23. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

### 24. PARTICULARS OF CONTRACTS WITH RELATED PARTIES

All contracts, arrangements or transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company has not entered into any contract or arrangement or transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions, Companies Act, 2013 and Listing Regulations. Form AOC-2 containing the note on the aforesaid related party transactions is enclosed as **Annexure C** and forms part of this Report.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website.: [https://www.sundropbrands.com/pdf/code-of-conduct/policy\\_dealing\\_related\\_party\\_transactions.pdf](https://www.sundropbrands.com/pdf/code-of-conduct/policy_dealing_related_party_transactions.pdf)

The related party disclosures, including details of the transactions with Promoter group, form part of the financial statements provided in this Annual Report.

### 25. EMPLOYEE STOCK OPTION PLAN

During the year, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors considered and approved the

termination of the existing Agro Tech Employee Stock Option Plan of 2012, (as modified in 2015 and 2022) subject to completing all formalities as required under the applicable laws and regulations.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors considered and approved the formulation of "Agro Tech Foods Limited Employee Stock Plan 2024 (ATFOODS ESOP 2024 or "Scheme")", in terms of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. The Shareholders of the Company had approved "Agro Tech Foods Limited Employee Stock Plan 2024" by passing a special resolution by requisite majority of the Shareholders on April 27, 2025 through Postal Ballot by voting through electronic means only, subject to other regulatory / statutory approvals as may be necessary. The result of the Postal Ballot was submitted to BSE and NSE on April 28, 2025 and was also uploaded on the website of the Company. The Company had submitted an application on May 3, 2025 to the Stock Exchanges where shares of the Company are listed i.e. BSE and NSE for their in-principal approval for "Agro Tech Foods Limited Employees Stock Plan 2024". The Plan is in compliance with the provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. Further details of the Plan are available on the website of the Company at [www.sundropbrands.com](http://www.sundropbrands.com)

Pursuant to the provisions of the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, ("ESOP Regulations"), the certificate received from the secretarial auditor of the Company confirming implementation of the Scheme in accordance with the said regulations and the resolution passed by the members, will be made available at the AGM. In terms of regulation 14 of the ESOP Regulations, a statement giving complete details, as at March 31, 2025, is available on the website of the Company at [www.sundropbrands.com](http://www.sundropbrands.com)

### 26. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has transferred the required CSR amount of ₹ 44,46,130/- to the Prime Minister's National Relief Fund in the month of March, 2025 which is in line with regulatory requirements. In addition, your Company continues to work with Anganwadi's as part of the Company's Poshan program designed to address malnourishment.

As per Companies Act, 2013 as amended by Companies (Amendment), Act, 2017, all Companies having net worth of ₹ 500 Cr or more, or turnover of ₹ 1,000 Cr or more or a net profit of ₹ 5 Cr or more during the immediately preceding financial year will be required to constitute a CSR Committee of the Board of Directors comprising three or more directors,

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at least one of whom will be an Independent Director.

Aligning with the guidelines, the Company has constituted a CSR Committee comprising Mr. Satish Premanand Rao, an Independent Director as the Chairperson of the Committee and Mr. Rajesh Jain, Ms. Richa Arora, Mr. Harsha Raghavan, Mr. Manish Mehta and Dr. Om Prakash Manchanda as its Members. The Committee is responsible for formulating and monitoring the CSR Policy of the Company. The CSR Policy of the Company, as approved by the Board of Directors is available on the Company's Website: <https://www.sundropbrands.com/pdf/code-of-conduct/CSR-POLICY.pdf>

The Annual Report on CSR activities is annexed herewith as **Annexure D** and forms part of this Report.

### 27. RISK MANAGEMENT POLICY

The Company has formulated and adopted a revised Risk Management Policy which has been approved and adopted by the Board at the Board Meeting held on October 21, 2021 pursuant to SEBI (LODR) (Second Amendment) Regulations, 2021, which requires top one thousand listed Companies (based on market capitalization of every financial year) to formulate and disclose a Risk Management Policy. The testing in accordance with the laid down policy is being carried out periodically. The Senior Management has been having regular Meetings for reassessing the risk environment and necessary steps are being taken to effectively mitigate the identified risks. A Risk Management Committee has also been constituted with a Committee of the Directors and senior management to address issues which may threaten the company.

### 28. WHISTLE BLOWER POLICY (VIGIL MECHANISM)

The Vigil mechanism under Whistle Blower Policy has been approved by the Board of Directors on October 17, 2014. This Whistle Blower Policy of the Company provides opportunities to employees to access in good faith, to the Management, concerns (in certain cases to the Audit Committee) in case they observe unethical or improper practices (not necessarily a violation of law) in the Company and to secure those employees from unfair termination and unfair prejudicial employment practices. The policy has also been uploaded on the website of the Company: <https://www.sundropbrands.com/pdf/code-of-conduct/Whistle%20Blower%20Policy.pdf>

### 29. INFORMATION SYSTEMS

Your Company continues to focus on the use of technology and automation to drive productivity in engaging with the Customers & Suppliers. We also ensure that our Employees have access to robust information to ensure best in class analysis of the

business and identification of opportunities to improve shareholder return.

## 30. FINANCE AND ACCOUNTS

### 30.1 Internal Controls

The Company has a robust system of internal controls commensurate with the size and nature of its operations, to ensure orderly and efficient conduct of business. These controls ensure safeguarding of assets, prevention, and detection of fraud and error, accuracy and completeness of accounting records, timely preparation of reliable financial information and adherence to the Company's policies, procedures and statutory obligations.

Your Company has established standard operating procedures for smooth and efficient operations in addition to ensuring internal controls. Your Company has also documented:

- A comprehensive Code of Conduct for the Board Members and employees of your Company
- An Employee Handbook
- Whistle Blower Policy defined to provide channel of communication without fear
- Comprehensive frame work for Risk Management, and
- CEO/CFO Certification for Financial Reporting Controls to the Board

The Company had appointed M/s. Grant Thornton Bharat LLP as Internal Auditors of the Company for FY 24-25 to ensure adequacy of internal control systems and make recommendations there to. Audit reports are circulated to management, which takes prompt action as necessary. The Board of Directors in their meeting held on April 29, 2025, appointed M/s BDO India LLP as the Internal Auditors of the Company for FY 2025-26.

The Audit Committee of the Board meets periodically to review the performance as reported by the Auditors. The Internal and External Auditors also attend the meetings and convey their views on the adequacy of internal control systems as well as financial disclosures. The Audit Committee also issues directives and/or recommendations for enhancement in scope and coverage of specific areas, wherever felt necessary.

### 30.2. Cautionary Statement

Statements in this Directors' Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those either expressed or implied.

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### **30.3 Outlook**

With a Foods Turnover of ₹ 480 Cr in FY25 and 18 year CAGR of 16.4%, your Company is well positioned to be a major player in the Foods industry in India. This proposition is further strengthened by a strong portfolio of products and a powerful retail and online distribution network which enables your Company to ride on the growth opportunities in the segments the Company operate in.

The Company shall continue to strengthen the focus and investments in the business to drive for accelerated growth of Revenue coupled with improvements in margins. The Company stay committed to become a significant player in the Indian Foods Industry and join the ranks of India's Best Performing Most Respected Food Companies.

The Company shall also invest on building talent and capabilities of people to build a highly engaged and agile organisation. Your Company shall also enhance its investments in technology and automation to improve the distribution effectiveness and efficiency through Sales Force Automation (SFA) and embrace use of technology to streamline supply chains cost and reduce costs at Company's in-house manufacturing facilities. Through, the acquisition of Del Monte Foods Private Limited, your Company shall also explore opportunities to build its business in foodservice segment and also use the expanded and distributed manufacturing set-up to build reach and efficiency of the business in high growth RTE snacks segment. The Company also plans to step up its presence in SAARC countries in the coming years to expand its business beyond India.

While commodity inflation remains a concern, your Company is going to aggressively work on identifying cost savings opportunities across the value chain through operational excellence across manufacturing, logistics, sourcing and sales so as to expand the business profitability going forward.

### **31. DIRECTORS**

In accordance with the provisions of Article 157 of the Articles of Association of the Company, in so far as it is not inconsistent with the relevant provisions of the Companies Act, 2013, Mr. Harsha Raghavan and Mr. Manish Mehta retire by rotation and being eligible, offers themselves for re-appointment. A brief profile of Mr. Harsha Raghavan and Mr. Manish Mehta is given in the notice of the 38th Annual General Meeting.

#### **Appointments during the year:**

A) Based on the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors had appointed

in their meeting held on April 24, 2024;

- i. Mr. Asheesh Kumar Sharma (DIN : 10602319) as Managing Director and CEO of the Company for a period of 5 years w.e.f. April 25, 2024 till April 24, 2029
- ii. Mr. Alexander Byron Jacobs (DIN : 10597668) as Additional Non-Executive Director of the Company.

The shareholder's approval was obtained on July 11, 2024 for Asheesh's appointment as MD & CEO and for Alexander Byron Jacobs appointment as Non-Executive Director of the Company.

B) Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora were appointed as Non-executive Independent Directors of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 147 of the Articles of Association of the Company for a period of 3 years w.e.f. July 17, 2024. The Shareholders' approval was obtained for their appointment as Non-executive Independent Directors in the AGM held on September 30, 2024.

C) Based on the recommendation of Nomination and Remuneration Committee and pursuant to the provision of Section 161(1) of Companies Act, 2013 and Articles of Association of the Company, the Board of Directors has appointed in their meeting held on August 28, 2024:

- i. Mr. Harsha Raghavan (DIN: 01761512) as Additional (Non-Executive) Director of the Company, liable to retire by rotation, with no remuneration and no sitting fees to be paid, with effect from August 28, 2024.
- ii. Mr. Manish Mehta (DIN: 06442038) as Additional (Non-Executive) Director of the Company, liable to retire by rotation, with no remuneration and no sitting fees to be paid, with effect from August 28, 2024

The Shareholders' approval was obtained for appointment of Mr. Harsha Raghavan and Mr. Manish Mehta as Non-Executive Directors of the Company w.e.f. August 28, 2024 in the AGM held on September, 30, 2024.

D) Based on the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 147 of the Articles of Association of the Company, the Board of Directors has appointed in their meeting held on November 14, 2024:

- i. Mr. Nitish Bajaj (DIN: 10835891) as an Additional Director and Group Managing Director of the Company for a period of 5 years effective from November 25, 2024, liable to retire by rotation, on



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the terms and conditions subject to the approval of the shareholders, as per the relevant provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

- ii. Dr. Om Prakash Manchanda (DIN: 02099404) as Non-executive Independent Director of the Company effective from November 15, 2024 for an initial term of 5 (Five) years, subject to the approval of shareholders.

The Shareholders' approval was obtained for the appointment of Mr. Nitish Bajaj as Director and Group Managing Director and Dr. Om Prakash Manchanda as Non-executive Independent Director in the Extra Ordinary General Meeting (EGM) held on December 11, 2024.

- E) Based on the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 147 of the Articles of Association of the Company, the Board of Directors has appointed in their meeting held on February 6, 2025:
  - i. Mr. Harjeet Singh Kohli (DIN: 07575784) as an Additional Non-Independent Non-Executive Director of the Company, effective from February 6, 2025 liable to retire by rotation, subject to the Shareholder's approval.
  - ii. Mr. Karamendra Daulet Singh (DIN-00110827) as an Additional & Non-Executive Independent Director of the Company effective from February 6, 2025 for an initial term of 5 (Five) years, subject to the Shareholder's approval.

The shareholders' approval was obtained for the appointment of (i) Mr. Harjeet Singh Kohli, as Non-Executive Director, effective from February 6, 2025, whose period of office shall be liable to determination by retirement of Directors by rotation and (ii) Mr. Karamendra Daulet Singh, as Non-Executive Independent Director effective from February 6, 2025 for an initial term of 5 (Five) years whose period of office shall not be liable to determination by retirement of Directors by rotation. The said approval was obtained by passing an Ordinary Resolution and a Special Resolution for item (i) and (ii) above respectively through Postal Ballot by voting through electronic means only ("remote e- voting") as Special Business items. The said Resolutions were approved by requisite majority of the Shareholders and passed on April 27, 2025. The result of the Postal Ballot was submitted to BSE and NSE on April 28, 2025 and was also uploaded on the website of the company.

### **Change in designation during the year :**

Mr. Asheesh Kumar Sharma (DIN: 10602319), vide

Resignation Letter dated November 14, 2024, resigned from the position of Managing Director of the Company with effect from November 25, 2024. With the approval of Board, Mr. Asheesh Kumar Sharma continued to act as an Executive Director & Chief Executive Officer-Sundrop & Act-II Business of the Company with effect from November 25, 2024 for the remaining period of his tenure i.e. till April 24, 2029. The Shareholders' approval for the change in designation of Mr. Asheesh Kumar Sharma was obtained in the EGM held on December 11, 2024.

### **Retirement/Resignation during the year :**

Mr. Sachin Gopal (DIN: 07439079) resigned from the Directorship and Managing Director & CEO of the Company w.e.f. close of business of April 24, 2024 on account of personal reasons.

Lt. Gen. D.B. Singh, Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor and Ms. Veena Gidwani, non-executive Independent Directors, retired as the Independent Directors of the Company w.e.f. close of business hours of July 16, 2024, pursuant to completion of their second term of appointment.

Mr. Pedro Labayen de Inza (DIN: 09576297) and Mr. Trevor John Foster (DIN: 09669509), resigned as Non-Executive Non-Independent Directors of the Company w.e.f. the close of business hours of July 16, 2024 due to personal reasons.

Mr. James Patrick Kinnerk (DIN: 08773594) and Mr. Alexander Byron Jacobs (DIN: 10597668), resigned as Non-Executive Non-Independent Directors of the Company w.e.f. August 28, 2024 due to change in control of the Company.

### **Independent Directors' Confirmation :**

All the Independent Directors of the Company as on March 31, 2025 have also given confirmation to the Company as provided under Section 149(6) of the Companies Act, 2013 and Regulation 25(8) of SEBI (LODR) Regulations, 2015 that:

- a. they are persons of integrity and possess relevant expertise and experience;
- b.
  - i. they are or were not a promoter of the Company or its holding, subsidiary or associate Company or member of the promoter group of the company;
  - ii. they are not related to promoters or other directors in the Company, its holding, subsidiary or associate Company;
- c. they do not have or had any pecuniary transaction or relationship other than remuneration as such director or having transaction not exceeding ten percent of their total income or such amount as may be prescribed with the company, its holding,



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subsidiary or associate Company, or their promoters, or directors, during the three immediately preceding financial years or during the current financial year;

d. none of their relatives-

(i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the three immediately preceding financial years or during the current financial year:

Provided that the relative may hold security or interest in the company of face value not exceeding ₹ fifty lakh or two per cent of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

(ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the three immediately preceding financial years or during the current financial year;

(iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the three immediately preceding financial years or during the current financial year; or

(iv) has or had any other pecuniary transaction or relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may prescribed from time to time, whichever is lower, singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii).

e. neither they nor any of their relatives-

(i) hold or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company or any company belonging to the promoter group of the company in any of the three financial years immediately preceding the financial year in which they were proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years

immediately preceding the financial year in which they were proposed to be appointed, of :-

(A) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or

(B) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten percent or more of the gross turnover of such firm;

(iii) hold together with any relatives two percent or more of the total voting power of the Company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts or corpus from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company;

(v) is a material supplier, service provider or customer or a lessor or lessee of the Company;

f. they are not a non-independent director of any other company on the board of which any non-independent director of the Company is an independent director.

g. they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

h. they possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

i. they have complied with the requirement of sub-rule (1) and sub-rule (2) of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 with regard to inclusion of their names and/or renewal thereof, in the Independent Directors data bank maintained with Indian Institute of Corporate Affairs (IICA).

### **32. MEETINGS OF THE BOARD**

The Board of Directors met 6 times during the period April to March in the year 2024-2025 on the following dates:

1. April 24, 2024

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

2. July 16, 2024
3. August 28, 2024
4. October 24, 2024
5. November 14, 2024
6. February 06, 2025

### 33. AUDIT COMMITTEE

The Company's Audit Committee as on date of this report comprises Five Directors, all of whom are non-executive and Independent Directors. This is in compliance with Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Rajesh Jain, an Independent Director, is the Chairman of the Committee while Mr. Satish Premanand Rao, Ms. Richa Arora, Dr. Om Prakash Manchanda and Mr. Manish Mehta are its Members. The Charter of the Committee is in line with the requirements of Section 177 of the Companies Act, 2013 and the relevant clauses of the Listing Regulations.

### 34. CRITERIA FOR REMUNERATING DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The performance of the Company's Key Managerial Personnel, Whole-time Director and Employees is measured on the progress being made on the strategic vision of the Company, its revenue and profitability.

Progress against the strategic vision of the Company is measured by improvement in Gross Margin and share of the Foods business to the total Net Sales of the Company. Profitability is measured using Earnings before interest, tax, depreciation and amortization (EBITDA) as key measure.

The details as required under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is being provided as an **Annexure B** to this Report.

### 35. EVALUATION OF THE BOARD

The Company has formulated a Remuneration Policy in line with the requirements of the Companies Act, 2013. The performance evaluation of independent directors is done by the entire Board of Directors (excluding the director being evaluated). On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent directors.

The annual evaluation of the Board is done at three levels as (i) Board as a whole; (ii) Committees of the Board and (iii) Individual Directors and Chairperson.

A detailed Questionnaire is circulated to all individual directors. The Directors are evaluated on the basis of the following performance evaluation criteria namely knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and

attendance, commitment, contribution and integrity. The additional criteria for Independent Directors are independence, independent views and judgment.

The remuneration/commission to Non-Executive and Independent Directors is fixed as per the provisions contained under Companies Act, 2013. The Non-Executive Independent Director may receive remuneration by way of fees for attending each meeting of Board or Committee thereof, provided that the amount of such fees shall not exceed ₹ 1,00,000/- (₹ One lakh only) per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

For Independent Women Directors, the sitting fee paid is not less than the sitting fee payable to other directors.

Non-Executive Independent Directors are entitled to remuneration by way of commission for each financial year, up to a maximum of ₹ 15,00,000/- individually, as approved by the Shareholders by way of Postal Ballot Meeting through remote e-voting concluded on April 27, 2025, pursuant to the provisions of Sections 149, 197, 198, Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

An Independent Director shall not be entitled to any stock options of the Company.

Copy of the Nomination and Remuneration policy is annexed here with as **Annexure E** and forms part of this Report and is also uploaded on the website of the Company : <https://www.sundropbrands.com/pdf/code-of-conduct/Nomination%20and%20Remuneration%20Policy.pdf>

### 36. TRAINING OF INDEPENDENT DIRECTORS

Every new Independent Director of the Board attends an orientation. To familiarize the new inductees with the strategy, operations, business and functions of your Company, the Senior Management make presentations to the inductees about the Company's strategy, operations and products. The Company also encourages and supports its Directors to update themselves with the rapidly changing regulatory environment. Also, at the time of appointment of independent directors, the Company issues a formal letter of appointment describing their roles, functions, duties and responsibilities as a Director. During the year, the Company had arranged familiarization program for all Independent Directors (IDs) with respect to all functional areas i.e. Sales, Marketing, Finance, HR, Supply Chain, Manufacturing, Procurement and Research, Quality & Innovation (RQI).

More details about familiarization Programme are

## Sundrop Brands Limited

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uploaded on Company's website : [https://www.sundropbrands.com/pdf/other-information/familiarisation\\_programme\\_independent\\_directors.pdf](https://www.sundropbrands.com/pdf/other-information/familiarisation_programme_independent_directors.pdf)

### 37. STATUTORY AUDITORS

M/s BSR and Co, Chartered Accountants (Firm Regn. No. 128510W), were appointed as the Statutory Auditors of the Company by the Shareholders' at the 37th Annual General Meeting held on September 30, 2024, to hold office from the conclusion of the 37th Annual General Meeting to the conclusion of the 42nd Annual General Meeting.

The Report given by the Auditors M/s BSR and Co, Chartered Accountants, on the financial statements of the Company for financial year 2024- 25 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013 and hence, no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

### 38. COST AUDIT

The Company is required to maintain the cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company. An Audit of the Cost Accounts maintained by the Company is also conducted by a Cost Auditor appointed by the Board subject to the approval of Shareholders.

### 39. SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act, read with Regulation 24A (1), (1A), (1B) and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions, the Company appointed M/s. Tumuluru and Company (Firm Registration No. P1988AP052200), Company Secretaries to undertake Secretarial Audit of the Company for the financial year ended March 31, 2025. The Secretarial Audit Report is annexed herewith as **Annexure F** and forms part of this Annual Report. There are no qualifications, reservations or adverse remarks in the Secretarial Audit Report. Pursuant to Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Secretarial Audit Report of material subsidiary, Del Monte Foods Private Limited is annexed herewith as **Annexure G**.

Further, as per Section 204 of the Act, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and read with SEBI (LODR) (Third Amendment) Regulations, 2024, the Board on the recommendation of the Audit Committee has recommended to appoint M/s.

Tumuluru and Company (Firm Registration No. P1988AP052200), Company Secretaries as Secretarial Auditor of the Company for a term of five years effective from April 1, 2025 to March 31, 2030.

### 40. SUBSIDIARY COMPANIES

Your Company's wholly-owned subsidiary company, Sundrop Foods India Private Limited has continued to perform the role of aiding the Company's expansion of distribution and display of your Company's products. At the end of FY25, the number of sales staff on the rolls of the subsidiary company were 418.

Your Company's wholly owned subsidiary Agro Tech Foods (Bangladesh) Pvt. Ltd continues to deliver timely production as we work to expand our business in a neighboring emerging market with strong growth potential.

Your Company will also be working towards leveraging your Company's wholly-owned subsidiary Sundrop Foods Lanka (Private) Limited at an opportune time basis the economic developments in that market.

During the year, with effect from February 6, 2025, Del Monte Foods Private Limited (DMFPL) has become wholly owned material subsidiary of the Company. Del Monte Foods India (North) Pvt. Ltd. has become step-down subsidiary of the Company.

Del Monte Foods's product line-up, including the Italian range, sauces, ketchup, dips and spreads, and beverages, complements the Company's product portfolio with focus on high-quality, innovative food solutions. This strategic transaction would further enhance the Company's presence across retail and food services sectors, expanding its range and reach to traditional retail, modern retail, quick-service restaurants and food services customers.

During the year, the Board of Directors reviewed the affairs of the subsidiary Companies. The Company has published the audited consolidated financial statements for the financial year 2024-25 and the same forms part of this Annual Report. For DMFPL, 2 months' statement of Profit and Loss for a period starting from February 1, 2025 till March 31, 2025 and Balance Sheet as on March 31, 2025 have been taken into consideration for the audited consolidated financial statements of the Company for the financial year 2024-25. This Directors' Report does not contain the financial statements of our subsidiaries. The statements highlighting the summary of the financial performance of the subsidiaries in the prescribed format is annexed as **Annexure H** to this Report. The audited financial statements and related information of subsidiaries are available for inspection electronically and will be provided to any shareholder on demand. The separate audited financial statements in respect of each subsidiary Company is also available on the

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website of your Company <https://www.sundropbrands.com/annual-reports.aspx>

### 41. ANNUAL RETURN

A copy of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management & Administration) Rules, 2014 prepared as on March 31, 2025 shall be placed on the website of the Company and the same is available in the Company's website: <https://www.sundropbrands.com/investors-information.aspx>

### 42. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of amendment to Regulation 34 (2) (f) notified by SEBI (LODR) (Second Amendment) Regulations, 2021 dated May 05, 2021, SEBI has mandated the new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR) as part of the Annual Report for top 1000 listed entities based on market capitalization. The BRSR for FY 2024-25 is provided as part of this Annual Report.

### 43. GENERAL

Your Directors state that no disclosures or reporting are being made in respect of the following items as there were no applicable transactions or events on these items during the year under review:

- a. Details relating to deposits covered under Chapter V of the Act.
- b. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- c. Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and except under the ESOP scheme referred to in this Report.
- d. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries.
- e. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- f. The Company has complied with the provisions relating to constitution of Internal Complaints Committee and no cases reported or filed during the year pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- g. During the year, your Company has not accepted any public deposits under Chapter V of Companies Act, 2013.

- h. Pursuant to Section 124 and Section 125 of the Companies Act 2013 read with IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016 and any amendment thereof, as may be applicable, an amount of ₹ 538,288/- which remained unpaid / unclaimed dividends pertaining to FY16-17 was transferred to Investor Education and Protection Fund on September 12, 2024.
- i. During the year, the Company has transferred 8,901 unclaimed shares to IEPF account on October 01, 2024. The detailed list of unclaimed shares transferred to IEPF Authority is available in the Company's website [www.sundropbrands.com](http://www.sundropbrands.com)
- j. Pursuant to Section 124 and Section 125 of the Companies Act 2013 read with IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016 and any amendment thereof, as may be applicable, an amount of ₹ 4,44,962.05/- (as on March 31, 2025) of unpaid/unclaimed dividends pertaining to FY17-18 will be transferred to Investor Education and Protection Fund within the prescribed timelines.
- k. Except as disclosed elsewhere in the Report, there have been no material changes and commitments made between the end of the financial year of the Company and the date of this Report. There has been no change in the nature of business of the Company during the year.
- l. No application was made during the year and no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) as at the end of the financial year.
- m. No instance of the valuation was required for one time settlement and no valuation was done while taking the loan from the Banks or Financial Institutions.

### 44. APPRECIATION

The Board places on record their appreciation for the contribution of its customers, employees, distributors, co-packers, suppliers and all other stakeholders towards performance of the Company during the year under review.

On Behalf of the Board

**Nitish Bajaj**

Group Managing Director  
DIN 10835891

**Asheesh Kumar Sharma**

Executive Director & CEO  
DIN 10602319

Place: Gurugram

Date: May 19, 2025



## ANNEXURES TO DIRECTOR'S REPORT

### ANNEXURE A

## CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Information under Rule 8(3) of the Companies (Accounts) Rules, 2014)

### 1. CONSERVATION OF ENERGY

Energy conservation is an indicator of how efficiently a company can conduct its operations. Sundrop Brands Limited (SBL) recognizes the importance of energy conservation and has undertaken various energy efficient practices that have strengthened the Company's commitment towards becoming an environment friendly organization.

Your Company continues to use energy efficient and sustainable HVAC programs at manufacturing facilities established at Kothur in Telangana, Kashipur in Uttarakhand, Unnao in Uttar Pradesh, Jhagadia in Gujarat, Mangaldai in Assam and Chittoor in Andhra Pradesh. In addition, the Company has ensured that all new lighting is moving to LED lamps together with a phasing out of all non-LED lighting through a phased replacement program. During the FY 2024-25, your company successfully implemented solar power generation plant at Kothur, Telangana, which gave the benefit of cost saving and benefit to environment. Your company is planning to implement / expand solar power generation projects at other manufacturing locations in a phased manner.

### 2. TECHNOLOGY ABSORPTION

In FY25 your Company continued to use Technology to drive competitive advantage and provide high quality food products to its consumers. This included

the expansion of the portfolio in each of the 5 Food categories in which the Company now competes.

### 3. RESEARCH & DEVELOPMENT (R&D)

Your Company has spent about ₹ 27 Million (including capital R&D expenses of ₹ 10.1 Million), this year towards Research and Development totaling to about 0.34% of the Company's turnover. The powerful R&D program has enabled the Company to carve out a strong position among fast growing Food categories in India and visible presence of the broad based portfolio of the Company in the trade.

### 4. FOREIGN EXCHANGE EARNINGS AND OUTGO (Accrual basis).

Particulars	₹ Millions
Foreign Exchange earned in terms of inflows	13.70
Foreign Exchange outgo in terms of outflows	95.11

On Behalf of the Board

**Nitish Bajaj**

Group Managing Director  
DIN 10835891

**Asheesh Kumar Sharma**

Executive Director & CEO  
DIN 10602319

Place: Gurugram

Date: May 19, 2025

**Sundrop Brands Limited***(Formerly Known as Agro Tech Foods Limited)***ANNEXURE B****DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) and (2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014, AS AMENDED, FOR THE YEAR ENDED MARCH 31, 2025**

(A) The percentage increase in remuneration of each Director and KMPs during the financial year 2024-25 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2024-25:

S.	Name of the Director/KMP	Designation	% age Increase / (Decrease) in the remuneration in the FY 2024-25*	Ratio of the remuneration of each Director to the median remuneration of the employees*
1.	@Mr. James Patrick Kinnerk <sup>1</sup>	Chairman & Non-Executive Director	-	-
2.	@Mr. Alexander Byron Jacobs <sup>1</sup>	Non-Executive Director	-	-
3.	@Mr. Pedro Labayen De Inza <sup>2</sup>	Non-Executive Director	-	-
4.	@Mr. Trevor John Foster <sup>2</sup>	Non-Executive Director	-	-
5.	Lt. Gen. D.B. Singh <sup>3</sup>	Non-Executive Independent Director	Not Applicable	Not Applicable
6.	Mr. Sanjaya Kulkarni <sup>3</sup>	Non-Executive Independent Director	Not Applicable	Not Applicable
7.	Mr. Narendra Ambwani <sup>3</sup>	Non-Executive Independent Director	Not Applicable	Not Applicable
8.	Mr. Arun Bewoor <sup>3</sup>	Non-Executive Independent Director	Not Applicable	Not Applicable
9.	Ms. Veena Gidwani <sup>3</sup>	Non-Executive Independent Director	Not Applicable	Not Applicable
10.	Mr. Sachin Gopal <sup>4</sup>	Managing Director	Not Applicable	Not Applicable
11.	@Mr. Harsha Raghavan <sup>5</sup>	Non-Executive Director	-	-
12.	@Mr. Manish Mehta <sup>5</sup>	Non-Executive Director	-	-
13.	@Mr. Harjeet Singh Kohli <sup>6</sup>	Non-Executive Director	-	-
14.	Mr. Karamendra Daulet Singh <sup>7</sup>	Non-Executive Independent Director	Not Applicable	Not Applicable
15.	Mr. Rajesh Jain <sup>8</sup>	Non-Executive Independent Director	Not Applicable	Not Applicable
16.	Ms. Richa Arora <sup>8</sup>	Non-Executive Independent Director	Not Applicable	Not Applicable
17.	Mr. Satish Premanand Rao <sup>8</sup>	Non-Executive Independent Director	Not Applicable	Not Applicable
18.	Dr. Om Prakash Manchanda <sup>9</sup>	Non-Executive Independent Director	Not Applicable	Not Applicable
19.	Mr. Nitish Bajaj <sup>10</sup>	Group Managing Director	Not Applicable	Not Applicable
20.	Mr. Asheesh Kumar Sharma <sup>11</sup>	Executive Director and CEO	Not Applicable	Not Applicable
21.	Mr. KPN Srinivas	Chief Financial Officer	20.82%	Not Applicable
22.	Ms. Jyoti Chawla	Company Secretary	9.50%	Not Applicable

\* % age Increase / (Decrease) in the remuneration and Ratio of the remuneration of each Director to the median remuneration of the employees is not applicable as all the Directors were appointed during the year FY24-25 and comparative data cannot be provided.

@ The Company does not pay any remuneration to the Non-Executive Non-Independent Directors.

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

1. Mr. James Patrick Kinnerk, Non-Executive Director and Chairman & Mr. Alexander Byron Jacobs, Non-Executive Director, resigned w.e.f. August 28, 2024.
2. Mr. Pedro Labayen de Inza & Mr. Trevor John Foster, Non-Executive Directors, resigned w.e.f. close of business hours of July 16, 2024.
3. Lt. Gen. D.B Singh, Mr. Sanjaya Kulkarni, Mr. Arun Bewoor, Mr. Narendra Ambwani and Ms. Veena Vishindas Gidwani, the Independent Directors, retired with effect from the close of business hours on July 16, 2024, upon completion of their second term as the Independent Directors.
4. Mr. Sachin Gopal resigned as Director, Managing Director & CEO of the Company w.e.f. close of business hours of April 24, 2024.
5. Mr. Harsha Raghavan and Mr. Manish Mehta were appointed as Non-Executive Directors of the Company w.e.f. August 28, 2024.
6. Mr. Harjeet Singh Kohli was appointed as Non-Executive Director of the Company w.e.f. February 6, 2025.
7. Mr. Karamendra Daulet Singh was appointed as Independent Director of the Company for an initial term of 5 (Five) years w.e.f. February 6, 2025 till February 05, 2030.
8. Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora were appointed as Independent Directors of the Company for an initial term of 3 (three) years w.e.f. July 17, 2024 till July 16, 2027.
9. Dr. Om Prakash Manchanda was appointed as Independent Director of the Company for an initial term of 5 (Five) years w.e.f. November 15, 2024 till November 14, 2029.
10. Mr. Nitish Bajaj was appointed as the Group Managing Director of the Company for a period of 5 years w.e.f. November 25, 2024 till November 24, 2029.
11. Mr. Asheesh Kumar Sharma was appointed as Managing Director and CEO of the Company for a period of 5 years w.e.f. April 25, 2024 till April 24, 2029. Later, he resigned as the Managing Director and continued to act as Whole-Time Director (Designated as 'Executive Director & Chief Executive Officer-Sundrop & Act-II Business') of the Company w.e.f. November 25, 2024 for the remaining period till April 24, 2029.

### **Notes:**

- In the financial year 2024-25, there was an increase of 8% in the median remuneration of employees;
- There were 567 permanent employees on the rolls of Company as on March 31, 2025;
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2024-25 was 9% whereas there was 15% increase in the managerial remuneration for the same financial year. Increase in the salaries of employees are in line with the market bench marking and there are no exceptional circumstances and increases for managerial remuneration.
- It is here by affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.
- Remuneration does not include any ESOP perquisite, long-term compensated absences benefit accrued and gratuity benefit accrued since the same are computed based on actuarial valuation for all the employees and the amounts attributable to the managerial personnel cannot be ascertained separately.

On Behalf of the Board

Place : Gurugram  
Date : May 19, 2025

**Nitish Bajaj**  
Group Managing Director  
DIN 10835891

**Asheesh Kumar Sharma**  
Executive Director & CEO  
DIN 10602319

**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).**

Form for Disclosure of particulars of contracts/arrangements entered into 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 transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis – Not Applicable**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Justification for entering into such contracts or arrangements or transactions	
f)	Date of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	* Please refer the note given below
b)	Nature of contracts/arrangements/transaction	
c)	Duration of the contracts/arrangements/transaction	
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	
e)	Date of approval by the Board	
f)	Amount paid as advances, if any	

\*The details of transactions between the Company and its related parties, names, nature of such contracts/ arrangements/transactions and other details are set out in Notes to Accounts under note number 43A & 43B forming part of the Standalone Financial Statements of the Company.

On Behalf of the Board

**Nitish Bajaj**  
Group Managing Director  
DIN 10835891

**Asheesh Kumar Sharma**  
Executive Director & CEO  
DIN 10602319

Place : Gurugram  
Date : May 19, 2025



**ANNUAL REPORT ON CSR ACTIVITIES**

(Pursuant to Section 135 of the Companies Act, 2013)

**1. Brief outline on CSR Policy of the Company**

Your Company contributes to the society in addressing social issues like Malnourishment. Being in Foods business and the manufacturers of healthy foods like Peanut Butter etc., the Company strongly believes that we have an opportunity to play a key role in addressing one of serious social issues; Malnourishment.

**Programs:**

The Company remains fully compliant with the regulatory requirements for CSR expenditure and has transferred the sum of ₹ 44,46,130/- in the month of March 2025 to meet the requirements of the regulator. In addition the Company also works with Anganwadis as part of the Poshan program to address malnourishment country. The details of the policy are available on the website, [www.sundropbrands.com](http://www.sundropbrands.com)

**2. Composition of CSR Committee:**

SL. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
<b>Current Members</b>				
1.	*Mr. Satish Rao	Independent Director (Chairman)	1	0
2.	*Mr. Rajesh Jain	Independent Director (Member)	1	0
3.	*Ms. Richa Arora	Independent Director (Member)	1	0
4.	@Dr. Om Prakash Manchanda	Independent Director (Member)	1	0
5.	~Mr. Harsha Raghavan	Non-Executive Director (Member)	1	0
6.	~Mr. Manish Mehta	Non-Executive Director (Member)	1	0
<b>Past Members</b>				
7.	#Lt. Gen. D.B. Singh	Independent Director (Chairman)	1	1
8.	#Mr. Sanjaya Kulkarni	Independent Director (Member)	1	0
9.	#Mr. Narendra Ambwani	Independent Director (Member)	1	0
10.	#Mr. Arun Bewoor	Independent Director (Member)	1	1
11.	#Ms. Veena Vishindas Gidwani	Independent Director (Member)	1	1
12.	%Mr. Pedro Labayen de Inza	Non-Executive Director (Member)	1	1
13.	%Mr. Trevor John Foster	Non-Executive Director (Member)	1	1
14.	^Mr. James Patrick Kinnerk	Non-Executive Director (Member)	1	1

\* Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora were appointed as Independent Directors of the Company w.e.f. July 17, 2024, for an initial term of 3 (three) years and consequently appointed as members of CSR Committee. Mr. Satish Rao was appointed as the Chairperson of the CSR Committee.

@ Dr. Om Prakash Manchanda was appointed as Independent Director of the Company w.e.f. November 15, 2024 for an initial term of 5 (Five) years and consequently appointed as member of CSR Committee.

~ Mr. Harsha Raghavan and Mr. Manish Mehta were appointed as Non-Executive Directors of the Company w.e.f. August 28, 2024 and consequently appointed as members of CSR Committee.

# Lt. Gen. D.B Singh, Mr. Sanjaya Kulkarni, Mr. Arun Bewoor, Mr. Narendra Ambwani and Ms. Veena Vishindas Gidwani, the Independent Directors, retired with effect from the close of business hours on July 16, 2024, upon completion of their second term as the Independent Directors.

% Mr. Pedro Labayen & Mr. Trevor John Foster de Inza have resigned from the Directorship of the Company w.e.f. close of business hours of July 16, 2024.

^ Mr. James Patrick Kinnerk has resigned from the Directorship and Chairmanship of the Company w.e.f. August 28, 2024.

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

2. Web-link where Composition of CSR committee, CSR Policy and CSR projects are disclosed on the website of the company <https://www.sundropbrands.com/pdf/code-of-conduct/CSR-POLICY.pdf>  
<https://www.sundropbrands.com/board-of-directors.aspx>
3. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - **Not Applicable**
4. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - **Nil**
5. Average net profit of the company as per section 135(5) : **₹ 22,23,06,486**
6. (a) Two percent of average net profit of the company as per section 135(5) : **₹ 44,46,130/-**  
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : **Nil**  
(c) Amount required to be set off for the financial year, if any : **Nil**  
(d) Total CSR obligation for the financial year (7a+7b-7c) : **₹ 44,46,130/-**
7. (a) CSR amount spent or unspent for the financial year :

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount (₹)	Date of transfer
₹ 44,46,130/-	Nil	NA	As per Schedule VII-Prime Minister's National Relief Fund	₹ 10,000/- ₹ 44,36,130/-	March 26, 2025 March 28, 2025

- (b) Details of CSR amount spent against ongoing projects for the financial year : **Nil**
  - (c) Details of CSR amount spent against other than ongoing projects for the financial year : **Nil**
  - (d) Amount spent in Administrative Overheads : **Nil**
  - (e) Amount spent on Impact Assessment, if applicable : **Nil**
  - (f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **₹ 44,46,130/-**
  - (g) Excess amount for set off, if any : **Nil**
8. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (In ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1	FY 2021-22	Nil					
2	FY 2022-23	Nil					
3	FY 2023-24	Nil					

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
Nil								

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) : **Nil**
10. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **Not applicable**

On Behalf of the Board

Place : Gurugram  
Date : May 19, 2025

**Nitish Bajaj**  
Group Managing Director  
DIN 10835891

**Asheesh Kumar Sharma**  
Executive Director & CEO  
DIN 10602319

## ANNEXURE E

### NOMINATION AND REMUNERATION POLICY

#### 1. Introduction

The purpose of Nomination and Remuneration Committee is as under:

- to identify 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 their appointment and removal;
- to carry out evaluation of every director's performance;
- to formulate the criteria for determining qualifications, positive attributes and independence of a director;
- to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations 2015, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors vide its resolution dated October 17, 2014. This policy shall act as a guideline for determining, inter-alia, qualifications, positive attributes and independence of a Director, matters relating to the remuneration, appointment, removal and evaluation of performance of the Directors, Key Managerial Personnel, Senior Management and other employees.

#### 2. Objective of the Policy

The policy is framed with the objective (s):

- i) That the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- ii) That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii) That the remuneration to Directors, Key Managerial Personnel (KMP), and other employees of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- iv) To lay down criteria and terms and conditions with

regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management, Key Managerial positions and to determine their remuneration.

- v) Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- vi) To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- vii) To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel and to provide for reward(s) linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- viii) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- ix) To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.
- x) To meet the requirement of the disclosure of remuneration policy and the evaluation criteria in its Annual Report.

In the context of the aforesaid criteria the following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on October 17, 2014.

#### 3. Definitions:

In this Policy unless the context otherwise requires:

- i) 'Act' means Companies Act, 2013 and rules thereunder.
- ii) 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.
- iii) 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
- iv) 'Company' means Sundrop Brands Limited (formerly known as Agro Tech Foods Limited).
- v) 'Directors' means Directors of the Company.
- vi) 'Independent Director' means a director referred to in Section 149(6) of the Companies Act, 2013.



## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

- vii) 'Key Managerial Personnel' (KMP) means:
  - a. Chief Executive Officer and / or Managing Director
  - b. Whole-time Director
  - c. Chief Financial Officer
  - d. Company Secretary
  - e. Such other officer as may be prescribed
- viii) 'Ministry' means the Ministry of Corporate Affairs.
- ix) 'Regulations' refers to and comprise of Companies Act, 2013, and related Rules, Listing Regulations and such other rules and provisions as applicable to the matters dealt in by this Policy.
- x) 'Senior Management Personnel' for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional / vertical heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### **4. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee will consist of three or more non-executive directors, out of which at least two-third shall be independent director(s), provided that chairperson of the Company may be appointed as a member of this Committee but shall not chair such Committee.

The chairperson of the committee or, in his absence, any other member of the committee authorised by him in this behalf shall attend the general meetings of the company.

The Nomination and Remuneration Committee shall meet as often as required.

### **5. Policy for appointment, removal and performance evaluation of Director, KMP and Senior Management**

#### **Appointment criteria and qualifications**

- a) The Committee shall identify and ascertain the integrity, qualification, expertise, experience and independence of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has

discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

- c) The company shall not appoint or continue the employment of any person as managing director, whole-time director or manager who is below the age of twenty-one years or has attained the age of seventy years provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.
- d) Appointment of Independent Directors is subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with schedule IV and rules there under and provisions of Regulation 17 and 17A of SEBI (LODR) Regulations, 2015.

#### **Term/Tenure**

##### **a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Managing Director/Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **b) Independent Director:**

- Subject to provisions of Section 152, an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **Evaluation**

1. Performance evaluation of Independent Directors
  - a. The Committee shall lay down the evaluation criteria for performance evaluation of independent directors.
  - b. The Company shall disclose the criteria for performance evaluation, as laid down by the Nomination Committee, in its Annual Report
  - c. The performance evaluation of independent directors shall be done by the entire Board of Directors (excluding the director being evaluated).
  - d. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent directors.
2. The Committee shall also lay down the evaluation criteria for performance evaluation of directors other than independent directors and Senior Management.
3. The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals (yearly).
4. Independent Director shall hold at least one meeting in a year, without attendance of non-independent directors (Non-ID's) and members of management to review :
  - a. performance of Non-IDs and BOD as a whole,
  - b. performance of the Chairperson taking into consideration views of NEDs/ EDs,
  - c. quantity/quality/flow of information from the management to the Board to effectively perform their duties.

### **Removal**

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### **Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the rules made there under and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/

remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

### **6. Matters relating to the Remuneration for the Whole- time Director, KMP, Senior Management Personnel**

- a) The remuneration/compensation/commission etc. to the Whole-time Director, KMP, Senior Management Personnel and other Employees will be determined by the Committee and recommended to the Board for approval. The remuneration/compensation/commission etc. shall be subject to the approval of the shareholders of the Company.
- b) The remuneration to be paid to the Managing Director/Whole-time Director shall be in accordance with the conditions laid down in the provisions of the Companies Act, 2013 and the rules made thereunder.
- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managing Director/Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Managing Director/Whole- time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

### **7. Remuneration to Managing Director/Whole-time Director, KMP, Senior Management Personnel**

#### **a) Fixed pay:**

The Managing Director/Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites and other benefits including, employer's contribution to provident fund, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders.

## **Sundrop Brands Limited**

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### **b) Minimum Remuneration :**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing Director/Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and any other approvals as may be required.

### **c) Provisions for excess remuneration :**

If any Managing Director/Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the shareholders, where required, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the shareholders.

## **8. Remuneration to Non- Executive / Independent Director:**

### **a) Remuneration / Commission:**

The remuneration/commission shall be fixed as per the provisions contained under Companies Act, 2013.

### **b) Sitting Fees :**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending each meeting of Board or Committee thereof. Provided that the amount of such fees shall not exceed ₹ 1,00,000 (₹ one lakh only) per meeting of the Board or

Committee or such amount as may be prescribed by the Central Government from time to time.

For Independent Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.

### **c) Commission :**

Commission may be paid within the monetary ceiling limit approved by shareholders and computed as per the applicable provisions of the Act.

### **d) Stock Options:**

An Independent Director shall not be entitled to any stock options of the Company.

## **9. Disclosure**

The above Policy needs to be disclosed in the Board's report.

## **10. Amendments to the Policy**

The Board of Directors on its own and/or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025**

(Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
Sundrop Brands Limited  
(Formerly known as Agro Tech Foods Limited)  
31, Sarojini Devi Road,  
Secunderabad-500003, Telangana.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Sundrop Brands Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2025** (herein after called as **Audit Period**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of
  - a) Foreign Direct Investment
  - b) Overseas Direct Investment and
  - c) External Commercial Borrowings **(not applicable during the Audit period)**

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- a. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- b. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- c. The Securities and Exchange Board of India (Issue and listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable for the Audit Period**
- d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not Applicable for the Audit Period**
- e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and **Not Applicable for the Audit Period**
- f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable for the Audit Period**

vi. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test- check basis, the Company has complied with the following laws applicable specifically to the Company:

- (a) Food Safety and Standards Act, 2006
- (b) Agricultural Produce Grading and Marking Act, 1937

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to meetings of Board of Directors (SS-1) and General Meetings (SS-



## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

2) issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that -

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### **We further report that during the audit period:**

- a) The Company had transferred a sum of ₹ 44,46,130/- (₹ Forty Four Lakhs Forty Six Thousand One hundred and Thirty only) in the month of March 2025 to Prime Minister's National Relief Fund for the FY 2024-2025, the fund which is mentioned in Schedule VII of the Companies Act, 2013 towards Corporate Social Responsibility representing 2% of its average net profits made during the three-immediately preceding financial years. 2% of the average net profits of the three preceding financial years is ₹ 44,46,130/- (₹ Forty Four Lakhs Forty Six Thousand One hundred and Thirty only).
- b) The Open Offer to the Eligible Public Shareholders of Sundrop Brands Limited (formerly known as Agro Tech Foods Limited) ("Target Company") by Zest Holding Investments Limited ("Acquirer") along with persons acting in concert with the Acquirer

("Open Offer/ Offer") was completed on July 25, 2024.

- c) The certain forms as required under the various provision of Companies Act, 2013 were belatedly filed due to the migration of forms from V2 version to V3 version of MCA Portal and due to technical issues.
- d) The Authorized Share Capital of the Company was altered from the existing Authorized Share Capital of ₹ 35,00,00,000 (₹ Thirty-Five Crore only) divided into 2,50,00,000 (Two Crore Fifty Lakh) equity shares of ₹ 10/- each and 10,00,000 (Ten Lakh) preference shares of ₹ 100/- each to ₹ 50,00,00,000 (₹ Fifty Crore only) divided into 5,00,00,000 (Five Crore) equity shares of ₹ 10/- each. Consequently, the Capital Clause of the Memorandum of Association of the Company was also altered.
- e) The Company made a preferential allotment of 1,33,27,589 equity shares for acquisition of 100% of the issued and outstanding equity shares of Del Monte Foods Private Limited ('DMFPL') to the existing shareholders of DMFPL after obtaining necessary approval from Competition Commission of India ("CCI") dt. January 21, 2025, National Stock Exchange of India Limited dt. March 04, 2025 and BSE Limited dt. March 06, 2025.
- f) The Company has adopted new set of Memorandum of Association and Articles of Association of the Company as per the provisions of the Companies Act, 2013 and the Shareholders' approval was obtained in the 12th Extraordinary General Meeting of the Shareholders held on December 11, 2024.
- g) The name of the Company was changed from Agro Tech Foods Limited to Sundrop Brands Limited and a fresh Certificate of Incorporation was issued by Ministry of Corporate Affairs approving the name change with effect from March 08, 2025. The new name "Sundrop Brands Limited" was also changed on the websites of Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited w.e.f March 28, 2025.

for **Tumuluru & Company**

Company Secretaries

Firm Regn. No. P1988AP052200

**B V Saravana Kumar**

Partner

ACS NO. 26944

C. P. No. 11727

UDIN: A026944G000372014

Peer Review Certificate: 1159/2021

Place : Hyderabad

Date : 19th May, 2025

Note: This report is to be read with letter of even date give by the Secretarial Auditors.

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

**Enclosure - A**

To  
The Members  
**Sundrop Brands Limited**  
*(Formerly known as Agro Tech Foods Limited)*  
31, Sarojini Devi Road  
Secunderabad-500003

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Whereever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for **Tumuluru & Company**

Company Secretaries

Firm Regn. No. P1988AP052200

**B V Saravana Kumar**

Partner

ACS NO. 26944

C. P. No. 11727

UDIN: A026944G000372014

Peer Review Certificate: 1159/2021

Place : Hyderabad

Date : 19th May, 2025

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2025**

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,  
The Board of Directors  
**Del Monte Foods Private Limited**  
C 2, First Floor, Plot No. 16, Udyog Vihar,  
Phase IV, Gurgaon - 122015

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practices by Del Monte Foods Private Limited (hereinafter referred as "**Company**"). Secretarial Audit was conducted in a manner that provided us with a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2025 ('**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the Financial Year ended on March 31, 2025 ("**Period under review**") according to the provisions of:

- (i) The Companies Act, 2013 (the "**Act**") and the Rules made thereunder
- (ii) The Securities Contracts (Regulation) Act, 1956('SCRA') and the Rules made thereunder; **Not Applicable**;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; **Not Applicable**
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent applicable ; **Not**

**Applicable for Overseas Direct Investment and External Commercial Borrowings**

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): **Not Applicable**
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
  - (g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
- (vi) As confirmed and certified by the Management, the followings laws as being specifically applicable to the Company based on the sector/business.
  - i. Food Safety & Standards Act, 2006 and its applicable rules and regulations; and
  - ii. Legal Metrology Act, 2009 and its rules;

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **We further report that:**

The Board of Directors of the Company is duly constituted in accordance with the provisions of Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on the agenda were sent in advance (and at a shorter notice for which necessary approvals were duly obtained and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting).

All decisions at Board Meetings are carried out unanimously or with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

We further report that the Board of Directors of the Company in its meeting held on July 15, 2024, appointed Mr. Abhinav Kapoor as Whole-time Director & CEO (KMP) of the Company, with effect from the same date. The Company was acquired by Sundrop Brands Limited (formerly known as Agro Tech Foods Limited), a public listed company on February 06, 2025. Subsequent to the acquisition, the Company was henceforth required to comply with all such compliance as applicable to a Public Limited Company. In the light of the aforementioned, the Company has obtained the Shareholders' approval for the appointment and remuneration of Mr. Abhinav Kapoor as Whole-time Director on April 30, 2025.

We further report that during the Audit Period the following major events have taken place which are deemed to have major bearing on the Company's affairs in pursuance of the above-mentioned laws, rules, regulations, guidelines, standards, etc.:

- 1) On May 23, 2024, the Board of Directors of the Company has made an allotment of 2,50,00,000 equity shares of ₹ 10 for cash at par amounting to ₹ 25,00,00,000/-. With this allotment, the paid-up capital of the Company increased from ₹ 3,91,03,67,460/- (39,10,36,746 equity shares of ₹ 10/- each) to ₹

4,16,03,67,460/- (41,60,36,746 equity shares of ₹ 10/- each).

- 2) On November 08, 2024, the Board of Directors of the Company has made an allotment of 9,49,92,636 equity shares of face value of ₹ 10/- each at an issue price of ₹ 13.58/- each, including a share premium of ₹ 3.58/- per equity share on a rights basis. With this allotment, the paid-up capital of the Company increased from ₹ 4,16,03,67,460/- (41,60,36,746 equity shares of ₹ 10/- each) to ₹ 5,11,02,93,820/- (51,10,29,382 equity shares of ₹ 10/- each).
- 3) Transfer of 51,10,29,382 (Fifty-One Crore Ten Lakh Twenty-Nine Thousand Three Hundred and Eighty-Two) equity shares on February 06, 2025 collectively by DMPL India Limited and Bharti Enterprises Limited, Bharti (SBM) Holdings Private Limited, Bharti (RBM) Holdings Private Limited, Bharti (RM) Holdings Private Limited, Bharti (Satya) Trustees Private Limited (on behalf of Bharti (Satya) Family Trust) (collectively "the Bharti Group Entities") to Sundrop Brands Limited (formerly known as Agro Tech Foods Limited). Consequently, 100% equity shares of the Company are collectively held by Sundrop Brands Limited (formerly known as Agro Tech Foods Limited).

### **Note:**

1. This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.
2. The management has confirmed that the records submitted to us are true and correct. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report of which, the due date has been ended/expired on or before March 31, 2025, pertaining to Financial Year 2024-25.

### **For Chandrasekaran Associates Company Secretaries**

FRN: P1988DE002500

Peer Review Certificate No.: 6689/2025

Partner

Membership No. A25656

Certificate of Practice No. 11037

UDIN: A025656G000331731

Date : 19-05-2025

Place : Delhi



## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **Annexure-A to Secretarial Audit report**

To,

The Board of Directors

**Del Monte Foods Private Limited**

C 2, First Floor, Plot No. 16, Udyog Vihar,

Phase IV, Gurgaon – 122015

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on a random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. Compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on a random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For **Chandrasekaran Associates Company Secretaries**

FRN: P1988DE002500

Peer Review Certificate No.: 6689/2025

**Roopa Agarwal**

Partner

Membership No. A25656

Certificate of Practice No. 11037

UDIN: A025656G000331731

Date: 19-05-2025

Place: Delhi

# Statement containing salient features of the financial statement of subsidiaries ANNEXURE H

## Sundrop Brands Limited (Formerly Known as Agro Tech Foods Limited)

			As at 31 March 2025							For the year ended 31 March 2025 Refer note (c)								
Sl. No.	Name of Subsidiary Company	Report- ing currency	Exchange rates	Share capital	Share applica- tion money pending allot- ment	Reserves and surplus	Total assets	Total liabilities (Excluding share capital, share application money pending allotment and Reserves and surplus)	Invest ments	Turn- over/ Total In- come	Profit/ (loss) before tax	Tax expe- nse/ (gain)	Profit for the year	Other com- pre- hensive income	Total com- pre- hensive income for the year	Pro- posed Divi- dend	% of Share holding	Country
1	Sundrop Foods India Private Limited	INR MM		20.00	-	82.01	124.11	22.10	-	168.90	9.59	1.64	7.95	0.75	8.70	-	100.00	India
2	Agro Tech Foods (Bangladesh) Pvt.Ltd.	INR MM Taka MM	Refer note (a)	175.91 249.80	-	(47.70) (70.83)	131.29 183.34	3.08 4.37	-	21.72 30.02	(5.15) (7.25)	(0.57) (0.79)	(4.58) (6.46)	-	(4.58) (6.46)	-	100.00	Bangladesh
3	Sundrop Foods Lanka (Private) Limited	INR MM LKR MM	Refer note (b)	14.41 50.00	-	(10.93) (42.52)	3.78 8.51	0.30 1.03	-	-	0.01 0.05	1.87 6.41	(1.86) (6.36)	-	(1.86) (6.36)	-	100.00	Sri Lanka
4	Del Monte Foods Private Limited	INR MM		5,110.30	-	(3,177.82)	3,344.60	1,412.12	-	1,055.84	(8.28)	(8.26)	(0.02)	(0.10)	(0.12)	-	100.00	India
5	Del Monte Foods India (North) Private Limited	INR MM	Refer note (d)	665.00	-	(3.93)	771.22	110.15	-	156.42	12.47	2.16	10.31	0.05	10.36	-	100.00	India

### Notes:

- The exchange rate used to convert Taka to Rupees "0.7042253521/Taka" for Agro Tech Foods (Bangladesh) Pvt. Ltd. balance sheet items.
- The exchange rate used to convert LKR to Rupees "0.2881844380/LKR" for Sundrop Foods Lanka (Private) Limited balance sheet items.
- Converted at monthly average exchange rates. Del Monte Foods Private Limited and its Subsidiary Del Monte Foods India (North) Private Limited figures are related to two months from 1st Feb-25 to 31st Mar-25.
- Del Monte Foods India (North) Private Limited is 100% subsidiary of Del Monte Foods Private Limited, hence Del Monte Foods India (North) Private Limited is classified as a step-down subsidiary of Sundrop Brands Limited.

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

# REPORT ON CORPORATE GOVERNANCE FOR FINANCIAL YEAR 2024-25

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2025.

## 1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company's Philosophy on Code of Corporate Governance is built on the foundation of ethical and transparent business operations. The Company fosters a culture which focuses on a healthy balance between performance and organizational health. This culture inspires trust among all stakeholders and strengthens the Board and management accountability.

The Company has adopted the values of good governance, sustainability and teamwork to create long-term value for its stakeholders. The practice of responsible governance has enabled it to achieve sustainable growth, while meeting the aspirations of its stakeholders and fulfilling societal expectations. Leveraging the principles of integrity, execution excellence, customer orientation and leadership in an ethical manner, the Company continues to take the necessary steps towards growth and to enhance value for its shareholders. The sound governance processes and systems guide the Company on its journey towards continued success.

## 2. BOARD OF DIRECTORS

### A) Composition and category of the Board

The composition of the Board of Directors of the Company is in conformity with the Code of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Details of the Board of Directors and their Directorships/Memberships in Board/Board Committees respectively, of other Companies (excluding Sundrop Brands Limited (formerly known as Agro Tech Foods Limited), Private Limited Companies, Foreign Companies and Other Directorships) as on March 31, 2025 are as under:

Sl. No.	Name of Director	Category of Director	Relationship with Other Directors	No. of Directorship in other Companies @	No. of Memberships/ Chairmanship of Board Committees in other Companies \$
1.	#Mr. Harsha Raghavan <sup>1</sup>	Non-Executive	None	3	3
2.	#Mr. Manish Mehta <sup>1</sup>	Non-Executive	None	2	1
3.	Mr. Harjeet Singh Kohli <sup>2</sup>	Non-Executive	None	8*	3
4.	Mr. Rajesh Jain <sup>3</sup>	Independent Non-Executive	None	4	4
5.	Ms. Richa Arora <sup>3</sup>	Independent Non-Executive	None	2	3
6.	Mr. Satish Premanand Rao <sup>3</sup>	Independent Non-Executive	None	-	-
7.	Dr. Om Prakash Manchanda <sup>4</sup>	Independent Non-Executive	None	2**	1**
8.	Mr. Karamendra Daulet Singh <sup>5</sup>	Independent Non-Executive	None	1	1
9.	Mr. Nitish Bajaj <sup>6</sup>	Executive	None	-	-
10.	Mr. Asheesh Kumar Sharma <sup>7</sup>	Executive	None	-	-

@ Other directorships exclude Private Limited Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013.

\$ Only membership in Audit Committee and Stakeholders' Relationship Committee have been reckoned for other committee memberships.

# Mr. Harsha Raghavan and Mr. Manish Mehta are the nominee directors representing equity interest of M/s. Zest Holding Investments Limited, Ultimate Holding Company.

\* Mr. Harjeet Singh Kohli does not hold directorship in more than 7 listed entities.

\*\* Dr. Om Prakash Manchanda ceased to be the Managing Director and the member of Stakeholders Relationship Committee of the Dr. Lal Path Labs Limited w.e.f. close of business hours of March 31, 2025. The above table includes his Directorship and Membership of SRC in Dr. Lal Path Labs Limited. Dr. Manchanda was appointed as Member of the Audit Committee of Kaya Limited w.e.f. April 01, 2025, which is not included in the above table.

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **Notes:**

#### **Changes in the Board of Directors during FY 2024-25 :**

1. Mr. Harsha Raghavan and Mr. Manish Mehta were appointed as Non-Executive Directors of the Company w.e.f. August 28, 2024.
2. Mr. Harjeet Singh Kohli was appointed as Non-Executive Director of the Company w.e.f. February 6, 2025.
3. Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora were appointed as Independent Non-Executive Directors of the Company for an initial term of 3 (three) years w.e.f. July 17, 2024 till July 16, 2027.
4. Dr. Om Prakash Manchanda was appointed as Independent Non-Executive Director of the Company for an initial term of 5 (Five) years w.e.f. November 15, 2024 till November 14, 2029.
5. Mr. Karamendra Daulet Singh was appointed as Independent Non-Executive Director of the Company for an initial term of 5 (Five) years w.e.f. February 6, 2025 till February 05, 2030.
6. Mr. Nitish Bajaj was appointed as the Group Managing Director of the Company for a period of 5 years w.e.f. November 25, 2024 till November 24, 2029.
7. Mr. Asheesh Kumar Sharma was appointed as Managing Director and CEO of the Company for a period of 5 years w.e.f. April 25, 2024 till April 24, 2029. Later, he resigned as the Managing Director and continued to act as Whole-Time Director (Designated as 'Executive Director & Chief Executive Officer-Sundrop & Act-II Business') of the Company w.e.f. November 25, 2024 for the remaining period till April 24, 2029.

#### **Other Notes :**

1. Mr. Sachin Gopal resigned as Director, Managing Director & CEO of the Company w.e.f. close of business hours of April 24, 2024.
2. Lt. Gen. D.B Singh, Mr. Sanjaya Kulkarni, Mr. Arun Bewoor, Mr. Narendra Ambwani and Ms. Veena Vishindas Gidwani, the Independent Non-Executive Directors, retired with effect from the close of business hours on July 16, 2024, upon completion of their second term as the Independent Non-Executive Directors.
3. Mr. Pedro Labayen de Inza & Mr. Trevor John Foster, Non-Executive Directors, resigned w.e.f. close of business hours of July 16, 2024.
4. Mr. James Patrick Kinnerk, Non-Executive Director & Chairman and Mr. Alexander Byron Jacobs, Non-Executive Director, resigned w.e.f. August 28, 2024.



## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### PARTICULARS OF DIRECTORSHIPS AND COMMITTEES HELD IN OTHER LISTED COMPANIES INCLUDING PRIVATE COMPANIES & FOREIGN COMPANIES AS ON MARCH 31, 2025

Sl. No.	Name of the Director	Other Directorships			Other Committee Membership#	
		Name of the Company	Type of Company	Position	Committee	Position
1.	Mr. Harsha Raghavan	Just Udo Aviation Private Limited	Unlisted Private	Non-Executive Director	-	-
		Camlin Fine Sciences Limited	Listed Public	Non-Executive Director	Audit Committee	Member
		Jagsonpal Pharmaceuticals Limited	Listed Public	Non-Executive Director	Audit Committee	Member
		Agilitas Sports Private Limited	Unlisted Private	Non-Executive Director	-	-
		Onward Technologies Limited	Listed Public	Non-Executive Director	Audit Committee	Member
		FLY91 Aircraft Leasing IFSC Pvt Ltd	Unlisted Private	Non-Executive Director	-	-
		Del Monte Foods Private Limited	Unlisted Private	Non-Executive Director	-	-
2.	Mr. Manish Mehta	Firstmeridian Business Services Limited	Unlisted Public	Nominee Director	Audit Committee	Member
		Samara India Advisors Private Limited	Unlisted Private	Director	-	-
		Edme Insurance Brokers Limited	Unlisted Public	Additional Director	-	-
		Del Monte Foods Private Limited	Unlisted Private	Director	-	-
3.	Mr. Harjeet Singh Kohli	Indus Towers Limited	Listed Public	Non-Executive Director		
		Airtel Payments Bank Limited	Unlisted Public	Director	Audit Committee	Member
		Bharti AXA Life Insurance Company Limited	Unlisted Public	Director	-	-
		Bharti Real Estates Limited	Unlisted Public	Director	-	-
		Bharti Realty Limited	Unlisted Public	Director	Audit Committee	Member
		Nextra Data Limited	Unlisted Public	Director	Audit Committee	Chairman
		Bharti Enterprises Limited	Unlisted Public	Director	-	-
		Bharti Land Limited	Unlisted Public	Director	-	-
		Zinata Developers Private Limited	Unlisted Private	Director	-	-
		Selesa Realty Private Ltd.	Unlisted Private	Director	-	-
		Airtel Mobile Commerce B.V.	Foreign Company	Director	-	-
4.	Mr. Rajesh Jain	Panacea Biotec Limited	Listed Public	Independent Non-Executive Director	Audit Committee	Member
		Federal-Mogul Goetze (India) Limited	Listed Public	Independent Non-Executive Director	Audit Committee	Member
		Panacea Biotec Pharma Limited	Unlisted Public	Director	Audit Committee	Chairman
		Vama Sundari Investments (Delhi) Private Limited	Unlisted Private	Director	Audit Committee	Chairman
		Del Monte Foods Private Limited	Unlisted Private	Director & Chairman	Audit Committee	Member
		Infrasoft Technologies Limited	Unlisted Public	Additional Director	Audit Committee	Member

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

Sl. No.	Name of the Director	Other Directorships			Other Committee Membership#	
		Name of the Company	Type of Company	Position	Committee	Position
5.	Ms. Richa Arora	Relaxo Footwears Limited	Listed Public	Independent Non-Executive Director	Audit Committee	Member
		Grihum Housing Finance Limited	Unlisted Public	Independent Non-Executive Director	Stakeholders Relationship	Chairperson
		Morphosis Venture Capital Limited	Foreign Company	Director	Audit Committee	Member
6.	Mr. Satish Prem-anand Rao	Anthea Aromatics Private Limited	Unlisted Private	Managing Director	-	-
		Catasynt Speciality Chemicals Private Limited	Unlisted Private	Director	-	-
		DRT- Anthea Aroma Chemicals Private Limited	Unlisted Private	Managing Director	-	-
7.	Dr. Om Prakash Manchanda	Kaya Limited*	Listed Public	Independent Non-Executive Director	-	-
		Dr. Lal Path Labs Limited**	Listed Public	Managing Director	Stakeholders Relationship	Member
		Nephrocare Health Services Private Limited	Unlisted Private	Director	-	-
		IRIS AI Labs Private Limited***	Unlisted Private	Director	-	-
8.	Mr. Karamendra Daulet Singh	Sona BLW Precision Forgings Limited	Listed Public	Independent Non-Executive Director	Audit Committee	Member
		Daulet-Singh and Associates Services Private Limited	Unlisted Private	Director	-	-
9.	Mr. Nitish Bajaj	Del Monte Foods Private Limited	Unlisted Private	Director	-	-
10.	Mr. Asheesh Kumar Sharma	-	-	-	-	-

# Only Audit & Stakeholders Relationship Committees for public companies have been considered.

\* Dr. Om Prakash Manchanda was appointed as Member of the Audit Committee of Kaya Limited w.e.f. April 01, 2025, which is not included in the above table.

\*\* Dr. Om Prakash Manchanda ceased to be the Managing Director and the member of Stakeholders Relationship Committee of the Dr. Lal Path Labs Limited w.e.f. close of business hours of March 31, 2025.

\*\*\* Dr. Om Prakash Manchanda was appointed as Director of IRIS AI Labs Private Limited w.e.f. March 25, 2025.

None of the Independent Non-Executive Directors have any pecuniary relationship or transactions with the Company, its promoters, its Senior Management or its subsidiaries which in the judgment of Board may affect the independence of the Director except receiving sitting fees for attending Board/Committee Meetings and Commission from the Company.

### B) Non-Executive Directors' compensation and disclosures

All fees paid to Non-Executive Directors including Independent Directors are fixed by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee. The Company has no Employee Stock Option Scheme for Non-Executive Independent Directors and Promoter Directors and hence, no stock options are granted to Non-Executive Independent Directors and Promoter Directors.

None of the Directors are related to each other, the Key Managerial Personnel or their relatives. Also, none of the Non Executive Directors, hold any shares or convertible instruments in the Company.

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

The details of the methodology adopted by the Company for familiarizing the Independent Directors with the business and operations of the Company is uploaded on the website and can be accessed on [https://www.sundropbrands.com/pdf/other-information/familiarisation\\_programme\\_independent\\_directors.pdf](https://www.sundropbrands.com/pdf/other-information/familiarisation_programme_independent_directors.pdf)

### C) Other provisions as to Board and Committees

#### i) Number of Board Meetings held in Financial Year 2024-25 with dates and attendance of Directors:

Six (6) Board Meetings were held during the Financial Year 2024-25. Out of Six board meetings One (1) meeting was held through video conference in accordance with the relaxations provided by the Ministry of Corporate Affairs and the Securities Exchange Board of India. They were held on April 24, 2024, July 16, 2024, August 28, 2024, October 24, 2024, November 14, 2024 (through video conference), and February 06, 2025.

The attendance record of each Director was as under:

Sl. No.	Name of Director	Category	No. of Board Meetings held during the year	No. of Board Meetings attended	Attendance of last AGM held on September 30, 2024
1.	Mr. Harsha Raghavan <sup>1</sup>	Non-Executive	6	3	No
2.	Mr. Manish Mehta <sup>1</sup>	Non-Executive	6	3	Yes
3.	Mr. Harjeet Singh Kohli <sup>2</sup>	Non-Executive	6	-	NA
4.	Mr. Rajesh Jain <sup>3</sup>	Independent Non-Executive	6	4	Yes
5.	Ms. Richa Arora <sup>3</sup>	Independent Non-Executive	6	4	Yes
6.	Mr. Satish Premanand Rao <sup>3</sup>	Independent Non-Executive	6	4	Yes
7.	Dr. Om Prakash Manchanda <sup>4</sup>	Independent Non-Executive	6	1	NA
8.	Mr. Karamendra Daulet Singh <sup>5</sup>	Independent Non-Executive	6	-	NA
9.	Mr. Nitish Bajaj <sup>6</sup>	Executive	6	1	NA
10.	Mr. Asheesh Kumar Sharma <sup>7</sup>	Executive	6	5	Yes
11.	Mr. Sachin Gopal <sup>8</sup>	Executive	6	1	NA
12.	Lt. Gen. D.B. Singh <sup>9</sup>	Independent Non-Executive	6	2	NA
13.	Mr. Sanjaya Kulkarni <sup>9</sup>	Independent Non-Executive	6	1	NA
14.	Mr. Arun Bewoor <sup>9</sup>	Independent Non-Executive	6	2	NA
15.	Mr. Narendra Ambwani <sup>9</sup>	Independent Non-Executive	6	1	NA
16.	Ms. Veena Vishindas Gidwani <sup>9</sup>	Independent Non-Executive	6	2	NA
17.	Mr. Pedro Labayen de Inza <sup>10</sup>	Non-Executive	6	2	NA
18.	Mr. Trevor John Foster <sup>10</sup>	Non-Executive	6	2	NA
19.	Mr. James Patrick Kinnerk <sup>11</sup>	Non-Executive	6	2	NA
20.	Mr. Alexander Byron Jacobs <sup>11</sup>	Non-Executive	6	1	NA

(AGM - Annual General Meeting)

#### Notes:

- Mr. Harsha Raghavan and Mr. Manish Mehta were appointed as Non-Executive Directors of the Company w.e.f. August 28, 2024.
- Mr. Harjeet Singh Kohli was appointed as Non-Executive Director of the Company w.e.f. February 6, 2025.
- Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora were appointed as Independent Directors of the Company for an initial term of 3 (three) years w.e.f. July 17, 2024 till July 16, 2027.
- Dr. Om Prakash Manchanda was appointed as Independent Director of the Company for an initial term of 5 (Five) years w.e.f. November 15, 2024 till November 14, 2029.
- Mr. Karamendra Daulet Singh was appointed as Independent Director of the Company for an initial term of 5 (Five) years w.e.f. February 6, 2025 till February 05, 2030.
- Mr. Nitish Bajaj was appointed as the Group Managing Director of the Company for a period of 5 years w.e.f. November 25, 2024 till November 24, 2029.
- Mr. Asheesh Kumar Sharma was appointed as Managing Director and CEO of the Company for a period of 5 years w.e.f. April 25, 2024 till April 24, 2029. Later, he resigned as the Managing Director and continued to act as Whole-Time Director (Designated as 'Executive Director & Chief Executive Officer-Sundrop & Act-II Business')

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

of the Company w.e.f. November 25, 2024 for the remaining period till April 24, 2029.

8. Mr. Sachin Gopal resigned as Director, Managing Director & CEO of the Company w.e.f. close of business hours of April 24, 2024.
9. Lt. Gen. D.B Singh, Mr. Sanjaya Kulkarni, Mr. Arun Bewoor, Mr. Narendra Ambwani and Ms. Veena Vishindas Gidwani, the Independent Directors, retired with effect from the close of business hours on July 16, 2024, upon completion of their second term as the Independent Directors.
10. Mr. Pedro Labayen de Inza & Mr. Trevor John Foster, Non-Executive Directors, resigned w.e.f. close of business hours of July 16, 2024.
11. Mr. James Patrick Kinnerk, Non-Executive Director and Chairman & Mr. Alexander Byron Jacobs, Non-Executive Director, resigned w.e.f. August 28, 2024.

### **ii) Information to be made available to the Board includes among others:**

- Review of annual operating plans of business, capital budgets and updates.
- Quarterly results of the Company and its operating divisions or business segments.
- Minutes of Meeting of Audit Committee and other Committees of the Board.
- Information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of Chief Financial Officer and the Company Secretary.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences.
- Any materially significant effluent or pollution problems.
- Any materially relevant default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Any issue which involves possible public or product liability claims of a substantial nature including any judgment or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding an other enterprise that can have negative implications on the Company.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions.
- Significant development on human resources and industrial relations fronts.
- Sale of material nature of investments, subsidiaries, assets, which is not in the normal course of business.
- Quarterly details of foreign exchange exposure and the steps taken by Management to limit the risks of adverse exchange rate movement and non-compliance of any regulatory or statutory provision or listing requirements as well as shareholder services such as non-payment of dividend and delays in share transfer.

The Board of the Company is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board Meetings or tabled during the course of the Board Meetings with the approval of the Chairman.

### **iii) Secretarial Standards relating to Meetings:**

The Institute of Company Secretaries of India (ICSI) has established Secretarial Standards relating to the Meetings of the Board and Committees thereof, Annual General Meetings, Dividends, Registers & Records, Minutes and Transmission of Shares & Debentures, etc., of these, the Secretarial Standards on Meetings of the Board of Directors and the General Meetings have been made mandatory with effect from July 1, 2015 and their revised version have been made effective from October 1, 2017. Sundrop Brands Limited (Formerly known as Agro Tech Foods Limited) complies with the mandatory Standards and any amendment thereof fully.

- iv) All the Directors have informed the Company about their Directorship and Committee's membership in other listed and unlisted public limited companies and have notified changes from time to time. As at the year end, none of the Directors is a Member of more than ten Board-level Committees or a Chairman of more than five such Committees, as required under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Also, none of the Independent Directors are serving as such in more than seven listed entities.

### **v) Independent Directors' Meeting**

During the year, all the Independent Directors met on February 06, 2025 without the presence of non-independent directors and members of management, interalia, to review their role, functions and duties. They further reviewed the guidelines of professional conduct as enumerated in Schedule IV (Code for



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Independent Directors) of the Companies Act, 2013. During the said meeting, the Independent Directors discussed and reviewed the performance of Non-Independent Directors, the Board as a whole, Chairman of the Company.

They also assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform its duties and found them to be satisfactory.

- a. The Company has received declarations from the Independent Directors that they meet the criteria of Independence stipulated under Section 149 of the Act read with Rule 5 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of the Listing Regulations.

The Independent Directors have also confirmed that they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

- b. The Independent Directors under Regulation 25(8) of the Listing Regulations have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Based on the declarations received from the Independent Directors, supported by a Certificate from Company Secretary in practice, the Board has confirmed the veracity of such disclosures and confirmed that the Independent Directors fulfil the conditions of independence specified in the Act and the Listing Regulations and are independent of the management of the Company.

### **D) The Board has identified the following core skills/expertise/competencies which are required for the effective functioning of the Company which are available with the Board as on the date of this report**

S. No.	Name of the Director	Core skills/expertise/competencies	Educational & Professional Qualifications
1.	Mr. Harsha Raghavan	Business Development, Leadership / Operational experience, Strategic Planning and Global Business	Master of Business Administration degree and Master of Science degree in industrial engineering both from Stanford University and a Bachelor of Arts degree from the University of California at Berkeley, where he double majored in computer science and economics
2.	Mr. Manish Mehta	Business Development, Leadership / Operational experience, Strategic Planning and Global Business	MBA from the Harvard Business School, Master of Science in Transportation & Logistics from Massachusetts Institute of Technology, bachelor's degree in engineering from Indian Institute of Technology (IIT) – Roorkee and Chartered Financial Analyst
3.	Mr. Harjeet Singh Kohli	Strategic and Business planning	MBA graduate in Finance from University of Delhi, Faculty of Management Studies and a Mechanical Engineer from Delhi College of Engineering, University of Delhi. He also completed a leadership program from Harvard in 2014.
4.	Mr. Rajesh Jain	Extensive Experience in Audit, Consulting and Corporate Finance	Fellow member of Institute of Chartered Accountants of India
5.	Ms. Richa Arora	Extensive Board & CXO level experience in governance, strategy, business & cultural transformation, marketing, technology-enabled solutions, innovation across the value chain and ESG & sustainability	Chevening scholar from the London School of Economics, an MBA from IIM Ahmedabad and a Graduate in Economics from Shri Ram College of Commerce, Delhi University
6.	Mr. Satish Premanand Rao	Extensive Experience in Sales & Marketing, Governance, Strategy and Mentoring	MBA and M.Sc in Analytic Chemistry from University of Mumbai

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S. No.	Name of the Director	Core skills/expertise/competencies	Educational & Professional Qualifications
7.	Dr. Om Prakash Manchanda	Strategy & Planning, Leadership, Brand Building and General Management	MBA from IIM Ahmedabad, completed Advanced Management Program from Harvard Business School and is a graduate in veterinary sciences from HAU Hisar, Haryana.
8.	Mr. Karamendra Daulet Singh	Progressive Leadership in Legal Matters	Graduate from University of Cambridge, UK. Dual qualified lawyer, qualified to practice both in England and India.
9.	Mr. Nitish Bajaj	Strategic & Operational Leadership	Post Graduate Diploma in Management from Indian Institute of Management, Ahmedabad; and a Degree in Bachelor of Technology in Metallurgical Engineering from Indian Institute of Technology (BHU).
10.	Mr. Asheesh Kumar Sharma	Industry Experience in Sales & Marketing	A graduate in Science from Jawaharlal Nehru University and holds an MMS from SPJain Institute of Management and Research.

### 3. AUDIT COMMITTEE

#### A) Composition

The Company's Audit Committee comprises of Five (5) directors, all except one (Mr. Manish Mehta) are Non-Executive and Independent Directors. This is in compliance with Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. Rajesh Jain, an Independent Director, is the Chairman of the Committee while Mr. Satish Premanand Rao, Ms. Richa Arora, Dr. Om Prakash Manchanda and Mr. Manish Mehta are its Members. Other Executive and Non-Executive Directors, Chief Financial Officer, the Internal Auditors and the Statutory Auditors attend the meetings by invitation. Ms. Jyoti Chawla, Company Secretary acts as Secretary to the Committee.

#### B) Meetings and attendance during the year

The committee met Five (5) times during the Financial Year 2024-25, out of five (5) Audit Committee meetings, One (1) meeting was held through video conference in accordance with the relaxations provided by the Ministry of Corporate Affairs and the Securities Exchange Board of India. They were held on April 24, 2024, July 16, 2024, October 24, 2024, November 14, 2024 (through video conference) and February 06, 2025. The requisite quorum was present for all the meetings. **The attendance record of each Director was as under:**

Sl. No.	Name of Director	Type of Directorship	No. of Meetings held during the year	No. of Meetings attended
1.	Mr. Rajesh Jain <sup>1</sup>	Independent Non-Executive	5	3
2.	Ms. Richa Arora <sup>1</sup>	Independent Non-Executive	5	3
3.	Mr. Satish Premanand Rao <sup>1</sup>	Independent Non-Executive	5	3
4.	Mr. Manish Mehta <sup>2</sup>	Non-Executive	5	3
5.	Dr. Om Prakash Manchanda <sup>3</sup>	Independent Non-Executive	5	1
6.	Lt. Gen. D.B. Singh <sup>4</sup>	Independent Non-Executive	5	2
7.	Mr. Sanjaya Kulkarni <sup>4</sup>	Independent Non-Executive	5	2
8.	Mr. Arun Bewoor <sup>4</sup>	Independent Non-Executive	5	2
9.	Mr. Narendra Ambwani <sup>4</sup>	Independent Non-Executive	5	1
10.	Ms. Veena Vishindas Gidwani <sup>4</sup>	Independent Non-Executive	5	2
11.	Mr. Pedro Labayende Inza <sup>5</sup>	Non-Executive	5	2

#### Notes:

1. Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora were appointed as Independent Directors of the Company for an initial term of 3 (three) years w.e.f. July 17, 2024 till July 16, 2027.

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2. Mr. Manish Mehta was appointed as Non-Executive Director of the Company w.e.f. August 28, 2024.
3. Dr. Om Prakash Manchanda was appointed as Independent Director of the Company for an initial term of 5 (Five) years w.e.f. November 15, 2024 till November 14, 2029.
4. Lt. Gen. D.B Singh, Mr. Sanjaya Kulkarni, Mr. Arun Bewoor, Mr. Narendra Ambwani and Ms. Veena Vishindas Gidwani, the Independent Directors, retired with effect from the close of business hours on July 16, 2024, upon completion of their second term as the Independent Directors.
5. Mr. Pedro Labayen de Inza, Non-Executive Director, resigned, w.e.f. close of business hours of July 16, 2024.

### **Permanent Invitees**

The Managing Director, Executive Director & CEO and Chief Financial Officer are permanent Invitees. The representatives of the statutory auditors and internal auditors are also the permanent invitees and they have attended all the meetings held during the year except meeting held on November 14, 2024.

### **C) Terms of Reference of Audit Committee**

The primary objective of the Committee is to monitor and provide an effective supervision of the financial reporting process, to ensure accurate and timely disclosures with highest level of transparency, integrity and quality of financial reporting. The terms of reference of the Audit Committee covers all the matters specified under Section 177 of the Companies Act, 2013 and those enumerated in Regulation 18 of the Listing Regulations. The terms of reference of the Audit Committee are as under:

1. oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause(c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b. changes, if any, in accounting policies and practices and reasons for the same;
  - c. major accounting entries involving estimates based on the exercise of judgment by management;
  - d. significant adjustments made in the financial statements arising out of audit findings;
  - e. compliance with listing and other legal requirements relating to financial statements;
  - f. disclosure of any related party transactions;
  - g. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the listed entity with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected

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fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the audit committee.
21. reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.

The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters/letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses;
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
6. statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

#### **4. NOMINATION AND REMUNERATION COMMITTEE**

##### **A) Terms of Reference of Nomination and Remuneration Committee**

- to identify 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 their appointment and removal;
- to carry out evaluation of every director's performance;
- to formulate the criteria for determining qualifications, positive attributes and independence of a director;
- to recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

##### **B) Composition, Meetings and Attendance during the year**

- The Company's Nomination and Remuneration Committee comprises of Five (5) directors, two-third being Non-Executive and Independent Directors. Ms. Richa Arora, an Independent Director is the Chairperson of the Committee while Mr. Rajesh Jain, Mr. Satish Premanand Rao, Mr. Harsha Raghavan and Dr. Om Prakash Manchanda are its Members. Ms. Jyoti Chawla, Company Secretary acts as Secretary to the Committee.
- The Nomination and Remuneration Committee meetings were held Six (6) times during the financial year 2024-25 on April 24, 2024, July 16, 2024, August 28, 2024 (through video conference), October 24, 2024, November 14, 2024 (through video conference) and February 06, 2025:

Sl. No.	Name of Director	Type of Directorship	No. of Meetings held during the year	No. of Meetings attended
1.	Ms. Richa Arora <sup>1</sup>	Independent Non-Executive	6	4
2.	Mr. Rajesh Jain <sup>1</sup>	Independent Non-Executive	6	4
3.	Mr. Satish Premanand Rao <sup>1</sup>	Independent Non-Executive	6	4
4.	Mr. Harsha Raghavan <sup>2</sup>	Non-Executive	6	3
5.	Dr. Om Prakash Manchanda <sup>3</sup>	Independent Non-Executive	6	1



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Sl. No.	Name of Director	Type of Directorship	No. of Meetings held during the year	No. of Meetings attended
6.	Lt.Gen.D.B. Singh <sup>4</sup>	Independent Non-Executive	6	2
7.	Mr. Sanjaya Kulkarni <sup>4</sup>	Independent Non-Executive	6	1
8.	Mr. Arun Bewoor <sup>4</sup>	Independent Non-Executive	6	2
9.	Mr. Narendra Ambwani <sup>4</sup>	Independent Non-Executive	6	1
10.	Ms.Veena Vishindas Gidwani <sup>4</sup>	Independent Non-Executive	6	2
11.	Mr. Pedro Labayende Inza <sup>5</sup>	Non-Executive	6	2
12.	Mr. James Patrick Kinnerk <sup>6</sup>	Non-Executive	6	3

### Notes:

- Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora were appointed as Independent Non-Executive Directors of the Company for an initial term of 3 (three) years w.e.f. July 17, 2024 till July 16, 2027.
- Mr. Harsha Raghavan was appointed as Non-Executive Director of the Company w.e.f. August 28, 2024.
- Dr. Om Prakash Manchanda was appointed as Independent Non-Executive Director of the Company for an initial term of 5 (Five) years w.e.f. November 15, 2024 till November 14, 2029.
- Lt. Gen. D.B Singh, Mr. Sanjaya Kulkarni, Mr. Arun Bewoor, Mr. Narendra Ambwani and Ms. Veena Vishindas Gidwani, the Independent Non-Executive Directors, retired with effect from the close of business hours on July 16, 2024, upon completion of their second term as the Independent Directors.
- Mr. Pedro Labayen de Inza, Non-Executive Director, resigned, w.e.f. close of business hours of July 16, 2024.
- Mr. James Patrick Kinnerk, Non-Executive Director, resigned, w.e.f. close of business hours of August 28, 2024.

### C) Criteria for performance Evaluation of Board

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Board works with the Nomination and Remuneration Committee to lay down the evaluation criteria for the performance of the Chairman, the Board, Board committees, and Executive/Non-Executive/Independent Directors through a peer evaluation, excluding the Director being evaluated. The performance evaluation of Independent Directors is done by the entire Board of Directors (excluding the director being evaluated). On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Directors.

The annual evaluation of the Board is done at three levels as (i) Board as a whole; (ii) Committees of the Board and (iii) Individual Directors and Chairman. A detailed Questionnaire is circulated to all individual directors. The Directors are evaluated on the basis of the following performance evaluation criteria namely knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution and integrity. The Additional criteria for independent directors are Independence, Independent views and judgment.

### D) Details of Remuneration paid to the Directors

Mr. Nitish Bajaj, Group Managing Director and Mr. Asheesh Kumar Sharma, Executive Director and CEO, are paid remuneration as per the terms approved by the Nomination and Remuneration Committee, the Board of Directors of the Company and the Shareholders of the Company. The remuneration of Group Managing Director and Executive Director & CEO comprises of salary, perquisites and allowances, bonus, contributions to Provident Fund and Superannuation. Further, Group Managing Director and Executive Director & CEO are entitled to performance incentive for each financial year, as may be determined by the Board on the recommendation of the Nomination and Remuneration Committee. The Nomination and Remuneration policy forms part of the Directors' Report as an Annexure.

### (I) Remuneration to Group Managing Director and Executive Director & CEO for the year ended March 31, 2025:

Name of Director / Designation	Sitting Fees (Incl. Committee Meetings)	Salary	Contribution to Provident/ Pension and other funds	Other perquisites and allowances	Performance linked Incentives / Bonus	Total
Mr. Nitish Bajaj, Group Managing Director	Nil	43,75,140	5,68,768	4,679,014	1,00,00,000*	1,96,22,922
#Mr. Asheesh Kumar Sharma, Executive Director & CEO	Nil	53,76,000	6,98,880	90,82,387	32,25,600	1,83,82,867
@Mr. Sachin Gopal, Managing Director & CEO	Nil	7,58,566	98,614	7,15,951	4,55,140	20,28,271

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\* The above bonus of ₹ 1,00,00,000 was paid to Mr. Nitish Bajaj as the joining bonus on March 28, 2025.

# The above remuneration of Mr. Asheesh Kumar Sharma excludes the payment of ₹ 67,98,473 paid as retention bonus on August 27, 2024, on behalf of Conagra Brands Inc.

@ Mr. Sachin Gopal resigned as Director, Managing Director & CEO of the Company w.e.f. close of business hours on April 24, 2024. The above remuneration excludes gratuity of ₹ 96,39,638/-, leave encashment of ₹ 6,92,921/-. The above remuneration excludes the payment of ₹ 1,55,00,000/- paid to Mr. Sachin Gopal on April 25, 2024, on behalf of Conagra Brands Inc. under a Separation Agreement dated April 24, 2024 executed between Conagra Brands Inc., Sundrop Brands Limited (Formerly known as Agro Tech Foods Limited) ("Company") and Mr. Sachin Gopal.

- **Note 1:** Above remuneration is on accrual basis and does not include long-term compensated absences benefit accrued and gratuity benefit accrued since the same are computed based on actuarial valuation for all employees and the amounts attributable to Managing Director and Executive Director & CEO cannot be ascertained separately.
- **Note 2:** There were no Stock Options granted by the Company during the financial year ended March 31, 2025.

### (ii) Remuneration paid\payable to Non-Executive Independent Directors for the year ended March 31, 2025 (In ₹)

Sr. No.	Name of Director	Sitting Fee	Commission	Total
1.	Mr. Rajesh Jain	8,00,000	7,00,000*	15,00,000
2.	Ms. Richa Arora	8,00,000	3,25,000*	11,25,000
3.	Mr. Satish Premanand Rao	8,00,000	3,25,000*	11,25,000
4.	Dr. Om Prakash Manchanda	2,50,000	3,75,000*	6,25,000
5.	Mr. Karamendra Daulet Singh	0	2,50,000*	2,50,000
6.	#Lt. Gen. D. B. Singh	2,75,000	Nil	2,75,000
7.	#Mr. Sanjaya Kulkarni	75,000	Nil	75,000
8.	#Mr. Narendra Ambwani	Nil	Nil	Nil
9.	#Mr. Arun Bewoor	2,75,000	Nil	2,75,000
10.	#Ms. Veena Vishindas Gidwani	2,75,000	Nil	2,75,000

\*The Commission will be paid to the Non-Executive Independent Directors after 38th AGM. Pursuant to the provisions of Sections 149, 197 and Schedule V of the Companies Act, 2013, the Shareholders of the Company have approved by means of Postal Ballot, the payment of commission up to ₹ 15,00,000/- (Rupees Fifteen lakhs only) per Non-Executive Independent director per annum (in addition to the payment of sitting fees) as the minimum remuneration. The Board of Directors in its meeting held on May 19, 2025 has approved the aforesaid commission payable to the Non-Executive Independent Directors for FY24-25.

#Lt. Gen. D.B Singh, Mr. Sanjaya Kulkarni, Mr. Arun Bewoor, Mr. Narendra Ambwani and Ms. Veena Vishindas Gidwani, the Independent Directors, retired with effect from the close of business hours on July 16, 2024, upon completion of their second term as the Independent Directors.

The Company has no Stock Option Scheme for Non-Executive Independent Directors and hence no stock options have been granted to Non-Executive Independent Directors.

### E) Criteria for making payments to Non-Executive Directors

Non-Executive Non-Independent Directors of the Company are not paid any remuneration. Independent Non-Executive Directors are entitled to remuneration by way of commission for each financial year, up to a maximum of ₹ 15,00,000/- individually, as approved by the Shareholders by way of Postal Ballot Meeting through remote e-voting concluded on April 27, 2025, pursuant to the provisions of Sections 149, 197, 198, Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Payment of actual commission is determined inter alia, on the basis of the Company's performance and regulatory provisions.

The Company also pays sitting fees to its Non-Executive Independent Directors as permitted by the provisions of the Companies Act, 2013 for attending Meetings of the Board and other Committees of the Board.

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The sitting fees for the meetings paid to the Non-Executive Independent Directors are as under.

Board Meeting ₹ 1,00,000/-

Audit Committee ₹ 75,000/-

Other Meetings ₹ 25,000/-

The appointment of Executive Directors is governed by Resolutions passed by the Board of Directors and the shareholders of the Company, which covers the terms and conditions of such appointment.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

### A) Composition

The Stakeholders Relationship Committee comprises of four Non-Executive Independent Directors namely Mr. Satish Premanand Rao (Chairman), Mr. Rajesh Jain, Ms. Richa Arora, and Dr. Om Prakash Manchanda.

### B) Terms of Reference

The terms of reference are:

- to review and redress the Shareholders' and Investors' Grievances and queries in relation to transfer of shares, non-receipt of Balance Sheets, declaration of dividends, approval of sub-division, consolidation, transmission, issue of duplicate shares and general meetings etc.
- review of measures taken for effective exercise of voting rights by shareholders.
- review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

### C) Meeting and Attendance during the year

- The Committee met four (4) times during the financial year 2024-25 and none of the meetings were held through Video Conference. The meetings were held on April 24, 2024, July 16, 2024, October 24, 2024 and February 06, 2025. All queries have been resolved to the satisfaction of the shareholders/investors. The Committee focuses on the strengthening of investor relations. The status on compliances is reported to the Board as an agenda item.
- The attendance record of each Director was as under:

Sr. No.	Name of Director	Type of Directorship	No. of Meetings held during the year	No. of Meetings attended
1.	Lt. Gen. D.B. Singh <sup>1</sup>	Independent Non-Executive	4	2
2.	Mr. Sanjaya Kulkarni <sup>1</sup>	Independent Non-Executive	4	1
3.	Mr. Arun Bewoor <sup>1</sup>	Independent Non-Executive	4	2
4.	Mr. Narendra Ambwani <sup>1</sup>	Independent Non-Executive	4	1
5.	Ms. Veena Vishindas Gidwani <sup>1</sup>	Independent Non-Executive	4	2
6.	*Mr. Satish Premanand Rao <sup>2</sup>	Independent Non-Executive	4	2
7.	*Mr. Rajesh Jain <sup>2</sup>	Independent Non-Executive	4	2
8.	*Ms. Richa Arora <sup>2</sup>	Independent Non-Executive	4	2
9.	~Dr. Om Prakash Manchanda <sup>3</sup>	Independent Non-Executive	4	1

### Notes:

1. Lt. Gen. D.B Singh, Mr. Sanjaya Kulkarni, Mr. Arun Bewoor, Mr. Narendra Ambwani and Ms. Veena Vishindas Gidwani, the Independent Non-Executive Directors, retired with effect from the close of business hours on July 16, 2024, upon completion of their second term as the Independent Non-Executive Directors.
2. Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora were appointed as Independent Non-Executive Directors of the Company for an initial term of 3 (three) years w.e.f. July 17, 2024 till July 16, 2027.
3. Dr. Om Prakash Manchanda was appointed as Independent Non-Executive Director of the Company for an initial term of 5 (Five) years w.e.f. November 15, 2024 till November 14, 2029.

Name and designation of Compliance Officer: Ms. Jyoti Chawla, Company Secretary. The e-mail id for investor grievances is [InvestorRedressal@sundropbrands.com](mailto:InvestorRedressal@sundropbrands.com)

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### D) Number of Shareholder's complaints received and attended during the financial year ended March 31, 2025

Nature of Complaints	Received	Attended	Pending
Non receipt of Dividend warrants	-	-	-
Transmission of shares	42	42	-
Issue of duplicate share certificates/ indemnity Duplicates	57	57	-
Others*	290	290	-
<b>Total</b>	<b>389</b>	<b>389</b>	<b>-</b>

\* This includes the following

- a) Receipt of I/B for Dividend
- b) Loss/Stop Transfer of share certificates
- c) Bank mandates
- d) Clarifications Regarding Shares/Dividend
- e) Revalidation of Dividend Warrant
- f) Deletion of name
- g) Exchange of share certificates
- h) Signature updation etc.
- i) Change of Address, Custodians/SE/SEBI/Court/Corp Affairs, Updation of Telephone, Fax, Mobiles etc

The Company has attended to the stakeholders/investors grievances/correspondence generally within a period of 7 to 10 days except in cases where constrained by disputes of legal impediments.

### 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee Meeting was held once during the financial year 2024-25 on July 16, 2024. CSR Committee comprises of Six (6) directors, Mr. Satish Premanand Rao, an Independent Non-Executive Director is the Chairperson of the Committee while Mr. Rajesh Jain, Ms. Richa Arora, Mr. Harsha Raghavan, Mr. Manish Mehta and Dr. Om Prakash Manchanda are its Members.

In compliance with the provisions of Section 135 of the Companies Act, 2013, Corporate Social Responsibility (CSR) Committee has been constituted. The details of CSR project/s undertaken and spending on CSR in FY 24-25 has been provided in Directors report under CSR section.

#### A) The terms of reference of the Committee

- i. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- ii. recommend the amount of expenditure to be incurred on the activities referred to in clause (i); and
- iii. monitor the Corporate Social Responsibility Policy of the company from time to time.

#### B) Composition, Meetings and Attendance during the year

Sl. No.	Name of the Member	Category	No. of Meetings Held during the year	No. of Meetings attended
1.	Lt. Gen. D.B. Singh <sup>1</sup>	Independent Non-Executive Director	1	1
2.	Mr. Sanjaya Kulkarni <sup>1</sup>	Independent Non-Executive Director	1	0
3.	Mr. Narendra Ambwani <sup>1</sup>	Independent Non-Executive Director	1	0
4.	Mr. Arun Bewoor <sup>1</sup>	Independent Non-Executive Director	1	1
5.	Ms. Veena Vishindas Gidwani <sup>1</sup>	Independent Non-Executive Director	1	1
6.	Mr. Pedro Labayen de Inza <sup>2</sup>	Non-Executive Director	1	1
7.	Mr. Trevor John Foster <sup>2</sup>	Non-Executive Director	1	1
8.	Mr. James Patrick Kinnerk <sup>3</sup>	Non-Executive Director	1	1
9.	Mr. Satish Premanand Rao <sup>4</sup>	Independent Non-Executive Director	1	0
10.	Mr. Rajesh Jain <sup>4</sup>	Independent Non-Executive Director	1	0



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Sl. No.	Name of the Member	Category	No. of Meetings Held during the year	No. of Meetings attended
11.	Ms. Richa Arora <sup>4</sup>	Independent Non-Executive Director	1	0
12.	Mr. Harsha Raghavan <sup>5</sup>	Non-Executive Director	1	0
13.	Mr. Manish Mehta <sup>5</sup>	Non-Executive Director	1	0
14.	Dr. Om Prakash Manchanda <sup>6</sup>	Independent Non-Executive Director	1	0

#### Notes

1. Lt. Gen. D.B Singh, Mr. Sanjaya Kulkarni, Mr. Arun Bewoor, Mr. Narendra Ambwani and Ms. Veena Vishindas Gidwani, the Independent Non-Executive Directors, retired with effect from the close of business hours on July 16, 2024, upon completion of their second term as the Independent Non-Executive Directors.
2. Mr. Pedro Labayen de Inza & Mr. Trevor John Foster, Non-Executive Directors, resigned w.e.f. close of business hours on July 16, 2024.
3. Mr. James Patrick Kinnerk, Non-Executive Director, resigned w.e.f. August 28, 2024.
4. Mr. Satish Premanand Rao, Mr. Rajesh Jain and Ms. Richa Arora were appointed as Independent Non-Executive Directors of the Company for an initial term of 3 (three) years w.e.f. July 17, 2024 till July 16, 2027.
5. Mr. Harsha Raghavan and Mr. Manish Mehta were appointed as Non-Executive Directors of the Company w.e.f. August 28, 2024.
6. Dr. Om Prakash Manchanda was appointed as Independent Non-Executive Director of the Company for an initial term of 5 (Five) years w.e.f. November 15, 2024 till November 14, 2029.

#### 7. RISK MANAGEMENT

The Company has formulated and adopted a revised Risk Management Policy which has been approved and adopted by the Board at the Board Meeting held on October 21, 2021 pursuant to SEBI (LODR) (Second Amendment) Regulations, 2021, which requires top one thousand listed Companies (based on market capitalization of every financial year) to formulate and disclose a Risk Management Policy. The testing in accordance with the laid down policy is being carried out periodically. The Senior Management has been having regular Meetings for reassessing the risk environment and necessary steps are being taken to effectively mitigate the identified risks. A Risk Management Committee also has been constituted. The Company's Risk Management Committee as on March 31, 2025 comprised of 10 members (consisting of 8 Directors and 2 KMP's), majority being Non-Executive and Independent Directors. Ms. Richa Arora an Independent Non-Executive Director is the Chairperson of the Committee while Mr. Satish Premanand Rao, Mr. Rajesh Jain, Dr. Om Prakash Manchanda, Mr. Harsha Raghavan, Mr. Manish Mehta, Mr. Nitish Bajaj, Mr. Asheesh Kumar Sharma, Mr. KPN Srinivas (CFO) and Ms. Jyoti Chawla (Company Secretary) are its Members.

The Risk Management Committee Meetings were held twice during the financial year 2024-25 on June 13, 2024 (through video conference) and November 28, 2024 (through video conference) in accordance with the relaxations provided by the Ministry of Corporate Affairs and the Securities Exchange Board of India.

The attendance record of members is as under:

Sl. No.	Name of Director	Category/Designation	No. of Meetings Held during the year	No. of Meetings attended
1.	Lt. Gen. D.B. Singh <sup>1</sup>	Independent Non-Executive	2	1
2.	Mr. Sanjaya Kulkarni <sup>1</sup>	Independent Non-Executive	2	0
3.	Mr. Arun Bewoor <sup>1</sup>	Independent Non-Executive	2	1
4.	Mr. Narendra Ambwani <sup>1</sup>	Independent Non-Executive	2	0
5.	Ms. Veena Vishindas Gidwani <sup>1</sup>	Independent Non-Executive	2	1
6.	Mr. Pedro Labayen de Inza <sup>2</sup>	Non-Executive	2	1
7.	Mr. Trevor John Foster <sup>2</sup>	Non-Executive	2	1
8.	Mr. James Patrick Kinnerk <sup>3</sup>	Non-Executive	2	1
9.	Mr. Alexander Byron Jacobs <sup>3</sup>	Non-Executive	2	0
10.	Mr. Asheesh Kumar Sharma <sup>4</sup>	Executive	2	2

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Sl. No.	Name of Director	Category/Designation	No. of Meetings Held during the year	No. of Meetings attended
11.	Ms. Richa Arora <sup>5</sup>	Independent Non-Executive	2	1
12.	Mr. Rajesh Jain <sup>5</sup>	Independent Non-Executive	2	1
13.	Mr. Satish Rao <sup>5</sup>	Independent Non-Executive	2	1
14.	Mr. Harsha Raghavan <sup>6</sup>	Non-Executive	2	0
15.	Mr. Manish Mehta <sup>6</sup>	Non-Executive	2	1
16.	Dr. Om Prakash Manchanda <sup>7</sup>	Independent Non-Executive	2	1
17.	Mr. Nitish Bajaj <sup>8</sup>	Executive	2	1
18.	Mr. KPN Srinivas	Chief Financial Officer	2	2
19.	Ms. Jyoti Chawla	Company Secretary & Compliance Officer	2	2

### Notes:

1. Lt. Gen. D.B Singh, Mr. Sanjaya Kulkarni, Mr. Arun Bewoor, Mr. Narendra Ambwani and Ms. Veena Vishindas Gidwani, the Independent Non-Executive Directors, retired with effect from the close of business hours on July 16, 2024, upon completion of their second term as the Independent Non-Executive Directors.
2. Mr. Pedro Labayen de Inza & Mr. Trevor John Foster, Non-Executive Directors, resigned w.e.f. close of business hours on July 16, 2024.
3. Mr. James Patrick Kinnerk, Non-Executive Director and Chairman & Mr. Alexander Byron Jacobs, Non-Executive Director, resigned w.e.f. August 28, 2024.
4. Mr. Asheesh Kumar Sharma was appointed as Managing Director and CEO of the Company for a period of 5 years w.e.f. April 25, 2024 till April 24, 2029. Later, he resigned as the Managing Director and continued to act as Whole-Time Director (Designated as 'Executive Director & Chief Executive Officer-Sundrop & Act-II Business') of the Company w.e.f. November 25, 2024 for the remaining period till April 24, 2029.
5. Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora were appointed as Independent Non-Executive Directors of the Company for an initial term of 3 (three) years w.e.f. July 17, 2024 till July 16, 2027.
6. Mr. Harsha Raghavan and Mr. Manish Mehta were appointed as Non-Executive Directors of the Company w.e.f. August 28, 2024.
7. Dr. Om Prakash Manchanda was appointed as Independent Non-Executive Director of the Company for an initial term of 5 (Five) years w.e.f. November 15, 2024 till November 14, 2029.
8. Mr. Nitish Bajaj was appointed as the Group Managing Director of the Company for a period of 5 years w.e.f. November 25, 2024 till November 24, 2029.

### 8. PARTICULARS OF SENIOR MANAGEMENT

The Nomination and Remuneration Policy of the Company defines Senior Management of the Company. Below is the list of Senior Management Personnel of the Company including the changes therein since the close of the previous financial year:

SL.No.	Name	Designation	Changes since close of previous FY
1.	Dharmesh K Srivastava	Vice President-Supply Chain	Nil
2.	Shrey Dixit	Head of Research, Quality & Innovation	Nil
3.	Hitesh Yadav	Head of Procurement	Nil
4.	KPN Srinivas	Chief Financial Officer	Nil
5.	Padmavathi Tuluva	Head of Human Resources	Change in designation from General Manager to Head of Human Resources w.e.f. July 01, 2024.
6.	Rikesh Kotwal	Head of Sales	Nil
7.	Sanjay Srivastava	Head of Manufacturing	Nil
8.	Gaurav Gupta	Head of Marketing	Appointed as Head of Marketing w.e.f. July 8, 2024

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Note: Ms. Hem Jadeja has been appointed as Head – Strategy and Business Transformation w.e.f. April 25, 2025.

### 9. SUBSIDIARY COMPANIES

The Company has Four wholly owned subsidiaries, Sundrop Foods India Private Limited, Agro Tech Foods (Bangladesh) Private Limited, Sundrop Foods Lanka (Private) Limited and Del Monte Foods Private Limited. and one step down subsidiary i.e., Del Monte Foods India (North) Private Limited (DMFN). DMFN is a 100% wholly owned subsidiary of Del Monte Foods Private Limited. During the financial year 2024-25, Sundrop Foods India Private Limited has continued to perform the role of aiding the expansion of distribution and display of your Company's products. This is a non-material and unlisted Company. Agro Tech Foods (Bangladesh) Private Limited was incorporated on April 8, 2012 and the Company has commenced its operations in December 2017 and has commenced production in FY 2017-18. This is a non-material and unlisted Company. Sundrop Foods Lanka (Private) Limited was incorporated on January 27, 2015. This is a non-material and unlisted Company.

During the FY 2024-25, Del Monte Foods Private Limited has become a material and wholly owned unlisted subsidiary of the Company. The Company has acquired 100% of the issued and outstanding equity shares of Del Monte Foods Private Limited (hereinafter referred to as "DMFPL") on February 06, 2025. In consideration for the acquisition of DMFPL and to give effect to the share swap arrangement dated November 14, 2024 entered with the selling shareholders of DMFPL (i.e. consideration other than cash), the Company has issued 1,33,27,589 equity shares at an Issue price / offer price of ₹ 975.5/- (Face value Price ₹ 10/- and Securities Premium ₹ 965.5) on a preferential allotment basis to the selling shareholders of DMFPL by way of a preferential allotment. The Selling shareholders are described in more detail at clause 12 (iii) Disclosure under this report "Details of utilization of funds raised through preferential allotment"

The policy for determining material subsidiaries is posted on the website of the Company [https://www.sundropbrands.com/pdf/code-of-conduct/policy\\_determining\\_material\\_subsidiary.pdf](https://www.sundropbrands.com/pdf/code-of-conduct/policy_determining_material_subsidiary.pdf).

### 10. GENERAL BODY MEETINGS

#### (i) Location and time of last three Annual General Meetings:

The Annual General Meetings of the shareholders of the Company for the last three years were held as under:

Financial Year	Venue	Date	Time
2023-24	AGM held through Video Conference	September 30, 2024	4:00 P.M.
2022-23	AGM held through Video conference	July 12, 2023	4.30 P.M.
2021-22	AGM held through Video conference	June 29, 2022	4.45 P.M.

#### ii) The following Special Resolutions were passed by the Members at the last three Annual General Meetings:

##### Annual General Meeting held on September 30, 2024:

- Appointment of Mr. Rajesh Jain (DIN: 10619014) as Non-Executive Independent Director for an initial term of 3 (three) years w.e.f. July 17, 2024 till July 16, 2027
- Appointment of Mr. Satish Premanand Rao (DIN 03265301) as Non-Executive Independent Director for an initial term of 3 (three) years w.e.f. July 17, 2024 till July 16, 2027
- Appointment of Ms. Richa Arora (DIN 07144694) as Non-Executive Independent Director for an initial term of 3 (three) years w.e.f. July 17, 2024 till July 16, 2027

##### Annual General Meeting held on July 12, 2023:

- Continuation of Directorship of Mr. Narendra Ambwani (DIN 00236658), a Non-Executive Independent Director of the Company, for the remaining period of his current tenure, i.e. till July 16, 2024, who will attain the age of 75 years in the month of November 2023.
- Continuation of Directorship of Mr. Sanjaya Kulkarni (DIN 00102575), a Non-Executive Independent Director of the Company, for the remaining period of his current tenure, i.e. till July 16, 2024, who will attain the age of 75 years in the month of May 2024.

##### Annual General Meeting held on June 29, 2022:

No special resolutions were passed.

The following Special Resolutions were passed by the Members at the ExtraOrdinary General Meeting held through video conference on December 11, 2024 at 11:00 AM (IST):

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- a. Approval to issue and allot, an aggregate of 1,33,27,589 Equity shares having a face value of ₹ 10/- each of the Company on Preferential basis to Non-Promoter Group as specified in the resolution
- b. Approval to the Board of Directors to make Investments, give Loans, Guarantees and Security in excess of limits specified under Section 186 of the Companies Act, 2013, but upto a maximum limit of ₹ 2,500 crores.
- c. Approval to adopt the new set of Articles of Association of the Company as per the provision of Companies Act, 2013.
- e. Approval to adopt the new set of Memorandum of Association of the Company as per the provision of Companies Act, 2013 .
- e. Approval for the appointment of Mr. Nitish Bajaj, (DIN: 10835891) as the Managing Director, designated as 'Group Managing Director' of the Company, liable to retire by rotation, for a term of 5 years commencing from November 25, 2024 and payment of remuneration to him.
- f. Approval for the appointment of Dr. Om Prakash Manchanda (DIN: 02099404) as Non-Executive Independent Director for a period of 5 years with effect from November 15, 2024, who will not be liable to retire by rotation.
- g. Approval for change in designation of Mr. Asheesh Kumar Sharma (DIN: 10602319) from Managing Director and CEO to Whole-time Director (designated as 'Executive Director and CEO-Sundrop and Act-II business' of the Company and payment of remuneration to.

### **III) The following Special Resolutions were passed through postal ballot during the financial year 2024-25 till the date of this notice :**

#### **A) Postal Ballot Meeting through remote e-voting concluded on July 11, 2024:**

- a. Appointment of Mr. Asheesh Kumar Sharma, (DIN:10602319) as the Managing Director, designated as 'Executive Director and Chief Executive Officer' of the Company, for a term of 5 years commencing from April 25, 2024 and payment of remuneration. The resolution was passed with requisite majority.

#### **b. Person who conducted the postal ballot exercise:**

Pursuant to provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the rules framed thereunder, and MCA Circulars. The Board of Directors through resolution approved by circulation on May 28, 2024 has appointed Mr. B.V. Saravana Kumar (Membership No. ACS 26944), Partner of M/s. Tumuluru & Company, Company Secretaries Firm, as the Scrutinizer to conduct the above-mentioned Postal Ballots through remote e-voting process in a fair and transparent manner.

#### **B) Postal Ballot Meeting through remote e-voting concluded on January 19, 2025:**

- a. Change in name of the Company from Agro Tech Foods Limited to Sundrop Brands Limited. The resolution was passed with requisite majority.

#### **b. Person who conducted the postal ballot exercise:**

Pursuant to provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the rules framed thereunder, and MCA Circulars. The Board of Directors through resolution passed in their meeting held on November 14, 2024 has appointed Mr. B.V. Saravana Kumar (Membership No. ACS 26944), Partner of M/s. Tumuluru & Company, Company Secretaries Firm, as the Scrutinizer to conduct the above-mentioned Postal Ballots through remote e-voting process in a fair and transparent manner.

#### **C) Postal Ballot Meeting through remote e-voting concluded on April 27, 2025:**

- a. (i) Appointment of Mr. Karamendra Daulet Singh (DIN: 00110827), as Non-Executive Independent Director of the Company for a term of 5 years w.e.f. February 6, 2025 till February 5, 2030. The resolution was passed with requisite majority.
- (ii) Payment of Commission of upto ₹ 15,00,000/- per annum individually to the Non-Executive Independent Directors of the Company for a period of 5 years commencing from April 1, 2024. The resolution was passed with requisite majority.
- (iii) Approval of 'Agro Tech Foods Limited Employees Stock Option Plan, 2024'. The resolution was passed with requisite majority.
- (iv) Approval of the grant of employee stock options to the eligible employees of the subsidiary company(ies) of the Company under 'Agro Tech Foods Limited Employees Stock Option Plan, 2024'. The resolution was passed with requisite majority.

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- (v) Approval of the grant of employee stock options to the eligible employees of the group companies including associate company(ies) of the Company under 'Agro Tech Foods Limited Employees Stock Option Plan, 2024'. The resolution was passed with requisite majority.

### **b. Person who conducted the postal ballot exercise:**

Pursuant to provisions of Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the rules framed thereunder, and MCA Circulars. The Board of Directors through resolution passed in their meeting held on February 06, 2025 has appointed Mr. B.V. Saravana Kumar (Membership No. ACS 26944), Partner of M/s. Tumuluru & Company, Company Secretaries Firm, as the Scrutinizer to conduct the above-mentioned Postal Ballots through remote e-voting process in a fair and transparent manner.

### **iv) Procedure for Postal Ballot:**

All the aforesaid Postal Ballots were conducted by the Company as per the provisions of Section 110 read with Section 108 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the Act read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 ("Rules"), as amended from time to time, the Secretarial Standard -2 on General Meetings issued by the Institute of Company Secretaries of India ("SS-2"), read with the General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020, 22/2020 dated June 15, 2020, 02/2021 dated January 13, 2021, 19/2021 dated December 8, 2021, 21/2021 dated December 14, 2021, 02/2022 dated May 5, 2022, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023 and 09/2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs and Regulation 44 and other applicable provisions, if any, of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

## **11. MEANS OF COMMUNICATION**

The Quarterly, Half-Yearly and Annual Results are generally published by the Company in Mumbai and Hyderabad editions of the Business Standard / Financial Express and Nava Telangana / Telugu Prabha. The Half-Yearly reports are not sent to the shareholders. The results are also being posted on the Company's website [www.sundropbrands.com](http://www.sundropbrands.com)

The audio recordings and the transcripts of the analyst calls and presentation made to analysts are also uploaded on the website of the Company. It also displays official news releases, wherever applicable. The Compliance Report on Corporate Governance as per SEBI (LODR) Regulations, 2015 are filed electronically with National Stock Exchange of India Limited & BSE Limited.

Management Discussion and Analysis Report forms part of the Annual Report.

## **12. GENERAL SHAREHOLDER INFORMATION**

### **A. Annual General Meeting**

Date and Time	: August 28, 2025
Venue	: Pursuant to the Circular No: 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021, General Circular No. 10/2022, General Circular No. 11/2022 dated December 28, 2022, General Circular No. 09/ 2023 dated September 25, 2023 and General Circular No 09/2024 dated September 19, 2024 issued by Ministry of Corporate Affairs, the AGM will be conveyed through Video Conferencing / Other audio-visual means. The deemed venue for the AGM shall be the Registered Office of the Company.

### **B. Financial Year** : April 1, 2025 to March 31, 2026

First quarter results	: August, 2025
Half yearly results	: November, 2025
Third quarter results	: February, 2026
Annual results	: May, 2026

### **C. Cut-off date (BENPOS Date):** August 21, 2025

### **D. Dividend payment date** : NA. The Board of Directors has not recommended any dividend for FY 24-25.



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**E. Listing on Stock Exchanges :** The Company's securities are listed on below stock exchanges:

S.NO	NAME OF THE STOCK EXCHANGE	ADDRESS	SCRIP CODE/SYMBOL
1.	BSE Limited (BSE)	Pheroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	500215
2.	National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra- Kurla Complex, Bandra (E), Mumbai-400051	SUNDROP

The listing fees for the year 2025-26 has been paid to BSE and NSE.

**F. Registrars and Share Transfer Agents**

The Company's equity shares being in compulsory dematerialized form are transferable through the depository system for which the Company has established connectivity through M/s. KFin Technologies Limited and they are the Registrars and Share Transfer Agents (both Physical and Depository).

Address : Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Gachibowli,  
Hyderabad-500032, Telangana.

Tel No. : + 91-40-67161754, Fax : + 91-40-23420814,

email : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**G. Share Transfer System**

In terms of Regulations 40 of SEBI (LODR) Regulations as amended from time to time, with effect from April 1, 2019, the Company does not process any request for effecting transfer of securities unless the securities are held in the dematerialised form with a depository. Also the transmission or transposition of securities held in physical form are effected only in dematerialised form.

Pursuant to SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, the Company shall issue the securities in dematerialized form only while processing the following service request : i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal / Exchange of securities certificate; iv. Endorsement; v. Sub-division / Splitting of securities certificate; vi. Consolidation of securities certificates/folios; vii. Transmission and viii. Transposition.

Members holding shares in physical form are requested to convert their holdings in dematerialized form. The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Share Transfer Committee. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 2 working days from the date of receipt of request. There are no pending share transfers as on March 31, 2025.

**H. Distribution of shareholding as on March 31, 2025 as under :**

S.No.	Range	No. of Shareholders	% of total Shareholders	No. of shares held	% of shareholding
1	1-5000	15,719	99.06	26,78,925	7.11
2	5001- 10000	71	0.45	5,37,726	1.43
3	10001- 20000	33	0.21	4,97,221	1.32
4	20001- 30000	7	0.04	1,86,275	0.49
5	30001- 40000	3	0.02	1,16,333	0.31
6	40001- 50000	7	0.04	3,33,497	0.88
7	50001- 100000	5	0.03	3,45,338	0.92
8	100001 & Above	24	0.15	3,30,01,538	87.54
	<b>Total:</b>	<b>15,869</b>	<b>100.00</b>	<b>3,76,96,853</b>	<b>100.00</b>

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The categories of Shareholding as on March 31, 2025 was as under:

S. No.	Description	No. of Cases	Total Shares	% Equity
1	Foreign Promoter Bodies Corporates	2	1,27,85,449	33.92
2	Mutual Funds	1	17,82,421	4.73
3	Alternative Investment Fund	1	1,50,000	0.39
4	Domestic Banks	2	252	0.00
5	Foreign Portfolio - Corp	17	1,95,822	0.52
6	Foreign Portfolio - Corp	4	19,354	0.05
7	Foreign Institutional Investors	1	300	0.00
8	Foreign Banks	1	100	0.00
9	Key Management Personnel	2	15,157	0.04
10	I E P F	1	2,01,449	0.53
11	Resident Individuals	14,780	69,47,367	18.43
12	Non Resident Indian Non Repatriable	196	56,659	0.15
13	Non Resident Indians	196	2,70,155	0.72
14	Foreign Bodies Corporates	1	54,25,096	14.39
15	Bodies Corporates	234	96,14,885	25.51
16	H U F	429	2,29,387	0.61
17	Trusts	1	3,000	0.01
	<b>Total</b>	<b>15,869</b>	<b>3,76,96,853</b>	<b>100</b>

### I. Dematerialisation of Shares

The equity shares of the Company which are in compulsory dematerialized form with effect from June 26, 2000 are available for trading under National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The International Securities Identification Number allotted to the Company's equity shares is INE209A01019. As on March 31, 2025, a total of 3,75,84,988 equity shares forming 99.71% of the total paid up equity share of 3,76,96,853 stands dematerialised. All requests for dematerialisation of shares are processed within the time frame of 1-4 days time.

### J. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity

Not applicable as the Company has not made any such issue.

### K. Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

Your Company has a robust framework and governance mechanism in place to ensure that the organization is adequately protected from the market volatility in terms of price and availability based on procurement team's monitoring and intelligence, forecasts of commodity prices and movements. A robust planning and strategy ensure the Company's interests are protected despite volatility in commodity prices.

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions. Foreign exchange exposures are covered except for exposures which are open and no firm date of settlement is available. There are no materially uncovered exchange rate risks in the contexts of the Company's imports and exports. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on March 31, 2025 are disclosed in Note 48 of Notes to the standalone financial statements.

### L. Plant Locations

Gujarat	: Plot No.902/2, GIDC, Jhagadia-393110, Dist. Bharuch, Gujarat.
Telangana	: Plot Nos. 50 to 58, 13/2 IDA, Kothur-509228, Ranga Reddy District, Telangana.
Uttar Pradesh	: Akrapur Industrial Area, Near TV Tower, Akrapur, Unnao, Uttar Pradesh-209801.
Assam	: Vill-Ramhari, Mangaldai, Distt-Darrang, Assam-784125.
Uttarakhand	: Khasara No-66/1, Bajpur Road, Narain Nagar Industrial Area, Dist-U.S. Nagar, Kashipur, Uttarakhand-244713.
Andhra Pradesh	: Survey No. 445 & 448/2B, Puthalapattu Mandal, Chittoor-517112, Andhra Pradesh.

## **Sundrop Brands Limited**

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### **M. Address for correspondence**

The addresses for correspondence are as under:

- For both physical and electronic form      KFin Technologies Limited  
Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda Serilingampally, Hyderabad-500032, Telangana.  
Phone : -040-67161754, Fax :- 040-23001153, Email : [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)
- For any other matter and unresolved Complaints      In addition to our Registrar, shareholders can contact at the Registered Office of the Company and contact person's details are given below:  
Jyoti Chawla, Company Secretary, Sundrop Brands Limited (Formerly known as Agro Tech Foods Limited) 31, Sarojini Devi Road, Secunderabad – 500 003, Telangana.  
Phone : 040-66650240, Email : - [InvestorRedressal@sundropbrands.com](mailto:InvestorRedressal@sundropbrands.com)

- N.** The Company has obtained the revised credit rating from CRISIL twice during the year on the Banking Facilities of the Company as CRISIL A+/Watch Negative to CRISIL A/Stable on September 09, 2024 and CRISIL A/Stable to CRISIL A/Watch Developing on November 26, 2024.
- O.** As required under Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the Certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority is given as an Annexure to this Report.

### **13. DISCLOSURES**

#### **(I) Basis of related party transactions**

There have been no material significant related party transactions that may have potential conflict with the interest of the Company at large.

The particulars of transactions between the Company and its related parties (As specified in Ind AS- 24 "Related Party Disclosures"), is set out in Notes to Accounts under Note 43 forming part of the standalone Financial Statements. These transactions are not likely to have any conflict with the Company's interests.

All details relating to financial and commercial transactions where Directors may have a potential interest are provided to the Board and interested Directors neither participate in the discussions, nor do they vote on such matters.

The details of transactions with related parties are placed before the Audit Committee and the Committee has reviewed the same for the year ended March 31, 2025.

The policy on dealing with related party transactions has been posted on the website of the Company and can be found on

[https://www.sundropbrands.com/pdf/code-of-conduct/policy\\_dealing\\_related\\_party\\_transactions.pdf](https://www.sundropbrands.com/pdf/code-of-conduct/policy_dealing_related_party_transactions.pdf)

#### **(II) Strictures and Penalties**

The Company had received the notices from BSE and NSE with respect to the composition of Nomination and Remuneration Committee under Regulation 19(1)/ 19(2) of SEBI (LODR) Regulations, 2015 for the period from July 20, 2022 till September 30, 2022. Pursuant to same, the Company has paid the applicable penalty to both BSE and NSE within the given time lines and rectified the composition of Nomination and Remuneration Committee w.e.f. October 1, 2022.

Apart from this, no strictures or penalties have been imposed on the Company by the Stock Exchanges or by SEBI or by any statutory authority on any matters related to capital markets during the last three years.

#### **(III) Details of utilization of funds raised through preferential allotment:**

The Company has issued 1,33,27,589 equity shares at an Issue price / offer price of ₹ 975.5/- (Face value Price ₹ 10/- and Securities Premium ₹ 965.5/-) on a preferential allotment basis for consideration other than cash (i.e. swap of Equity shares of the Company for acquiring 100% of the issued and outstanding equity shares of Del Monte Foods Private Limited) on November 14, 2024 and the equity shares were allotted to the following allottees on February 06, 2025. There were no funds raised by the Company through issuing the equity shares on a preferential allotment basis. Based on the value of Del Monte Foods Private Limited certified by BDO Valuation Advisory LLP, a registered valuer, a value of ₹ 13,00,10,63,070/- is attributable to 100% of the issued and outstanding equity shares of Del Monte Foods Private Limited.

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

Name of the Allottee	Category	Number of Equity Shares Allotted
DMPL India Limited	Public	54,25,096
Bharti (SBM) Holdings Private Limited	Public	30,66,167
Bharti (RBM) Holdings Private Limited	Public	19,16,355
Bharti (RM) Holdings Private Limited	Public	19,16,355
Bharti (Satya) Trustees Private Limited (on behalf of Bharti (Satya) Family Trust)	Public	7,66,542
Bharti Enterprises Limited	Public	2,37,074
<b>Total</b>		<b>1,33,27,589</b>

### (iv) Vigil Mechanism/Whistle Blower Policy

The Vigil Mechanism under Whistle Blower Policy has been approved by the Board of Directors on October 17, 2014. This Whistle Blower Policy of the Company provides opportunities to employees to access in good faith, to the Management, concerns (in certain cases to the Audit Committee) in case they observe unethical or improper practices (not necessarily a violation of law) in the Company and to secure those employees from unfair termination and unfair prejudicial employment practices.

The Whistle Blower Policy has been communicated to all Board Members and Employees of the Company and also posted under Investor Relations (Corporate Governance) link of the Company's web site, [www.sundropbrands.com](http://www.sundropbrands.com) as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 <https://www.sundropbrands.com/pdf/code-of-conduct/Whistle%20Blower%20Policy.pdf>

The Company affirms that it has not denied any personnel access to the Audit Committee of the Company in respect of matters involving alleged misconduct and it will provide protection to "whistle blowers" from unfair termination and other unfair prejudicial employment practices.

(v) There have been no instances where the Board has not accepted any recommendation of any Committee of the Board which is mandatorily required during the financial year.

(vi) The Company and its subsidiaries have paid/payable, on a consolidated basis, the following fees:

a) Sundrop Brands Limited & its subsidiary Sundrop Foods India Private Limited – ₹ 9.35 million to its statutory auditors i.e. M/s B S R and Co (Registration No: 128510W) and all entities in the network firm/network entity, for all the services performed during the year.

**Note:** This excludes the amount disclosed in point (b) below.

b) Del Monte Foods Private Limited and Del Monte Foods India (North) Private Limited - ₹ 1.16 million to its statutory auditors i.e. M/s BSR & Co. LLP (Registration no.: 101248W/W-100022) and all entities in the network firm/network entity, for all the services performed during the year

**Note:** This excludes the amount disclosed in point (a) above.

(vii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

a. Number of complaints filed during the financial year - Nil

b. Number of complaints disposed off during the financial year - NA

c. Number of complaints pending as on end of the financial year – Nil

### (viii) Disclosure of Accounting Treatment

The Company has complied with the appropriate accounting policies and has ensured that they have been applied consistently. There have been no deviations from the treatment prescribed in the Accounting Standards. The Management reviews the accounting treatments adopted and wherever deviations noted, will be presented in the Financial Statements. A detailed report on material accounting policies is provided elsewhere in the Annual Report.

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **(ix) Disclosure on Website**

Following information has been disseminated on the website of the Company at [www.sundropbrands.com](http://www.sundropbrands.com)

1. Details of Business of the Company
2. Terms and Conditions of appointment of Independent Directors
3. Composition of various Committees of Board of Directors
4. Code of Conduct for Board of Directors and Senior Management Personnel
5. Details of establishment of Vigil Mechanism/Whistle Blower Policy
6. Criteria of making payments to Non-Executive Directors
7. Policy on dealing with Related Party Transactions
8. Policy for determining 'material subsidiaries'
9. Details of familiarization programmes imparted to Independent Directors
10. Policy for determination of materiality of events
11. Contact information of the Compliance Officer/ Nodal Officer of the Company who are responsible for assisting and handling investor grievances
12. Financial information including:
  - (i) Notice of meeting of the board of directors where financial results were discussed;
  - (ii) Financial results, on conclusion of the meeting of the board of directors where the financial results were approved;
  - (iii) Complete copy of the annual report including balance sheet, statement of profit and loss, directors report, corporate governance report, Business Responsibility & Sustainability Report etc;
13. Shareholding pattern
14. Schedule of analyst or institutional investor meet and presentations made by the Company. Audio recordings and transcripts of the analyst calls.
15. Newspaper Publications Copies for items specified in Regulation 47(1) of LODR Regulations
16. Credit ratings obtained by the Company
17. Financial Statements of its subsidiaries
18. Dividend Distribution Policy
19. Secretarial Compliance Report
20. Annual Return.

### **(x) Management**

- (i) The Management Discussion and Analysis Report as part of Directors' Report to the shareholders is provided elsewhere in the Annual Report.
- (ii) For the year ended March 31, 2025, your Company's Board has obtained Senior Management affirmations that there has been no material, financial and commercial transactions where they have personal interest that may have a potential conflict with the interests of the Company at large.

### **(xi) Shareholders Information**

The quarterly results are sent to the stock exchange on which the Company is listed and also displays the same on its web-site [www.sundropbrands.com](http://www.sundropbrands.com).

### **(xii) Prohibition of Insider Trading**

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company has adopted a Policy for prohibition of Insider Trading for Directors and specified employees and designated persons. The Policy provides for periodic disclosures and pre-clearance for dealing in Company's shares and prohibits such transaction by the Directors and specified employees while in possession of unpublished price sensitive information (UPSI) in relation to the Company and during the period when the Trading Window is closed. The Company has also formulated a policy on inquiry in case of leak of UPSI. The Company is also maintaining a Structured Digital Database as required under SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended.



## **Sundrop Brands Limited**

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### **(xiii) Share Transfer Committee**

The present Members of the Committee are Company Secretary and Compliance Officer of the Company, and the General Manager of M/s. KFin Technologies Limited the Registrars and Share Transfer Agents. There were no physical share transfer request received during the financial year 2024-25.

### **(xiv) Legal Proceedings**

There are some pending cases relating to disputes over title to shares, in which the Company has been made a party. These cases are however not material in nature.

### **(xv) Code of Conduct**

Code of Conduct approved by the Board of Directors has been communicated to all Board Members and Employees of the Company and also posted on Corporate Governance link of the Company's web site, [www.sundropbrands.com](http://www.sundropbrands.com). As required under Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

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### **Certificate of Compliance with the Code of Conduct for Board Members and Senior Management Personnel**

To  
The Members of  
Sundrop Brands Limited  
(Formerly known as Agro Tech Foods Limited)

I, Nitish Bajaj, Group Managing Director of the Company, hereby certify that the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2025.

For **Sundrop Brands Limited**  
(Formerly known as Agro Tech Foods Limited)

Place: Gurugram  
Date : May 19, 2025

**Nitish Bajaj**  
Group Managing Director

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### **(xvi) CEO/ CFO CERTIFICATION**

The CEO (Executive Director) and CFO certification for the year ended March 31, 2025 has been annexed at the end of this Report. Similarly, the CEO and CFO have also given quarterly certification on financial results while placing the quarterly financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

(xvii) Certificate as required under Part C of Schedule V of the Listing Regulations, received from Mr. B V Saravana Kumar, Partner of M/s Tumuluru & Company, Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed and/or continuing as Directors of the Company by the SEBI/MCA or any such statutory authority, was placed before the Board of Directors at their meeting held on May 19, 2025 and is set out as an Annexure to the end of this Report.

### **(xviii) DETAILS OF AGREEMENTS PURSUANT TO REGULATION 30A OF SEBI REGULATIONS AND DISCLOSED UNDER CLAUSE 5A OF PARAGRAPH A OF PART A OF SCHEDULE III OF SEBI REGULATIONS:**

- a. Conagra Brands Inc., Agro Tech Foods Limited ("Company") and Mr. Sachin Gopal, have entered into the separation agreement ("Separation Agreement") dated April 24, 2024 to govern certain terms in relation to obligations being undertaken by Mr. Sachin Gopal to not disparage the Company and certain other parties, mutual release, etc. Mr. Sachin Gopal has agreed not to directly or indirectly, disparage or take any action which could adversely affect or be reasonably expected to adversely affect the reputation of Conagra Brands, Inc., the Company, or the transaction entered into between Conagra (through its subsidiaries) announced on February 29, 2024 for which an open offer has been made to the shareholders of the Company and any parties directly or indirectly related thereto and their respective directors, officers, and employees. Further, it acknowledged that nothing in the Separation Agreement limits or prohibits Mr. Sachin Gopal from participating in any processes of law. Additionally, it provided mutual waivers. The consideration payable to Mr. Sachin Gopal under the Separation Agreement was ₹ 1,55,00,000/- which was paid to him on April 25, 2024. Additionally, Conagra Brands, Inc. reimbursed the Company with an equivalent amount of money.
- b. Conagra Brands Inc. and Agro Tech Foods Limited ("Company") have entered into the Retention agreement dated May 2, 2024 to pay Retention Bonus to certain employees of the Company upon change of control of the Company to commemorate their contribution and support to the Company. The Company shall pay one-time Retention Bonus to the tune of ₹ 11,26,40,625/- to certain Employees of the Company who were on payrolls

## Sundrop Brands Limited

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of the Company as on March 31, 2024 ("Specified Employees") to seek their continuous support to the Company. This Retention Bonus was paid by the Company, on behalf of Conagra, to Specified Employees who continued to remain on the payroll of the Company as on the date of Change of control of Company. Conagra Brands, Inc. reimbursed the Company with an equivalent amount of money.

### (xix) DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY; INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES

The Company has acquired 100% of the issued and outstanding equity shares of Del Monte Foods Private Limited (hereinafter referred to as "DMFPL") on 06th February 2025. In consideration for the acquisition of DMFPL and to give effect to the share swap arrangement dated November 14, 2024 entered with the selling shareholders of DMFPL as set-out below (i.e. consideration other than cash) and as per the Board and Shareholders approval dated November 14, 2024 and December 11, 2024 respectively, the Company has issued 1,33,27,589 equity shares at an Issue price / offer price of ₹ 975.5/- (Face value Price ₹ 10/- and Securities Premium ₹ 965.5/-) on a preferential allotment basis as follows to the selling shareholders of DMFPL by way of a preferential allotment. Pursuant to this acquisition, DMFPL has become a material and wholly owned unlisted subsidiary of the Company.

Name of the Selling Shareholder	Category	Number of Equity Shares Allotted
DMPL India Limited	Public	54,25,096
Bharti (SBM) Holdings Private Limited	Public	30,66,167
Bharti (RBM) Holdings Private Limited	Public	19,16,355
Bharti (RM) Holdings Private Limited	Public	19,16,355
Bharti (Satya) Trustees Private Limited (on behalf of Bharti (Satya) Family Trust)	Public	7,66,542
Bharti Enterprises Limited	Public	2,37,074
<b>Total</b>		<b>1,33,27,589</b>

Del Monte Foods Private Limited is incorporated on September 06, 2004, and situated at Gurgaon, Haryana, India. It's product line-up, including the Italian range, sauces, ketchup, dips and spreads, and beverages, complements the Company's product portfolio with focus on high-quality, innovative food solutions. This strategic transaction is expected to further enhance the Company's presence across retail and food services sectors, expanding its reach to traditional retail, modern retail, quick-service restaurants and food services customers.

#### Details of Statutory Auditors of Del Monte Foods Private Limited:

- Name of the Statutory Auditors: M/s BSR & Co. LLP (Registration no.: 101248W/W-100022)
- Date of Appointment: 30th May, 2024

### 14. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

Discretionary requirements under Part E of Schedule II of the Listing Regulations are as under:

#### i) Chairman of the Board

The Company has not appointed any regular chairperson of the Board. On August 28, 2024, when the change of control of the Company happened, the Board of Directors have decided not to appoint any regular/fixed Chairperson of the Board. The Board has decided to elect and appoint any of the Independent Directors present, by rotation one after another, as the Chairperson for the respective Board Meeting at the start of the meeting and the appointment will be valid as the Chairperson till the conclusion of that respective Board meeting only. Hence, the Company does not have a chairperson in-between the Board meetings.

#### ii) Shareholder rights

The quarterly, half-yearly and annual financial results of the Company are published in newspapers on an all India basis and are also posted on the Company's website, [www.sundropbrands.com](http://www.sundropbrands.com). Significant events if any are also posted on this website under the 'Investor relations' section.

#### iii) Separate posts of Chairman and Chief Executive Officer

The Chairman of the Company and the CEO are both different persons appointed in the Company to carry out individual responsibilities.

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **iv) Reporting of Internal Auditor**

M/s. Grant Thornton Bharat LLP, the Internal Auditor for FY 24-25 reported directly to the Audit Committee based on the inputs provided by the Management on their observations on a quarterly basis.

The Company has complied, to the extent applicable to it, and unless otherwise stated, with all the corporate governance requirements specified in Regulation 17 to 27 and Regulation 46(2) of the Listing Regulations as amended, covering the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Vigil Mechanism, Related Party Transactions, obligations with respect to the Directors, Independent Directors and senior management, other Corporate Governance requirements and disclosures on the website of the Company.

### **15. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

As required under Regulation 34(3) read with Part E Schedule V of the Listing Regulations, the statutory auditor's certificate that the Company has complied with the conditions of corporate governance is given as an annexure to the Boards' Report.

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification**

In compliance with Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We, Asheesh Kumar Sharma, Executive Director & CEO and KPN Srinivas, Chief Financial Officer of Sundrop Brands Limited (formerly known as Agro Tech Foods Limited), to the best of our knowledge and belief certify to the Board that :

- a. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2025 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;
- d. We have indicated to the auditors and the Audit Committee :
  - i) Significant changes in internal control over financial reporting during the year ended March 31, 2025;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For **Sundrop Brands Limited**  
(formerly known as Agro Tech Foods Limited)

**Asheesh Kumar Sharma**  
Executive Director & CEO

For **Sundrop Brands Limited**  
(formerly known as Agro Tech Foods Limited)

**KPN Srinivas**  
Chief Financial Officer

Place : Gurugram

Date : 19th May, 2025

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
The Members of  
**Sundrop Brands Limited**  
*(Formerly known as Agro Tech Foods Limited)*  
31, Sarojini Devi Road, Secunderabad – 500 003

I, B V Saravana Kumar, Company Secretary in Practice, Partner of M/S. Tumuluru & Company, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sundrop Brands Limited (Formerly known as Agro Tech Foods Limited) having CIN L15142TG1986PLC006957 and having registered office at 31, Sarojini Devi Road, Secunderabad – 500 003, Telangana India (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	DIN	Name of the Director	Designation	Date of appointment
1.	10619014	Mr. Rajesh Jain	Non-Executive Independent Director	17-07-2024
2.	03265301	Mr. Satish Premanand Rao	Non-Executive Independent Director	17-07-2024
3.	07144694	Ms. Richa Arora	Non-Executive Independent Director	17-07-2024
4.	02099404	Dr. Om Prakash Manchanda	Non-Executive Independent Director	15-11-2024
5.	00110827	Mr. Karamendra Daulet Singh	Non-Executive Independent Director	06-02-2025
6.	07575784	Mr. Harjeet Singh Kohli	Non-Executive Non-Independent Director	06-02-2025
7.	01761512	Mr. Harsha Raghavan	Non-Executive Non-Independent Director	28-08-2024
8.	06442038	Mr. Manish Mehta	Non-Executive Non-Independent Director	28-08-2024
9.	10602319	Mr. Asheesh Kumar Sharma	Whole-Time Director & CEO	25-04-2024
10.	10835891	Mr. Nitish Bajaj	Group Managing Director	25-11-2024

For **Tumuluru & Company**  
Company Secretaries  
Firm Regn. No. P1988AP052200

**B V Saravana Kumar**  
Partner  
ACS NO. 26944  
C. P. No. 11727  
UDIN: A026944G000371981  
Peer Review Certificate: 1159/2021

Place : Hyderabad  
Date : 19th May, 2025



## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,

**The Members of**

**Sundrop Brands Limited** *(Formerly known as Agro Tech Foods Limited)*

1. This certificate is issued in accordance with the terms of our engagement letter dated October 15, 2024.
2. We have examined the compliance of conditions of Corporate Governance by Sundrop Brands Limited (formerly known as Agro Tech Foods Limited) ("the Company"), for the year ended March 31, 2025, as stipulated in regulation 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

#### **Management's Responsibility**

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

#### **Auditor's Responsibility**

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2025.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Performs Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagement.

#### **Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

#### **Restriction on Use**

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirements of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For B S R and Co**

*Chartered Accountants*

Firm's Registration No.: 128510W

**Arpan Jain**

Partner

Membership No.: 125710

UDIN: 25125710BMOXWV5543

Date : 19 May 2025

Place : Gurugram

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING - FY 2024-25

#### SECTION A: GENERAL DISCLOSURES

##### I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity - L15142TG1986PLC006957
2. Name of the Listed Entity - Sundrop Brands Limited (formerly known as Agro Tech Foods Ltd.)
3. Year of Incorporation - 1986
4. Registered Office address - 31, Sarojini Devi Road, Secunderabad-500003, Telangana
5. Corporate Office address - 15th Floor, Tower 'C', Building # 10, Phase II, DLF Cyber City, Gurgaon-122002
6. E-mail - [InvestorRedressal@sundropbrands.com](mailto:InvestorRedressal@sundropbrands.com)
7. Telephone - 91-40-66650240
8. Website - [www.sundropbrands.com](http://www.sundropbrands.com)
9. Financial year for which reporting is being done - April 1, 2024 to March 31, 2025
10. Name of the Stock Exchange(s) where shares are listed - BSE Limited and National Stock Exchange of India Limited
11. Paid-up Capital - ₹ 376,968,530/-
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRS Report -  
Ms. Jyoti Chawla-Company Secretary  
Telephone: 91-124-4593700  
E-mail: [InvestorRedressal@sundropbrands.com](mailto:InvestorRedressal@sundropbrands.com)
13. Reporting boundary - Disclosures made in this report are on a standalone basis.
14. Name of Assurance Provider - Not Applicable
15. Type of Assurance Obtained - Not Applicable

##### II. Products/services

###### 16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1	FMCG (Fast moving consumer goods)	Sundrop Brands Limited (formerly known as Agro Tech Foods Ltd.) ("Sundrop Brands") is engaged in the foods business which includes (i) manufacturing and sales of processed foods like Ready to Cook Snacks, Ready to Eat Snacks, Spreads and Breakfast Cereals (ii) manufacturing and sales of Edible Oils etc.	100%

###### 17. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of total Turnover Contributed
1	Edible Oil	10402	39
2	Other-Processed food products	10799	61

##### III. Operations

###### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6	4	10
International	1	1	2

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### 19. Markets served by the entity:

#### a. Number of locations

Locations	Number
National (No. of States)	28 (Pan-India)
International (No. of Countries)	4 (Bangladesh, Bhutan, Sri Lanka, Nepal)

#### b. What is the contribution of exports as a percentage of total turnover of the entity?

The contribution of exports is 0.27% of total turnover of the entity.

#### c. A brief on types of customers : Sundrop Brands operates in 5 key consumer product categories like Ready to Cook, Ready to Eat, Spreads, Breakfast Cereals and Edible Oils. Sundrop Brands has a large distribution network and supplier-base to a wide range of customers approx 1170 distributors who supply to approx. 4,93,000 retailers, modern trade customers, e-commerce customers, canteen stores department and canteens which service paramilitary personnel.

## IV. Employees

### 20. Details as at the end of Financial Year 2024-25

#### a. Employees and workers (Including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	423	398	94.09%	25	5.91%
2.	Other than Permanent (E)	622	530	85.21%	92	14.79%
3.	Total employees (D + E)	1045	928	88.80%	117	11.20%
WORKERS						
4.	Permanent (F)	144	143	99.31%	1	0.69%
5.	Other than Permanent (G)	291	233	80.07%	58	19.93%
6.	Total workers (F + G)	435	376	86.24%	59	13.56%

**Note** : Definition of employee clustering is as under:

- Permanent Employees include Management, Non-Management employees
- Other than Permanent Employees include Service Provider Personnel (SPP), Fixed Term Contract (FTC), (Management/Non-management)
- Permanent Workers include only Workers
- Other than Permanent Workers include SPP, FTC (Worker)
- Apprentices not included in the Workforce

#### b. Differently Abled Employees

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D+E)	0	0	0%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	0	0	0%	0	0%
6.	Total differently abled workers (F+G)	0	0	0%	0	0%

### 21. Participation/inclusion/representation of women

Particulars	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors*	10	1	10.00%
Key Management Personnel**	4	1	25.00%

\* Board of Directors includes Group Managing Director and Executive Directors & CEO.

\*\* Comprising Group Managing Director, Executive Director & CEO, Chief Financial Officer and Company Secretary.

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### 22. Turnover rate for permanent employees

	FY 25			FY 24			FY 23		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	19.85%	1.18%	21.03%	29.45%	1.97%	31.42%	22.75%	0.75%	23.50%
Permanent Workers	6.94%	0%	6.94%	15.06%	0.65%	15.71%	7.80%	0%	7.80%

### V. Holding, subsidiary and associate companies (Including joint venture)

#### 23.

##### a. Name of the holding / subsidiary / associate companies / joint ventures (A)–

S.No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility Initiatives of the listed entity? (Yes/No)
1.	Cag Tech (Mauritius) Limited	Holding	NA	No
2.	Del Monte Foods Pvt Ltd.	Wholly owned Subsidiary	100	No
3.	Sundrop Foods India Private Limited	Wholly owned Subsidiary	100	No
4.	Agro Tech Foods (Bangladesh) Pvt. Ltd	Foreign Subsidiary	99.99	No
5.	Sundrop Foods Lanka (Private) Limited	Foreign Subsidiary	100	No
6.	Del Monte Foods India (North) Pvt. Ltd.	Step-down Subsidiary	NA	No

### VI. Corporate Social Responsibility (CSR) details

#### 24.

##### i. Whether CSR is applicable as per Section 135 of Companies Act, 2013:

Yes, CSR is applicable as per Section 135 of Companies Act, 2013.

##### ii. Turnover : ₹ 7,929.51 million for FY 2024-25

##### iii. Net worth : ₹ 14,374.20 million for FY 2024-25

### VII. Transparency and Disclosures Compliances

#### 25. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redressal policy)	(If Yes, then provide web- link for grievance redress policy)	FY 25			FY 24		
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	<a href="https://www.sundropbrands.com/contact-us.aspx">https://www.sundropbrands.com/contact-us.aspx</a>	0	0	None	0	0	None
Investors (Other than shareholders)	Yes	<a href="https://www.sundropbrands.com/grievance-redressal.aspx">https://www.sundropbrands.com/grievance-redressal.aspx</a>	0	0	None	0	0	None
Shareholders	Yes	<a href="https://www.sundropbrands.com/grievance-redressal.aspx">https://www.sundropbrands.com/grievance-redressal.aspx</a>	389	0	None	470	0	None
Employees and Workers	Yes	<a href="https://www.sundropbrands.com/code-of-conduct.aspx">https://www.sundropbrands.com/code-of-conduct.aspx</a>	0	0	None	0	0	None
Customers	Yes	<a href="https://www.sundropbrands.com/contact-us.aspx">https://www.sundropbrands.com/contact-us.aspx</a>	0	0	None	0	0	None
Value Chain Partners	Yes	<a href="https://www.sundropbrands.com/contact-us.aspx">https://www.sundropbrands.com/contact-us.aspx</a>	0	0	None	0	0	None

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### 26. Overview of the entity's material responsible business conduct issues:

The Company identifies the following material responsible business conduct and sustainability issues pertaining to environmental and social matters :

Sl. No.	Material Issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	Approach to adapt or mitigate	Positive/ Negative Implications
1.	GHG Emissions	Risk	Reducing greenhouse gas (GHG) emissions is a vital component of a larger sustainability plan to mitigate the impact of climate change. Steadily increasing revenues of the Foods business driven by Volume Growth means that manufacturing capacities will be continually expanded with resultant impact on GHG emissions.	We have started the process of measuring GHG emissions and in the process of implementing ways to enable reduction. We are in the process of evaluating new ways and technologies available to address GHG emissions.	Negative - <ul style="list-style-type: none"> <li>to set up improved and efficient systems and processes to reduce GHG Emissions.</li> <li>Increased Operational costs in the short term.</li> <li>Regulatory Implications</li> </ul>
2.	Waste Management	Opportunity	Waste management infrastructure has an important role in delivering sustainable development. Sundrop Brands has a robust collection and recycling process already in place with an intent to reduce plastic consumption. We also practice collection and disposal of waste edible oil and food in a safe manner.	Plastic waste is being disposed of through PCB approved recycling vendor. We monitor all waste in our manufacturing units and the waste is within permissible limits as laid down by the regulators.	Positive - <ul style="list-style-type: none"> <li>The plastic waste generated is collected back and recycled safely.</li> <li>Sundrop Brands's efforts are directed towards low waste generation in the operations.</li> </ul>
3.	Water Management	Risk	Being a Food Company, Sundrop Brands uses agricultural products as raw material in most of its finished products. The production of corn, peanuts, sunflower seeds etc. is a water-intensive process. Water being a finite resource, this poses a risk to the operations of our business.	We are supporting various initiatives towards water management & harvesting. Rainwater harvesting is being practiced at all manufacturing locations. We are also practicing reduction in raw water usage in manufacturing.	Neutral- <ul style="list-style-type: none"> <li>We are putting efforts to ensure efficient water management at our plants.</li> <li>No financial implication is foreseen in the near future.</li> </ul>
4.	Energy Management	Opportunity	Energy management reduces costs while reducing the risk of energy scarcity. Effective energy management reduces the GHGs emissions and protects the environment.	We measure the facility's current energy consumption and identify opportunities to decrease energy consumption. Processes and Systems are in place to ensure maximum energy efficiency, and this will be continuously improved. Sundrop Brands's Energy efficiency initiatives include implementation of energy efficient lighting fixtures, retrofitting high efficiency motors and installation of variable frequency drives at all manufacturing units. We are also evaluating renewable sources of energy on an ongoing basis.	Positive - <ul style="list-style-type: none"> <li>Any cost put for improving the energy management system will fetch positive outcomes and reduced cost in the long run.</li> <li>It will bring down GHG emissions.</li> </ul>



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Sl. No.	Material issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	Approach to adapt or mitigate	Positive/ Negative Implications
5.	Employees Health & Safety	Risk	Health and safety (H&S) impact Company's practice as a responsible organization. Effective H&S performance also assists in attracting and retaining quality talent. This can also lead to decreased Productivity.	We have effective health and safety practices deployed in accordance with our policies on health and safety. Several efforts and initiatives have been put in place to ensure employees' health and safety.	Neutral – Any cost put towards Employees' health and safety will yield positive results in the long term.
6.	Human Rights	Risk	Changing regulations around human rights pose a challenge.	We have all the relevant policies to mitigate the challenges of human rights and track any issues related to child labour, forced labour, involuntary labour & sexual harassment. We also maintain harmonious working environment with the workers at our factories and address their concerns through interactions and discussions.	Negative – Any violation can lead to severe reputational risk and financial risk for the organization due to any punitive actions by the regulators/ legal authority.
7.	Labour Practices	Risk	Changing regulations around labour practices pose as a challenge	We have put in substantial efforts to ensure that we comply with all the requirements of labour law and do beyond it as well.	Negative – Workplace incidents related to employee's health and safety can result in litigation and plant shutdown, impact reputation and attract fines from the regulator.
8.	Climate Change	Risk	Disposable plastic in packaging of FMCG products is a major contributor to greenhouse gas emissions and this component needs monitoring, control and reduction. Climate Change can have an adverse impact on our business in the long run.	We have initiated a well-documented process and executed agreement with the certified Vendor(s) to ensure compliance with the Extended Producer Responsibility (EPR) defined under the Plastic Waste Management Rules to ensure collection and disposal of post-consumer Multi-layer and Non-Multilayer plastic packaging waste.	Negative – Increased Cost undertaken to mitigate the impact of climate change.

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Sl. No.	Material issue Identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	Approach to adapt or mitigate	Positive/ Negative Implications
9.	Supply Chain Management	Opportunity	Setting up robust supply chain has helped us in business continuity and growth. Our supply chain has also ensured that we have competitive costs and pass on its benefit to our consumers without any business disruptions.	Our business continuity plan and risk management plan has covered all foreseeable risks in our supply chain with measures already under way to address those.	Positive - Building resilience in our supply chain has helped us fetch long-term results and growth.
10.	Consumer Welfare	Opportunity	To establish ourselves as market leaders in the segment we operate and become the most preferred consumer brand by providing our consumers with products that are healthy and tasty.	We have put in tremendous effort in launching new products which fulfil unmet consumer needs. This has been done through a process of continuous innovation and resultant high-quality products. Sundrop Brands has supplemented the process of innovation with the building of a powerful distribution network across the country.	Positive - • Brand reputation and consumers' loyalty. • Goodwill amongst consumers helps achieve increased product sales.
11.	Regulatory Compliance	Risk	Increases the cost of running a business.	We have defined roles and responsibilities in all the functions and departments of the Company, and they conform to meet all the regulatory compliances under applicable regulations. There are also audit procedures to assess compliance preparedness.	Negative- Increased operational costs with increased cost of compliance.
12.	Raw Material Sourcing	Risk	The raw materials used in the manufacturing of our products are critical and are specific to certain geographies. The environmental risk due to changing climatic conditions, dynamic pricing of commodities, regulatory restrictions for sourcing particular raw material, not finding the responsible suppliers may pose a risk to our raw materials and their availability.	We have put processes in place for alternative sourcing locations, alternate suppliers for substitutes of raw materials to deal with instances of unavailability for any reason.	Negative- In certain areas, we have limited supplier base and the vulnerability of the supply chain to external factors is beyond control. A supply discontinuity or increasing input cost in cases of short supply poses a financial risk.
13.	Innovation	Opportunity	Continued development of new products which address unmet consumer needs.	We have developed a strong R&D team and in-house capabilities to develop new and innovative products.	Positive- Fulfill the unmet consumer needs by providing superior products to the consumer
14.	Business ethics	Risk	Ensure healthy products and govern business with ethics. Regulatory and legal challenges associated with the nature of the business we are in, is seen as a risk.	We have ensured a strong ethical business culture, undertaking measures to have effective risk management such as responsible marketing and distribution of products.	Negative- • Increased operational costs in audit and various checks. • Punitive actions by regulators/legal authority

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### SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

	P 1	P 2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	The policies are noted by the Board of Directors of the Company. Implementation of policy decision is carried out by the management.								
c. Web link of the policies, if available	Policies which are internal to the Company are available on the intranet portal of the Company. Other policies are available on the website of the Company. <a href="https://www.sundropbrands.com/code-of-conduct.aspx">https://www.sundropbrands.com/code-of-conduct.aspx</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/ No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name the national and international codes/ certifications/ labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	-	-	-	-	-	-	-	-

#### 1. Specific commitments, goals and targets set by the entity with defined timelines, if any.

Specific commitments, goals, and targets set by the entity	Sundrop Brands has created short and medium-term plans to address priority areas like sustainable sourcing, energy & water, climate change, plastic waste and circular economy and sustainable livelihoods. This includes key areas such as specific energy consumption items, specific greenhouse gas emissions and specific waste generation.
Performance of the entity against specific commitments, goals, and targets along with reasons in case the same are not met.	To ensure progress against plan, Sundrop Brands management has included the same in individual KRAs (key result areas). Together with robust processes this will ensure regular monitoring of environmental key performance indicator (KPIs), development of an environmental management plan and review of progress on a regular basis to ensure that business is on track with respect to the road map.

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### GOVERNANCE, LEADERSHIP AND OVERSIGHT

#### 2. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)

We bring herewith our Business Responsibility and Sustainability Report (BRSR) in compliance with SEBI's guidelines adhering to the National Guidelines for Responsible Business Conduct (NGRBC) principles. We are committed towards becoming a socially and environmentally responsible organization and have always maintained a very high standard of ethics. It has been our belief that sustainability and growth go hand in hand and an organization's long-term success is determined by how proactively it responds to its environmental, social and governance dimensions. Our corporate governance framework signifies our commitment to integrity and responsibility throughout our value chain.

We are committed to adhering to the highest standards of integrity and ethics. In order to maintain these standards, the Company has adopted the 'Code of Conduct', which lays down the principles and standards in its dealing with all its stakeholders, including employees, customers, suppliers, government and the community. The Company is committed to develop and produce wholesome and safe food products for the consumers. The Environment Management practices of the Company focus on conservation of natural resources and waste management. The Company's environmental commitment is demonstrated through its Guidelines for management of health, safety and environment extended to all our manufacturing units and business associates.

The Company considers human resources as the most valuable asset of the Company and essential for consistent growth of the business. This is reflected well in the Company's approach towards health and safety of employees, "Grow our own Timber" approach and the encouragement of diversity and inclusivity in our workplaces.

#### 3. Details of the highest authority responsible for oversight of the Business Responsibility policy(ies).

At the highest level, the Board of Directors of the Company has the primary role of oversight of the Business Responsibility policy(ies). The CSR Committee of the Board reviews and oversees implementation of the Sustainability Policies of the Company on an annual basis.

The Heads of the various Departments and Corporate Functions are responsible for ensuring implementation of the Sustainability Policies of the Company within their respective Department / Corporate Function and communication of these Policies to the employees.

#### 4. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes / No). If yes, provide details.

Yes, the Board level Corporate Social Responsibility Committee is responsible for decision-making on CSR activities and overseeing Business Responsibility policy(ies).

#### 5. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee								
	P 1	P 2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow-up action	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

#### 6. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

P 1	P 2	P3	P4	P5	P6	P7	P8	P9
No, We periodically conduct a comprehensive internal audit of our policies and evaluate and monitor any gaps found in the implementation of these policies.								

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### SECTION C : PRINCIPLE-WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

#### ESSENTIAL INDICATORS (Mandatory)

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	1	The following topics were covered under the training Program(s): Sustainable sourcing and knowledge on commodity management, commodity markets and other important factors like Nature of commodities, basics of commodity markets behaviour, supply demand matrix, exposure control and risk management.	100%
Key Managerial Personnel (KMP)	2	The following topics were covered under the training Program(s): 1. POSH 2. Awareness/update session on Policy on Gifts, Donations & Whistle Blower	100%
Employees other than Board of Directors or KMPs	2	The following topics were covered under the training Program(s): 1. POSH 2. Awareness/update session on Policy on Gifts, Donations & Whistle Blower	100%
Workers	2	The following topics were covered under the training Program(s): 1. POSH 2. Awareness/update session on Policy on Gifts, Donations & Whistle Blower	100%

2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: The entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	Name of the regulatory/enforcement agencies/judicial institutions	NGRB Principle	Amount (₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NIL				
Settlement					
Compounding Fee					



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Non-Monetary				
	Name of the regulatory/ enforcement agencies/judicial institutions	NGRB Principle	Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment Punishment	Not Applicable			

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company does not have a dedicated anti-corruption or anti-bribery policy. Our operations are governed as per the Code of Conduct (Coc). The document is applicable to all the employees who must abide by the values of the Company. The code compels the employees to be ethical, accountable, and transparent in their day-to-day office work and addresses issues beyond corruption and bribery. The CoC is adopted to set forth the basic standards of ethical behavior, detection & prevention of any wrongdoing. It also lays down additional provisions for the board members as well as Key Management Personnel (KMP) for compliance with the code.

Link - <https://www.sundropbrands.com/code-of-conduct.aspx>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 25	FY 24
Directors	0	0
KMPs	0	0
Employees & Workers	0	0

6. Details of complaints with regard to conflict of interest

	FY 25		FY 24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of directors	0	NA	0	NA
Number of complaints received in relation to issues of conflict of interest of KMPs	0	NA	0	NA

7. Provide details of any corrective action taken or under way on issues related to fines/penalties/ action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

There have been no fines/penalties/action imposed by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

### LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year.

We engage with our value chain partners from time to time. We collaborate with our suppliers for sourcing quality and sustainable raw material. We educate retailers and wholesalers on the various regulatory restrictions on food packaging and labeling, advertising, and promotion. The Company does not have any formal supplier awareness program as of now, though the Company is in process of formally adopting a supplier engagement program which includes the awareness on the principles of BRSR.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the board? (Yes/No) If yes, provide details of the same.

Yes. A Policy on Related Party Transactions (RPTs) and determination of Material RPTs, has been formulated

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and approved by the Board. Details of such policies for dealing with RPT are disseminated on our website at [https://www.sundropbrands.com/pdf/code-of-conduct/policy\\_dealing\\_related\\_party\\_transactions.pdf](https://www.sundropbrands.com/pdf/code-of-conduct/policy_dealing_related_party_transactions.pdf) There were no materially significant related party transactions between Sundrop Brands and the Directors, Promoters, Key Managerial Personnel, and other designated persons which may have a potential conflict with the interest of the Company at large. We have obtained Prior approvals for all the related party transactions from the Audit Committee.

### PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe ESSENTIAL INDICATORS (Mandatory)

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.**

	FY 25	FY 24	Details of improvements in environmental and social impacts
R&D	0%	0%	Not Applicable
Capex	0%	0%	Not Applicable

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

No, the Company does not have a formal procedure for sustainable sourcing. However, the Company has a supply chain process in place which provides guidance on sustainable sourcing. At an all-India level, preference is always given to sourcing from local suppliers, thus reducing the supply chain emission and supporting the local employment.

- b. **If yes, what percentage of inputs were sourced sustainably?**

Not Applicable

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:**

- (a) **Plastics (Including packaging),**
- (b) **E-waste,**
- (c) **Hazardous waste, and**
- (d) **other waste.**

Plastic waste is recycled through Extended Producer Responsibility (EPR) and gets disposed of through certified vendors. In case of other waste which includes food waste, Sundrop Brands engages with authorized vendors to collect and convert the food waste to animal feed and/or some other industrial usage.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, Extended Producer Responsibility (EPR) is applicable to the Company. Sundrop Brands completed 100% EPR compliance as per Central Pollution Control Board (CPCB) compliance of post-consumer plastic waste across India. The waste collection plan is in line with the EPR plan.

	CATEGORY 1 (in MT)	CATEGORY 2 (in MT)	CATEGORY 3 (in MT)
Recycling	439	322	7
EOL (End of Life)	439	752	50

### LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

No. We have not conducted Life Cycle Perspective/Assessments (LCA) for any of our products.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

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3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 25	FY 24
None	0%	0%

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed,:**

We ensure that our packaging materials plastic waste including Multi-Layer Plastic have a safe disposal at the end of life. During the reporting period, we have collected 2009 MT of post-consumer plastic waste across India and recycled and safely disposed as follows:

	FY25 (In MT)			FY24 (In MT)		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	768	1,241	Nil	1,835	Nil

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category Indicate product category. Reclaimed products and their packaging materials as % of total products sold in respective category**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
RIGID PLASTIC	NIL
FLEXI PLASTIC	NIL
MULTILAYER PLASTIC	NIL

**PRINCIPLE3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

### ESSENTIAL INDICATORS (Mandatory)

1. **a. Details of measures for the well-being of employees:-**

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent employees</b>											
Male	398	398	100.00%	398	100.00%	0	0.00%	398	100.00%	0	0.00%
Female	25	25	100.00%	25	100.00%	25	100.00%	0	0.00%	0	0.00%
<b>Total</b>	<b>423</b>	<b>423</b>	<b>100.00%</b>	<b>423</b>	<b>100.00%</b>	<b>25</b>	<b>5.85%</b>	<b>398</b>	<b>94.15%</b>	<b>0</b>	<b>0.00%</b>
<b>Other than Permanent employees</b>											
Male	530	0	0	0	0	0	0	0	0	0	0
Female	92	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>622</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Other than Permanent employees, there are employees that are contracted via a 3rd party and the responsibility related to the information shared above lies with the contractor. Sundrop Brands ensures that the contractors meet the statutory requirements like Provident Fund, Employees' State Insurance (ESI), Workman's Compensation and Welfare Contribution.

- b. Details of measures for the well-being of workers:**

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>Permanent employees</b>											
Male	143	143	100.00%	143	100.00%	0	0.00%	143	100.00%	0	0.00%
Female	1	1	100.00%	1	100.00%	1	100.00%	0	0.00%	0	0.00%
<b>Total</b>	<b>144</b>	<b>144</b>	<b>100.00%</b>	<b>144</b>	<b>100.00%</b>	<b>1</b>	<b>0.69%</b>	<b>143</b>	<b>99.31%</b>	<b>0</b>	<b>0.00%</b>

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Other than Permanent workers											
Male	233	0	0	0	0	0	0	0	0	0	0
Female	58	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>291</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Non-Permanent workers in Sundrop Brands's Plants are contracted via a 3<sup>rd</sup> party and the responsibility related to the information shared above lies with the contractor. Sundrop Brands ensures that the contractors meet the statutory requirements like Provident Fund, Employees' State Insurance (ESI), Workman's Compensation and Welfare Contribution.

### 2. Details of retirement benefits for the current and previous financial year

Benefits	FY 25			FY 24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
Others-Super Annuation	100%	100%	Yes	100%	100%	Yes

### 3. Accessibility of workplaces : Are the premises/offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the Corporate office of Sundrop Brands Limited is accessible to all its employees including persons with disabilities.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. Code of Conduct web link.

The Company does not have a separate equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016. However, the Code of Conduct provides guidance to be fair and act against discrimination. Discrimination on the basis of race, sex, caste, religion, age, disability, national origin, or veteran status or other protected status covered by local, state or central law is an explicit violation of this code. All employees are treated with respect and dignity and opportunities for development and career progression are based on performance, ability and potential consistent with business requirements.

### 5. Return to work and retention rates of permanent employees that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention Rate	Return to work rate	Retention Rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### 6. Is there a mechanism available to receive and redress grievances for the Permanent and Non-permanent employees' categories of employees? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	The Workers do report to the HR/their manager for any grievances through e-mail, in person meeting. Also, the Works Committee is formed to address permanent workers' grievances and it meets monthly once.
Other than Permanent Workers	Non-permanent workers in Sundrop Brands Limited's Plants are contracted via a 3 <sup>rd</sup> party and their grievance redressal mechanism rests with the contractors. However, in case of need, they do also connect with their managers/unit head in the respective plant for their grievances. Sundrop Brands Limited ensures that all norms and regulations while working on plants are met.
Permanent Employees	The employees do report to the HR/their manager for any grievances through e-mail, in person meeting. Also the Company has a whistle-blower policy and policy on workplace harassment in place which provide guidance to raise a complaint in case of any concerns. There are specified people to address the complaints.

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Other than Permanent Employees	Non-permanent employees in Sundrop Brands Limited's offices are contracted via a 3 <sup>rd</sup> party and their grievance redressal mechanism rests with the contractors. However, in case of need, they do also connect with their Managers/Unit Head in the respective office/plant for their grievances. Sundrop Brands Limited ensures that all norms and regulations while working in offices are met.
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### 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 25			FY 24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)
<b>Total Permanent Employees</b>	<b>423</b>	<b>0</b>	<b>0%</b>	<b>411</b>	<b>0</b>	<b>0%</b>
Male	398	0	0%	390	0	0%
Female	25	0	0%	21	0	0%
<b>Total Permanent Workers</b>	<b>144</b>	<b>0</b>	<b>0%</b>	<b>153</b>	<b>0</b>	<b>0%</b>
Male	143	0	0%	152	0	0%
Female	1	0	0%	1	0	0%

### 8. Details of training given to employees and workers-

Category	FY 25					FY 24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	398	398	100%	244	61.31%	390	390	100%	295	75.64%
Female	25	25	100%	6	24.00%	21	21	100%	6	28.57%
<b>Total</b>	<b>423</b>	<b>423</b>	<b>100%</b>	<b>250</b>	<b>59.10%</b>	<b>411</b>	<b>411</b>	<b>100%</b>	<b>301</b>	<b>73.24%</b>
<b>Workers</b>										
Male	143	143	100%	42	29.37%	152	152	100%	35	23.03%
Female	1	1	100%	1	100%	1	1	100%	1	100%
<b>Total</b>	<b>144</b>	<b>144</b>	<b>100%</b>	<b>43</b>	<b>29.86%</b>	<b>153</b>	<b>153</b>	<b>100%</b>	<b>36</b>	<b>23.53%</b>

### 9. Details of performance and career development reviews of employees and workers-

Category	FY 25			FY 24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	398	398	100%	390	390	100%
Female	25	25	100%	21	21	100%
<b>Total</b>	<b>423</b>	<b>423</b>	<b>100%</b>	<b>411</b>	<b>411</b>	<b>100%</b>
<b>Workers</b>						
Male	143	143	100%	152	152	100%
Female	1	1	100%	1	1	100%
<b>Total</b>	<b>144</b>	<b>144</b>	<b>100%</b>	<b>153</b>	<b>153</b>	<b>100%</b>

### 10. Health and safety management system:

#### a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?

Yes, the Company has implemented an occupational health and safety management system. The Company also has a dedicated Safety policy for all the plants. The Company believes that a safe and healthy work environment is a pre-requisite for employee well-being, and the adoption of best practices in occupational health and safety have a direct impact on its overall performance. The Company has one designated Safety Officer at all the plants to ensure the implementation of this system.

The Company aims to remove or reduce the risks to the health, safety and welfare of all workers, contractors and visitors, and anyone else who may be affected by our business operations. Sundrop Brands aims to



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ensure all work activities are done safely. Awareness sessions are conducted on safety related aspects for the employees like Trainings and Safety week celebration.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company has identified the EHS Risk Management framework as one of the integral steps towards building a robust safety management system. This framework entails a set of processes for continual risk identification, assessment and mitigation, with active participation of the workforce in each of its facilities.

Half yearly safety audits are being conducted to assess the work-related Hazards. Safety week celebration and 'spot a hazard' exercises are carried out to encourage workers to identify hazards. HIRA (Hazard Identification and Risk Assessment) is conducted across the factories to identify and eliminate the hazard by the Employees as well as workers. Work Permits, Near Miss reporting system are some other routine processes to identify and report work related hazard.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

Yes, we do have processes for workers to report the work-related hazards and to remove themselves from such risk. The workers can report to the Safety Officer for any work-related hazards and the Safety Officer guides them for the resolution and further action. "spot a hazard" exercise is carried out to encourage workers to identify hazards. Training is being provided to the workers to report the hazard and what to do and not to do to be safe from such risks. We duly undertake subsequent implementation of corrective and preventive actions.

**d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?**

Yes, the employees, permanent workers and their family members have access to non-occupational medical and healthcare services.

**11. Details of safety-related incidents**

Safety Incident/Number	Category	FY 25	FY 24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0.2341	Nil
	Workers		
Total recordable work-related injuries	Employees	1	Nil
	Workers	8	7
No. of fatalities (safety incident)	Employees	Nil	Nil
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers		

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

In line with the Company's work health and safety policy, Sundrop Brands is committed towards the health and safety of the employees and workers. We implement safety guidelines to mitigate safety risks at all times. We ensure employees participating in regular mock drills on fire safety and emergency evacuation. Internal audits are conducted on a periodic basis and detailed reports is submitted for evaluation. Basis the reports and findings, further corrective action is planned and implemented.

Sundrop Brands ensures that all work activities are done safely. Regular training on safety is given to all the employees and workers. We induce a safety culture by motivating and encouraging employees to provide suggestions to improve safety performance. The safety week celebration is also a part of our culture which encourages all employees and workers to work in a safe and healthy environment.

**13. Number of complaints on the following made by employees and workers :-**

	FY 25			FY 24		
	Filed during the year	Pending resolution at the end	Remarks	Filed during the year	Pending resolution at the end	Remarks
Working conditions	0	0	NA	0	0	NA
Health and safety	0	0	NA	0	0	NA

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### 14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

### 15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

The Company has been following standard operating procedures to comply with state/ local level regulations and ensure safety and hygiene protocols, and necessary social distancing is being followed by employees and contractors in the offices and manufacturing plants.

#### LEADERSHIP INDICATORS

### 1. Does the entity extend any life insurance or any compensatory package in the event of death of?

	(Y/N)
Permanent Employees	Yes*
Permanent Workers	Yes*

\* Subject to the terms and conditions of the respective insurance policy(ies).

### 2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

As of now the Company has not taken any formal measures in this regard.

### 3. Provide the number of employees having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment

	Total no. of affected employees		No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 25	FY 24	FY 25	FY 24
Employees	0	0	0	0
Workers	0	0	0	0

### 4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

### 5. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	0%
Working conditions	0%

The Company does not have any formal supplier assessment program as of now, though the Company is in process of adopting a supplier assessment program in subsequent years.

### 6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.

NIL

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### PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

#### ESSENTIAL INDICATOR

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Sundrop Brands believes in a robust relationship with the stakeholders. Any individual or group of individuals or institution that adds value to the business of the Company is identified as a core stakeholder. We recognized both internal stakeholders, which includes employees and leadership team, and external stakeholders, which includes external channels such as regulators, suppliers, investors, and community. The Company reaches out to various groups of identified stakeholders through calls, questionnaire forms and meetings to gauge their views.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half Yearly/Quarterly / Others-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employee	No	Email, Notice Board and Intranet.	Annually, Need Basis and Ongoing.	<ul style="list-style-type: none"> <li>• Learning and development</li> <li>• Well-being</li> <li>• Grievance redressal</li> <li>• Growth opportunities</li> </ul>
Suppliers	No	Email, Website and Vendor Meetings.	Need-basis.	<ul style="list-style-type: none"> <li>• Quality</li> <li>• Local procurement</li> </ul>
Investors & Shareholders	No	Emails, Newspaper, Advertisement, Website and Notice Board.	Quarterly, Annually and Need Basis.	<ul style="list-style-type: none"> <li>• Business performance</li> <li>• Regulatory procedures &amp; compliance</li> <li>• General updates</li> </ul>
Communities	Yes	Community Meetings, Focused Group Discussion and Grievance Redressal.	Regularly and on need basis.	<ul style="list-style-type: none"> <li>• Grievances</li> <li>• Feedback</li> <li>• Development Program</li> <li>• Capacity building</li> </ul>
Government and Regulators	No	Policy Intervention, Advocacy.	Need basis.	<ul style="list-style-type: none"> <li>• Taxation</li> <li>• Promotions</li> <li>• Best practices</li> </ul>

#### LEADERSHIP INDICATORS

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

We maintain a constant and proactive engagement with our key stakeholders that enables us to communicate our strategy and performance. We practice continuous communication and engagement to align expectations. The board is regularly aligned on various developments and their feedback is sought regularly.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

No.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

Nil

### PRINCIPLE 5: Businesses should respect and promote human rights

#### ESSENTIAL INDICATOR (Mandatory)

**1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity**

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Category	FY 25			FY 24		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	423	423	100%	411	411	100%
Other than Permanent	622	0	0%	423	0	0%
<b>Total Employees</b>	<b>1045</b>	<b>423</b>	<b>40.48%</b>	<b>834</b>	<b>411</b>	<b>49.28%</b>
<b>Workers</b>						
Permanent	144	144	100%	153	153	100%
Other than Permanent	291	0	0%	301	0	0%
<b>Total Workers</b>	<b>435</b>	<b>144</b>	<b>33.10%</b>	<b>454</b>	<b>153</b>	<b>33.70%</b>

**Note :** Currently, we have a Policy on Sexual Harassment in place which covers the aspects of human rights. The employees are mandated to abide by this policy. Additionally, extracts of the Factory Act prohibiting child/bonded Labour and minimum wages are displayed in all the factory premises for perusal of all direct/indirect employees. We will enhance the coverage for topics under human rights through training programs.

### 2. Details of minimum wages paid to employees:

Category	FY 25					FY 24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>	<b>423</b>	<b>0</b>	<b>0%</b>	<b>423</b>	<b>100%</b>	<b>411</b>	<b>0</b>	<b>0%</b>	<b>411</b>	<b>100%</b>
Male	398	0	0%	398	100%	390	0	0%	390	100%
Female	25	0	0%	25	100%	21	0	0%	21	100%
<b>Other than Permanent</b>	<b>622</b>	<b>0</b>	<b>0%</b>	<b>622</b>	<b>100%</b>	<b>423</b>	<b>0</b>	<b>0%</b>	<b>423</b>	<b>100%</b>
Male	530	0	0%	530	100%	418	0	0%	418	100%
Female	92	0	0%	92	100%	5	0	0%	5	100%
<b>Workers</b>										
<b>Permanent</b>	<b>144</b>	<b>0</b>	<b>0%</b>	<b>144</b>	<b>100%</b>	<b>153</b>	<b>0</b>	<b>0%</b>	<b>153</b>	<b>100%</b>
Male	143	0	0%	143	100%	152	0	0%	152	100%
Female	1	0	0%	1	100%	1	0	0%	1	100%
<b>Other than Permanent</b>	<b>291</b>	<b>291</b>	<b>100%</b>	<b>0</b>	<b>0%</b>	<b>301</b>	<b>301</b>	<b>100%</b>	<b>0</b>	<b>0%</b>
Male	233	233	100%	0	0%	226	226	100%	0	0%
Female	58	58	100%	0	0%	75	75	100%	0	0%

### 3. Details of remuneration/salary for the financial year ended 31st March 2025 :

	Male		Female	
	Number	Median remuneration/salary/wages of respective category in Rs.	Number	Median remuneration/salary/wages of respective category in Rs.
Board of Directors (BoD)*	8	15,00,000	2	13,00,000
Key Managerial Personnel (other than BoD)#	3	1,83,82,867	1	41,05,773
Employees other than BoD and KMP	395	6,79,180	24	9,55,539
Workers	143	3,04,212	1	3,40,068

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\* Board of Directors include Non-Executive Independent Directors and excludes Non-Executive Non-Independent Director and also Managing director and Executive Director & CEO.

# KMP includes Managing Director, CEO, CFO and Company Secretary.

**4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impact or issues caused or contributed to by the business?**

Yes, the HR department is responsible for addressing human rights issues. We also have a policy on workplace harassment which provides guidance to raise a complaint in case of any concerns.

**5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

The Company has a policy on workplace harassment which provides guidance to raise a complaint in case of any concerns. The respective department Head along with Head of HR are responsible to address the complaints and to redress grievances related to human rights issues. We empower employees to place their concerns pertaining to human rights violations including but not limited to harassment, victimization, bullying and discrimination of any form for a formal investigation and satisfactory resolution of the grievance.

**6. Number of Complaints on the following made by employees and workers:**

	FY 25			FY 24		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	None	0	0	None
Discrimination at workplace	0	0	None	0	0	None
Child labour	0	0	None	0	0	None
Forced labour/Involuntary labour	0	0	None	0	0	None
Wages	0	0	None	0	0	None
Other human rights related issues	0	0	None	0	0	None

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

Our Whistle Blower mechanism empowers the complainant to bring to the attention of his/her immediate supervisor, the Head – Human Resources and the Complaints Committee any concerns related to discrimination and harassment without fear of reprisal or unfair treatment by reporting at designated e-mail or contact details.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, human rights requirements form a part of the Company's agreements and contracts for hiring contractual employees and workers. We ensure the service provider to comply with regulatory requirements and prevent any form of discrimination including child labour, forced labour, payment of minimum wages, as well as adherence to safe working conditions.

**9. Assessments for the year**

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not applicable



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### LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

There have been no significant changes in business processes during the reporting period.

2. Details of the scope and coverage of any human rights due diligence conducted.

Nil

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the corporate office of Sundrop Brands Limited is accessible to persons with disabilities.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	No such assessment has been done
Discrimination at workplace	
Child labour	
Forced labour/Involuntary labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Nil

### PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

#### ESSENTIAL INDICATORS (Mandatory)

1. Details of total energy consumption (in Mega Joules) and energy intensity

Parameter (in Mega Joules)	FY 25	FY 24
Total electricity consumption (A)	3,74,71,826.00	4,32,10,799.00
Total fuel consumption (B)	9,02,28,121.40	12,15,99,002.00
Energy consumption through other sources (C) (Solar Energy)	2,93,357.00	0.00
Total energy consumption (A+B+C)	12,79,93,304.00	16,48,09,801.00
Energy intensity per rupee of turnover (Total energy consumption/ (per rupee of turnover)	0.017	0.021
Energy intensity (optional)		

No independent assurance has been done for data verification.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not applicable

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### 3. Provide details of the following disclosures related to water.

Parameter (in kilolitres)	FY 25	FY 24
(i) Surface water	0	0
(ii) Groundwater	14,267	16,440
(iii) Third party water	28,378	30,530
(iv) Seawater/ desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	42,645	46,970
Total volume of water consumption (in kilolitres)	42,645	46,970
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000561	0.00000618
Water intensity (optional)		

### 4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, one of the manufacturing units of the company at Chittoor has implemented mechanism for Zero Liquid Discharge. The treated wastewater from the effluent treatment plant is utilized for landscaping purposes.

### 5. Please provide details of air emissions (other than GHG emissions) by the entity.

Parameter	Please specify unit	FY 25	FY 24
NOx	The Company is in the process of assessing this data in the subsequent year.		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others - please specify			

### 6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity

Parameter	FY 25	FY 24
Total Scope 1 emissions -Metric tonnes of CO2 equivalent (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	2,969	6,785
Total Scope 2 emissions -Metric tonnes of CO2 equivalent (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	8,847	10,202
Total Scope 1 and Scope 2 emissions (per rupee of turnover) tCO2e	0.000001555	0.000002235
Total Scope 1 and Scope 2 emission intensity (optional)		

### 7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

The Company has undertaken initiatives on clean technology, energy efficiency, and renewable energy. Some of the initiatives are highlighted below:

- i. Reduction on dependency on diesel, furnace oil with a focus to shift to clean fuel.
- ii. Energy efficiency initiatives include- implementing energy efficient lighting fixtures, retrofitting high efficiency motors and installation of variable frequency drives at all manufacturing units.
- iii. Opportunities in the field of renewable energy source are being implemented such as rooftop solar etc.
- iv. Continuous improvement in energy efficiency

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**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 25 (In MT)	FY 24 (In MT)
Plastic waste (A)	2,009	1,690
E-waste (B)	0	0
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	0	0
Other Non-hazardous waste generated (H). Please specify, if any.		
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>2,009</b>	<b>1,690</b>

Parameter	FY 25 (In MT)	FY 24 (In MT)
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste – Plastic Waste</b>		
(i) Recycle	768	1,835
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>768</b>	<b>1,835</b>
<b>Category of waste–E-waste</b>		
(i) Recycle	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (In metric tonnes)</b>		
(i) Incineration	1,241	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
<b>Total</b>	<b>1,241</b>	<b>0</b>

No independent assurance has been done for data verification.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

We strongly emphasize the conservation of natural resources and efficient waste management. Our plastic waste management processes are in line with Plastic Waste Management (PWM) EPR (Extended Producer Responsibility) guidelines under PWM Rule 2016. Every year, the Company collects, processes, and recycles the post-consumer multi-layer and non-multilayer plastic packaging waste as per CPCB guidelines. Our operations do not generate any hazardous waste. The other waste generated by the company is within the permissible limits given by Central Pollution Control Board (CPCB)/ State Pollution Control Board (SPCB).

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

Sundrop Brands does not have any offices or operational sites in the vicinity of any ecologically sensitive area.

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with (Y/N). If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

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11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Sundrop Brands has not done any environmental impact assessment in FY 2024-25					

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules there under (Y/N). If not, provide details of all such non-compliances.

The company is in compliance with all the environmental regulations of the country. There have been no incidents of non-compliance related to the environment in FY 2024-25.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

### LEADERSHIP INDICATOR

1. Provide the following details related to water discharged:

Parameter	FY 25	FY 24
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
· No treatment	13,188.48	13,511.10
· With treatment – (pH - 7-7.5)	8,010.80	9,076.00
(ii) To Groundwater		
· No treatment	3,282.40	4,916.19
· With treatment – (pH - 7-7.5)	890.00	0
(iii) To Seawater		
· No treatment	0	0
· With treatment – (pH - 7-7.5)	1,900.00	2,510.00
(IV) Sent to third parties		
· No treatment	1,740.00	2,750.55
· With treatment – please specify level of treatment		
(v) Others		
· No treatment	6,300.00	6,200.00
· With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	35,311.68	38,963.85

Note: No external assessment has been carried out by the Company.

2. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

The Company is in the process of assessing this data in subsequent years.

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### 3. Please provide details of total Scope 3 emissions & its intensity :

Parameter	Unit	FY 25	FY 24
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	The Company has not done any assessment of this data	
Total Scope 3 emissions per rupee of turnover			
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			

### 4. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not applicable.

### 5. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the Initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
The Company has not taken any such initiative			

### 6. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web-link.

The Risk Management Policy framework encompasses the identification of internal and external risks across various facets of the company, including front-end and back-end operations, R&D, Finance, and IT. It addresses financial, operational, sectoral, sustainability, information, cyber security, disaster recovery, strategic, and other risks, as determined by the Risk Management Committee. This policy aims to minimise adverse impacts on business objectives by outlining procedures for risk quantification, categorisation, mitigation measures, Critical Risk Control and Monitoring, and Business Continuity Planning. The core management team periodically deliberates on Business Continuity Plans, conducting business impact analyses to identify critical functions and resources. Additionally, the company maintains a comprehensive Emergency Preparedness and Response Plan (EPRP) to address accidents, health emergencies, and environmental impacts. The company reviews and revises the emergency preparedness and response procedures on a regular interval. The Company's corporate office is in a LEED Platinum leased premise and the disaster preparedness is a part of the agreement with the lessor.

### 7. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?

There has been no significant adverse impact to the environment, arising from the value chain of the entity. No formal measures have been taken by the Company in this regard.

### 8. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

No such assessment has been done.



## **Sundrop Brands Limited**

(Formerly Known as Agro Tech Foods Limited)

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

### **ESSENTIAL INDICATOR (Mandatory)**

1. a. Number of affiliations with trade and industry chambers/associations.

Three (3)

- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/associations (State/National)
1.	Federation of Indian Chamber of Commerce and Industry	National
2.	Confederation of Indian Industry	National
3.	Indian Vanaspathi Producers Association	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

There have been no instances or cases of anti-competitive conduct on Sundrop Brands in FY 2024-25.

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

### **LEADERSHIP INDICATORS**

1. Details of public policy positions advocated by the entity:

Sundrop Brands does not engage in direct public advocacy.

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**

### **ESSENTIAL INDICATORS (Mandatory)**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)1
The Company does not have any ongoing projects as such.						

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### 3. Describe the mechanisms to receive and redress grievances of the community.

We regularly engage with the communities in which our business operates and prepare processes to address their concerns. We prioritize the requirements and finalize our community initiatives after a thorough understanding of the specific needs of each community through stakeholder engagement and need assessment.

### 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

	FY 25	FY 24
Directly sourced from MSMEs/ small producers	24.0%	25.0%
Sourced directly from within the district and neighboring districts	41.6%	51.0%

## LEADERSHIP INDICATORS

### 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

### 2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

The Company has provided Peanut Butter amounting to ₹ 76860/- to Anganwadis of Valia District, for 300 Children based on the request from the Integrated Child Development Services (ICDS) Gujarat Government. This is in addition to the statutory requirements of spending on CSR pursuant to the Companies Act 2013 and CSR Rules. The Company has transferred the required CSR amount of ₹ 44,46,130/- to the Prime Minister's National Relief Fund in the month of March 2025 which is in line with regulatory requirements.

### 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)

No, the Company does not have any such Policy.

### (b) From which marginalised / vulnerable groups do you procure?

The Company does not procure from suppliers comprising marginalised/ vulnerable groups.

### (c) What percentage of total procurement (by value) does it constitute?

Nil

### 4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (In the current financial year), based on traditional knowledge.

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

### 5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Brief of the Case
Not Applicable		

### 6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefited from CSR projects	% of beneficiaries from vulnerable and marginalised groups
1	Peanut Butter to Anganwadi's Children	The Company has provided Peanut Butter to Anganwadis of Valia District for 300 Children based on the request from the Integrated Child Development Services (ICDS) Gujarat Govt.	100%
2	Prime Minister's National Relief Fund	The Company has transferred the required CSR amount of ₹ 44,46,130/- to the Prime Minister's National Relief Fund in the month of March, 2025 which is in line with regulatory requirements.	Not Applicable

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

#### ESSENTIAL INDICATORS (Mandatory)

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

The Company has a well-defined mechanism for handling consumer grievances. The Company gives a toll-free number along with an email address on its products label as well as on the Company's website through which consumers can raise their complaints or query or feedback. The first response to all consumer grievances is given immediately on receiving the call by having a detailed conversation with the consumer to address his/her concern and timely closure of complaint. For other specific or technical query or information or product issues, estimated turnaround time is given to the consumer and complaints are forwarded to local area representatives for speedy response/closure and replacement to be provided to consumers, if required.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about**

	As a percentage to total turnover
Environmental and Social parameters relevant to the product	0%
Safe and responsible usage	0%
Recycling and/or safe disposal	100%

**3. Number of consumer complaints in respect of the following:**

	FY 25			FY 24		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	None	0	0	None
Advertising	0	0	None	0	0	None
Cyber-security	0	0	None	0	0	None
Restrictive Trade Practices	0	0	None	0	0	None
Unfair Trade Practices	0	0	None	0	0	None

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	Not Applicable
Forced recalls	0	Not Applicable

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the Company has a policy in this regard. Link- <https://www.sundropbrands.com/code-of-conduct.aspx>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

No cases were raised during the reporting year and hence no corrective actions were taken.

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **LEADERSHIP INDICATORS**

- 1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The Company's products packaging is in accordance with Food Safety and Standards Act, 2006 and Rules made thereunder and Legal Metrology Act, 2009 and Rules made thereunder. Our labelling on the products carries information on the product's characteristics including Nutritional information, trade name, list of Ingredients, product usage and handling conditions, batch no, manufacturing or packing date, use by date, MRP, and consumer grievance procedures.

Additionally, we display the information about our products on the Company's website [www.sundropbrands.com/home.aspx](http://www.sundropbrands.com/home.aspx)

- 2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

Our product labelling carry information on the product's characteristics including Nutritional information, handling and storage conditions of the product etc. for safe usage.

- 3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

We do not have any such mechanism.

- 4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, we do display additional product information also wherever required over and above the information required under the applicable laws like products benefits, product characters and recommendations for healthy lifestyle etc. The Company generally does not conduct any survey to assess consumer satisfaction trends but does conduct rigorous consumer testing before launching new products and keeps in mind consumer's feedback and perception.

- 5. Provide the following information relating to data breaches:**

a. Number of instances of data breaches along-with impact- NIL

b. Percentage of data breaches involving personally identifiable information of customers -NIL

There were no instances of data breach observed during the year ended March 31, 2025.

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNDROP BRANDS LIMITED (FORMERLY KNOWN AS AGRO TECH FOODS LIMITED)**

#### **Report on the Audit of the Standalone Financial Statements**

##### **Opinion**

We have audited the standalone financial statements of **Sundrop Brands Limited** (formerly known as Agro Tech Foods Limited) (the "Company"), and its ESOP Trust ("Trust") which comprise the standalone balance sheet as at 31 March 2025, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

##### **Revenue Recognition**

See Note 3(h) and Note 26 to standalone financial statements

##### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.<sup>7</sup>

<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer, which is mainly upon delivery of goods to customer and when there are no longer any unfulfilled obligations. The amount of revenue to be recognized is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns and taxes.</p> <p>We have identified the existence of revenue recognition from sale of goods as a key audit matter because revenue is a key performance indicator for the Company and external stakeholders. Therefore, there is a risk of revenue being overstated on account of recognition before transfer of control particularly due to pressures for achieving the performance targets for the year.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• Comparing the Company's revenue recognition policies with the applicable accounting standards;</li><li>• Evaluating the design and implementation and testing the operating effectiveness of the relevant key internal controls over revenue recognition, including general IT controls and key IT application controls;</li><li>• Performing substantive testing by selecting samples using statistical sampling for revenue transactions recorded during the year. For the samples selected, verifying the underlying documents such as sales invoices and dispatch/ acknowledged delivery receipts/ shipping documents to assess whether criteria for revenue recognition are met;</li></ul>



## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)

	<ul style="list-style-type: none"> <li>• Testing samples of revenue transactions recorded closer to the year end and subsequent to the year end, selected using statistical sampling. For samples selected, we verified the underlying documents such as sales invoices and dispatch/ acknowledged delivery receipts/ shipping documents. Further, we examined the credit notes issued after the year-end to test whether related revenue was recognised in correct financial year;</li> <li>• Comparing revenue with historical trends and for deviations, conducted further enquiries and testing;</li> <li>• Assessing manual journal entries posted to revenue, selected based on specified risk-based criteria to identify unusual items and testing unusual items, if any;</li> <li>• Evaluating the adequacy of disclosures in the standalone financial statements in accordance with the requirements of the applicable accounting standards.</li> </ul>
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#### Recoverability of investments in subsidiaries

See Note 7 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company has investment in subsidiaries aggregating to Rs. 10,788.05 million as at 31 March 2025. The Company accounts for these investments at cost less any provision for impairment loss. Investments in subsidiaries are assessed for impairment when an indicator of impairment exists.</p> <p>As stated in Note 3(c) to the standalone financial statements, if any such indication exists, the Company estimates the recoverable value of such investments which is the higher of the fair value less costs of disposal and its value in use.</p> <p>The identification of impairment event and the determination of impairment charge requires application of significant judgement by the Company. The value in use is determined based on a discounted cash flow model. It involves making certain assumptions and using estimates, in particular, with respect to the projected future cashflows, terminal value, long term growth rate and applicable discounting rates. There is inherent uncertainty and judgment in forecasting and discounting future cash flows.</p> <p>Considering the judgement required for estimating the cash flows, the assumptions used and magnitude of the investments, we have considered recoverability of investments in subsidiaries as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Evaluating the design and implementation and testing the operating effectiveness of key controls in respect of Company's impairment testing process, including approval of forecasts and valuation models;</li> <li>• Assessing the methodology established to identify Cash Generating Units (CGUs) to which such investment belongs is appropriate;</li> <li>• Comparing the projections used in the impairment model with the Board approved forecasts;</li> <li>• Verifying overall mathematical accuracy of calculations;</li> <li>• Challenging the assumptions used by comparing the inputs, in particular those relating to forecasted revenue growth and earnings, weighted average cost of capital, long-term growth rates, terminal value with externally available data, knowledge of the industry and with assistance of valuation specialists;</li> <li>• Performing a retrospective analysis with respect to Company's projections by comparing historical forecasts to actual results;</li> </ul>

## Sundrop Brands Limited

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### INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)

	<ul style="list-style-type: none"> <li>Performing sensitivity analysis to evaluate impact on recoverable amount due to changes in key assumptions like future revenue growth rates, terminal growth rate, and discount rate applied in the valuation;</li> <li>Comparing the carrying value of the Company's investment in subsidiary with current valuation of its investment and assessed the need for any impairment;</li> <li>Evaluating the adequacy of disclosures in the standalone financial statements in accordance with the requirements of the applicable accounting standards.</li> </ul>
<b>Impairment of Cash Generating Units (CGUs) and Identified Property, Plant and Equipment (PPE)</b>	
<b>See Note 4 to standalone financial statements</b>	
The key audit matter	How the matter was addressed in our audit
<p>The net carrying value of CGUs and identified PPE aggregating to INR 1,895.71 millions (post impairment provision) represents 12.20% of the total assets of the Company as at 31 March 2025. As stated in Note 4, during the year, the Company has recorded impairment provision of INR 654.62 millions against certain identified CGUs and impairment provision of INR 705.70 millions against certain identified PPE.</p> <p>As stated in Note 3(c) to the standalone financial statements, if any indication exists, the Company estimates the recoverable amount of the asset which is higher of the asset's fair value less costs of disposal and its value in use. The Company has identified following indicators of impairment:</p> <ul style="list-style-type: none"> <li>Change in business strategy of the Company's business with respect to certain products</li> <li>Overall capacity utilization of certain plants.</li> </ul> <p>The identification of impairment event and the determination of impairment charge requires application of significant judgement by the Company. The value in use is determined based on a discounted cash flow model. It involves making certain assumptions, in particular, with respect to the timing and amount of future cash flows of the asset and using estimates like projected future cashflows, long term growth rate and applicable discounting rates, due to the inherent uncertainty and judgment in forecasting and discounting future cash flows.</p> <p>The recoverable value of certain PPE related to products, business of which is not expected to continue are determined at fair value which is inherently judgmental. Fair value was determined by</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Evaluating the design and implementation and testing the operating effectiveness of key controls in respect of company's impairment testing process, including approval of forecasts and valuation models;</li> <li>Assessing whether the methodology established to identify Cash Generating Units (CGUs) is appropriate;</li> <li>Analyzing the indicators of impairment of PPE and Company's assessment of those indicators;</li> <li>Comparing the projections used in the impairment model with the Board approved forecasts;</li> <li>Verifying overall mathematical accuracy of calculations;</li> <li>Challenging the assumptions used by comparing the inputs in particular those relating to forecast revenue growth and earnings, weighted average cost of capital, long-term growth rates, any by checking for inconsistency with the commercial strategy associated with the products, comparing the inputs with externally available data, knowledge of the industry with assistance of valuation specialist;</li> <li>Challenging the methodology and approach followed to determine the fair value of identified PPE with the assistance of firm's valuation specialist;</li> </ul>

## Sundrop Brands Limited

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### INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)

<p>the Company with the assistance of an external valuation expert using market value.</p> <p>Due to the significance of the value of CGUs and identified PPE and the possible indicators of impairment, we have considered this as a key audit matter.</p>	<ul style="list-style-type: none"> <li>Performing sensitivity analysis to evaluate impact on recoverable amount due to changes in key assumptions like future revenue growth rates, terminal growth rate, and discount rate applied in the valuation;</li> <li>Evaluating adequacy of disclosures in the standalone financial statements in accordance with the requirements of the applicable accounting standards.</li> </ul>
<h4>Other Information</h4>	
<p>The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.</p> <p>Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.</p> <p>In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.</p> <p>When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.</p> <p><b>Management's and Board of Directors'/ Board of Trustees' Responsibilities for the Standalone Financial Statements</b></p> <p>The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Company/ Board of Trustees of the Trust are responsible for maintenance of adequate</p>	<p>accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company/Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.</p> <p>In preparing the standalone financial statements, the respective Management and Board of Directors/ Board of Trustees are responsible for assessing the ability of the Company/Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/ Board of Trustees either intends to liquidate the Company/Trust or to cease operations, or has no realistic alternative but to do so.</p> <p>The respective Board of Directors/ Board of Trustees are responsible for overseeing the financial reporting process of the Company/Trust.</p> <p><b>Auditor's Responsibilities for the Audit of the Standalone Financial Statements</b></p> <p>Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected</p>

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)**

to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the

standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matter**

The standalone financial statements of the Company for the year ended 31 March 2024 were audited by the predecessor auditor who had expressed an unmodified opinion on 24 April 2024.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those



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### **INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)**

books except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31 March 2025 and 01 April 2025 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a. The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements - Refer Note 9, 25 & 36 to the standalone financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - d (i) The management of the Company has

represented to us that, to the best of its knowledge and belief, as disclosed in the Note 56 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity (ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (ii) The management of the Company has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 56 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- f. Based on our examination which included test checks, except for the instances mentioned below, the Company used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective softwares:
  - i. In case of primary accounting software, the feature of recording audit trail (edit log) facility was not enabled at the application layer for one table during



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### **INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)**

the year. Further, the audit trail was not enabled at the database level to log any direct data changes for the period 01 April 2024 to 10 August 2024.

ii. In the absence of an independent service auditor's report in relation to controls at a service organisation for an accounting software used for maintaining payroll masters, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature for the said software was enabled and operated during the year for all relevant transactions recorded in the software.

iii. In the absence of an independent service auditor's report from 01 October 2024 to 31 March 2025 in relation to controls at a service organisation for an accounting software used for maintaining the books of account relating to payroll processing records, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature for the said software was enabled and operated from 01 October 2024 to 31 March 2025 for all relevant transactions recorded in the software.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instances of audit trail feature being tampered with. Additionally, except where audit trail was not enabled in the previous year, the audit trail

has been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/ payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/ payable to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R and Co**

Chartered Accountants

Firm's Registration No.:128510W

**Arpan Jain**

Partner

Membership No.: 125710

ICAI UDIN:25125710BMOXWT6505

Place: Gurugram

Date: 19 May 2025

## **Sundrop Brands Limited**

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### **Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Sundrop Brands Limited (formerly known as Agro Tech Foods Limited) for the year ended 31 March 2025**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, all property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit has been physically verified by the

management during the year. For goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and granted loans to other parties in respect of which the requisite information is as below. The Company has not made any investments in firms, limited liability partnership or any other parties and not granted loans to companies, firms and limited liability partnership.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans as below:

Particulars	Loans (Amount INR Millions)
Aggregate amount during the year	0.03
Others (loans to employees)	
Balance outstanding as at balance sheet date	0.65
Others (loans to employees)	

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)**

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the Company has not provided any guarantee or security or granted advances in the nature of loans during the year. The investments made and the terms and conditions of the grant of loans provided during the year are not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii)(a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-Tax, Entry Tax, Value Added Tax, Duty of Excise and Customs or Cess or other statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Sundrop Brands Limited (formerly known as Agro Tech Foods Limited) for the year ended 31 March 2025 (Continued)

Name of Statute	Nature of Dues	Amount (INR in millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income-tax	8.78	2016-17	Commissioner of Income-tax appeals
Income Tax Act, 1961	Income-tax	15.98	2017-18	Commissioner of Income-tax appeals
Income Tax Act, 1961	Income-tax	7.40	2019-20	Commissioner of Income-tax appeals
Central Excise Act, 1944	Excise Duty	28.10 (1.00)*	2009-12	Central Excise & Service Tax Appellate Tribunal
Customs Act, 1962	Customs Duty	34.94 (34.94)*	2006-11	Supreme Court
Customs Act, 1962	Customs Duty	11.83 (0.26)*	2019-21	Central Excise & Service Tax Appellate Tribunal
Bihar Sales Tax, 1981	Sales Tax	0.82 (0.21)*	2001-02	Joint Commissioner of Commercial Taxes (Appeals), Patna
Tamil Nadu Sales Tax Act, 1959	Sales Tax	0.26	2002-03	Assistant Commissioner Appeals, Commercial Taxes, Chennai
Delhi Sales Tax Act, 1975	Sales Tax	0.95	2003-04	Additional Commissioner, Commercial Taxes, Delhi
Central Sales Tax, 1956	Central Sales Tax	0.39	2004-05	Additional Commissioner, Commercial Taxes, Delhi
Central Sales Tax 1956	Central Sales Tax	0.36	2009-10	Superintendent of Commercial Taxes, Guwahati
West Bengal Sales Tax Act, 1994	Sales Tax	0.72	2001-02	Sales Tax Appellate Tribunal, Kolkata
Madhya Pradesh Sales Tax Act 1958	Sales Tax	1.85	2010-11	Commissioner Sales Tax, Madhya Pradesh
Uttarakhand Value Added Tax, 2005	Value Added Tax	0.07	2015-16	Appellate Tribunal, Dehradun
Jharkhand Value Added Tax, 2005	Value Added Tax	1.51	2015-18	Commercial Taxes, Officer Ranchi
Bihar Value Added Tax, 2005	Value Added Tax	0.42	2015-16	Joint Commissioner Appeals, Bihar
Rajasthan Tax of entry of goods into Local Area Act 1999	Entry Tax	39.84 (2.00)*	2002-04	Rajasthan High Court
Rajasthan Tax of entry of goods into Local Area Act 1999	Entry Tax	3.46 (1.00)*	2008-09	Tax Board, Ajmer, Appellate Authority, Commercial Taxes, Jaipur
Goods & Services Tax Act, 2017	Goods and Service Tax	17.60 (1.94)*	2017-23	GST - Appellate Tribunal, Hyderabad
Goods & Services Tax Act, 2017	Goods and Service Tax	0.62	2017-18	Commissioner Appeals, Bihar
Goods & Services Tax Act, 2017	Goods and Service Tax	10.98 (1.86)*	2017-22	Commissioner Appeals, Gujarat
Customs Act, 1962	Custom duty	2.65 (1.62)*	2017-18	Commissioner Appeals, Maharashtra
Goods & Services Tax Act, 2017	Goods and Service Tax	1.69	2020-21 and 2024-25	GST Appellate Tribunal, UK
Goods & Services Tax Act, 2017	Goods and Service Tax	0.04	2017-18	Joint Commissioner (Appeals), Jaipur
Goods & Services Tax Act, 2017	Goods and Service Tax	0.05 (0.01)*	2017-19	Additional Commissioner, (Appeals) Bhubaneswar

\* Represents amount paid under protest

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)**

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made a private placement and preferential allotment of its equity shares during the year. In our opinion, the Company has duly complied with the requirements of Section 42 and Section 62 of the Act. The Company has made aforesaid allotment of its equity shares as purchase consideration for the acquisition of equity shares of Del Monte Foods Private Limited. There have been no cash consideration.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with



## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)**

its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi)

(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material

uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in annual report is expected to be made available to us after the date of this auditor's report.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R and Co**

Chartered Accountants

Firm's Registration No.:128510W

**Arpan Jain**

Partner

Membership No.: 125710

ICAI UDIN:25125710BMOXWT6505

Place: Gurugram

Date: 19 May 2025

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **Annexure B to the Independent Auditor's Report on the standalone financial statements of Sundrop Brands Limited (formerly known as Agro Tech Foods Limited) for the year ended 31 March 2025**

#### **Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (I) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of Sundrop Brands Limited (formerly known as Agro Tech Foods Limited) ("the Company") as of 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the

extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS (continued)**

expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are

subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R and Co**

Chartered Accountants

Firm's Registration No.:128510W

**Arpan Jain**

Partner

Membership No.: 125710

ICAI UDIN:25125710BMOXWT6505

Place: Gurugram

Date: 19 May 2025

# Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

CIN: L15142TG1986PLC006957

## STANDALONE BALANCE SHEET AS AT MARCH 31, 2025

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
<b>I Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	1,824.91	2,840.84
Capital work-in-progress	4	11.32	296.62
Right-of-use assets	5	85.82	134.62
Intangible assets	6	137.47	139.26
Financial assets			
(i) Investments	7	10,788.05	228.20
(ii) Other financial assets	8	42.45	35.06
Deferred tax asset	35(d)	180.45	-
Other tax assets (net)		114.52	155.12
Other non-current assets	9	34.99	109.46
<b>Total non-current assets</b>		<b>13,219.98</b>	<b>3,939.18</b>
<b>Current assets</b>			
Inventories	10	1,096.64	1,446.80
Financial assets			
(i) Trade receivables	11	637.27	669.84
(ii) Cash and cash equivalents	12	220.13	85.48
(iii) Bank balances other than (ii) above	13	12.54	11.39
(iv) Other financial assets	14	8.71	32.64
Other current assets	15	343.76	304.69
<b>Total current assets</b>		<b>2,319.05</b>	<b>2,550.84</b>
<b>Total assets</b>		<b>15,539.03</b>	<b>6,490.02</b>
<b>II Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	376.97	243.69
Other equity	17	13,997.23	4,748.07
<b>Total equity</b>		<b>14,374.20</b>	<b>4,991.76</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Lease liabilities	18	41.98	64.42
Provisions	19	19.21	17.22
Deferred tax liabilities (net)	35(d)	-	172.40
<b>Total non-current liabilities</b>		<b>61.19</b>	<b>254.04</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	20	-	335.00
(ii) Lease liabilities	22	22.44	20.60
(iii) Trade payables	21		
- Total outstanding dues of micro enterprises and small enterprises		50.91	83.15
- Total outstanding dues of creditors other than micro enterprises and small enterprises		688.40	601.74
(iv) Other financial liabilities	23	208.22	88.79
Other current liabilities	24	59.99	64.64
Provisions	25	55.74	35.46
Current tax liabilities (net)		17.94	14.84
<b>Total current liabilities</b>		<b>1,103.64</b>	<b>1,244.22</b>
<b>Total equity and liabilities</b>		<b>15,539.03</b>	<b>6,490.02</b>
Summary of material accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements.

As per our Report of even date attached

**For B S R and Co**

Chartered Accountants

ICAI Firm Registration Number: 128510W

**Arpan Jain**

Partner

Membership No.125710

Place: Gurugram

Date: May 19, 2025

**For and on behalf of the Board of Directors of  
Sundrop Brands Limited**

**Nitish Bajaj**

Group Managing Director

DIN 10835891

**K P N Srinivas**

Chief Financial Officer

Place: Gurugram

Date: May 19, 2025

**Asheesh Kumar Sharma**

Executive Director & CEO

DIN 10602319

**Jyoti Chawla**

Company Secretary

**Sundrop Brands Limited***(Formerly Known as Agro Tech Foods Limited)*

CIN: L15142TG1986PLC006957

**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025**

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>I Revenue from operations</b>	26	<b>7,929.51</b>	7,582.33
<b>II Other income</b>	27	<b>18.37</b>	18.48
<b>III Total income (I+II)</b>		<b>7,947.88</b>	7,600.81
<b>IV Expenses</b>			
Cost of materials consumed	28	4,992.71	4,574.14
Purchases of stock-in-trade	29	7.89	34.56
Changes in inventories of finished goods and stock-in-trade	30	9.51	99.35
Employee benefits expense	31	562.43	520.12
Finance costs	32	15.96	28.76
Depreciation and amortisation expense	33	220.56	205.23
Other expenses	34	2,130.52	2,034.62
<b>Total expenses</b>		<b>7,939.58</b>	7,496.78
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>8.30</b>	104.03
<b>VI Exceptional items</b>	39	<b>(1,467.54)</b>	26.81
<b>VII Profit / (Loss) before tax (V+VI)</b>		<b>(1,459.24)</b>	130.84
<b>VIII Tax expense</b>	35 (a)		
Current tax		-	15.34
Deferred tax expenses/(credit)		(352.08)	19.08
<b>Total tax expense/(credit)</b>		<b>(352.08)</b>	34.42
<b>IX Profit / (Loss) for the year (VII-VIII)</b>		<b>(1,107.16)</b>	96.42
<b>X Other comprehensive income / (loss)</b>			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of the net defined benefit plans		(3.07)	(2.60)
(ii) Income-tax relating to above	35 (b)	0.77	0.66
<b>Total Other comprehensive income / (loss)</b>		<b>(2.30)</b>	(1.94)
<b>XI Total comprehensive income / (loss) for the year (IX+X)</b>		<b>(1,109.46)</b>	94.48
<b>Earnings per share (of ₹ 10 each)</b>	41		
Basic (in ₹)		<b>(42.03)</b>	3.98
Diluted (in ₹)		<b>(42.03)</b>	3.98
Summary of material accounting policies	3		

The accompanying notes are an integral part of the standalone financial statements.

As per our Report of even date attached

**For BSR and Co**

Chartered Accountants

ICAI Firm Registration Number: 128510W

**Arpan Jain**

Partner

Membership No.125710

Place: Gurugram

Date: May 19, 2025

**For and on behalf of the Board of Directors of  
Sundrop Brands Limited***(Formerly Known as Agro Tech Foods Limited)***Nitish Bajaj**

Group Managing Director

DIN 10835891

**K P N Srinivas**

Chief Financial Officer

Place: Gurugram

Date: May 19, 2025

**Asheesh Kumar Sharma**

Executive Director &amp; CEO

DIN 10602319

**Jyoti Chawla**

Company Secretary



**Sundrop Brands Limited***(Formerly Known as Agro Tech Foods Limited)*

CIN: L15142TG1986PLC006957

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025**

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. Cash flow from operating activities</b>		
Profit before tax	(1,459.24)	130.84
Adjustments for:		
Depreciation and amortisation expense	220.56	205.23
Loss on sale/ retirement of property, plant and equipment (net)	0.90	1.34
Gain on disposal of investments in mutual funds units	(8.00)	(0.48)
Provision for impairment in value of investment in subsidiary	5.55	-
Interest income	(6.09)	(2.91)
Finance costs	15.97	28.76
Exceptional items (Refer Note 39)	1,415.95	(26.81)
Bad debts written off	33.11	7.66
Reversal of loss allowance	(33.18)	(5.72)
<b>Operating profit before working capital changes</b>	<b>185.53</b>	<b>337.91</b>
<b>Movement in working capital</b>		
<b>Adjustments for (Increase) / decrease in assets</b>		
Trade receivables	32.64	19.36
Inventories	350.15	200.01
Other financial assets	18.04	(23.34)
Other assets	(44.27)	(18.76)
<b>Adjustments for increase / (decrease) in liabilities</b>		
Trade payables and Other financial liabilities	178.38	57.61
Provisions	19.20	(0.91)
Other liabilities	(4.67)	13.03
<b>Cash generated from operations</b>	<b>735.00</b>	<b>584.91</b>
Income taxes (paid) / refund (net)	43.69	26.32
<b>Net cash generated from operating activities (A)</b>	<b>778.69</b>	<b>611.23</b>
<b>B. Cash flows from Investing activities</b>		
Purchase of property, plant and equipment	(211.14)	(368.55)
Proceeds from sale of property, plant and equipment	0.16	1.62
Interest received	4.59	1.68
Purchase of investments in mutual funds	(1,994.00)	(746.00)
Proceeds from sale of investments in mutual funds	2,002.00	746.48
Investment in bank balance	(0.97)	(6.54)
<b>Net cash used in Investing activities (B)</b>	<b>(199.36)</b>	<b>(371.31)</b>

**Sundrop Brands Limited***(Formerly Known as Agro Tech Foods Limited)*

CIN: L15142TG1986PLC006957

**CASH FLOW STATEMENT (Continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>C. Cash flows from financing activities</b>		
Repayment of working capital demand loans (net)	(335.00)	(185.00)
Proceeds from sale of treasury shares (Refer note 17)	-	112.36
Dividend paid	(73.11)	(72.60)
Finance costs (including in relation to lease liabilities)	(15.97)	(28.76)
Repayment of lease liabilities	(20.60)	(15.31)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(444.68)</b>	<b>(189.31)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>134.65</b>	<b>50.61</b>
Cash and cash equivalents at the beginning of the year	85.48	34.87
<b>Cash and cash equivalents at end of the year (Refer Note 12)</b>	<b>220.13</b>	<b>85.48</b>

Notes :

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".
- Reconciliation of liabilities from financing activities

Particulars	As at March 31, 2024	Cash inflow/ (outflow)	Interest Cost	As at March 31, 2025
Borrowings - current	335.00	(344.83)	9.83	-
Lease liabilities (refer note 37)	85.02	(26.73)	6.13	64.42

Particulars	As at March 31, 2023	Cash inflow/ (outflow)	Interest Cost	As at March 31, 2024
Borrowings -current	520.00	(206.19)	21.19	335.00
Lease liabilities (refer note 37)	100.33	(22.88)	7.57	85.02

Summary of material accounting policies (refer note 3).

The accompanying notes are an integral part of the standalone financial statements.

As per our Report of even date attached  
**For B S R and Co**  
Chartered Accountants  
ICAI Firm Registration Number: 128510W

**For and on behalf of the Board of Directors of  
Sundrop Brands Limited**  
(Formerly Known as Agro Tech Foods Limited)

**Arpan Jain**  
Partner  
Membership No.125710

**Nitish Bajaj**  
Group Managing Director  
DIN 10835891

**Asheesh Kumar Sharma**  
Executive Director & CEO  
DIN 10602319

**K P N Srinivas**  
Chief Financial Officer

**Jyoti Chawla**  
Company Secretary

Place: Gurugram  
Date: May 19, 2025

Place: Gurugram  
Date: May 19, 2025

Particulars	As at March 31, 2025	As at March 31, 2024	
Balance as at beginning of the year	243.69	243.69	
Changes in equity share capital due to prior period errors	-	-	
Restated balance at beginning of the year	243.69	243.69	
Changes in equity share capital during the year	133.28	-	
Balance as at end of the year	376.97	243.69	
Particulars	Reserves and surplus		
	General Reserve	Securities premium	Retained earnings
Balance at April 1, 2024	296.04	721.29	3,672.77
Total comprehensive income for the year ended March 31, 2025			
(Loss)/Profit for the year	-	-	(1,107.16)
Other comprehensive income/(loss) , net of tax effect	-	-	(2.30)
Total comprehensive income/(loss) for the year	-	-	(1,109.46)
Transactions with owners of the Company			
Dividends (Refer Note below)	-	-	(73.11)
Issue of equity shares related to business combination (refer note 54)	-	10,432.12	-
Income Tax related to ESOP Trust	-	-	-
Balance as at March 31, 2025	296.04	11,153.41	2,490.20
Balance at April 1, 2023	243.61	721.29	3,650.89
Total comprehensive income for the year ended 31 March 2024			
Profit for the year	-	-	96.42
Other comprehensive income/(loss), net of tax effect	-	-	(1.94)
Total comprehensive income/(loss) for the year	-	-	94.48
Transactions with owners of the Company			
Dividends (Refer Note below)	-	-	(72.60)
Profit on sale of shares transferred by Trust	-	-	-
Sale of treasury shares during the year	-	-	96.89
Exercise of share options	52.43	-	-
Balance as at March 31, 2024	296.04	721.29	3,672.77

Note	Dividend on equity shares paid during the year	2024-25	2023-24
	Final dividend for FY 2023-24 ₹ 3 per equity share of ₹ 10 each		
	(For FY 2022-23 ₹ 3 per equity share of ₹ 10 each )	73.11	72.60
	<b>Total</b>	<b>73.11</b>	<b>72.60</b>
Summary of material accounting policies (refer note 3)			
The accompanying notes are an integral part of the standalone financial statements.			
As per our Report of even date attached			
<div> <div>For B S R and Co</div> <div>Chartered Accountants</div> <div>ICAI Firm Registration Number: 128510W</div> </div>			
<div> <div>Arpan Jain</div> <div>Partner</div> <div>Membership No.125710</div> </div>		<div> <div>Nitish Bajaj</div> <div>Group Managing Director</div> <div>DIN 10835891</div> </div>	
<div> <div>Place: Gurugram</div> <div>Date: May 19, 2025</div> </div>		<div> <div>Asheesh Kumar Sharma</div> <div>Executive Director &amp; CEO</div> <div>DIN 10602319</div> </div>	
		<div> <div>K P N Srinivas</div> <div>Chief Financial Officer</div> <div>Place: Gurugram</div> <div>Date: May 19, 2025</div> </div>	
		<div> <div>Jyoti Chawla</div> <div>Company Secretary</div> </div>	

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in ₹ millions, except share data and where otherwise stated)

## 1 Corporate Information

Sundrop Brands Limited (formerly known as Agro Tech Foods Limited) (the 'Company') is a Company domiciled in India, with its registered office situated at 31, Sarojini Devi Road, Secunderabad, Telangana - 500 003, India. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India. The Company is primarily engaged in the business of manufacturing and trading of edible oils and food products.

## 2 Basis of preparation

### A. Statement of compliance

The standalone financial statements of the Company which comprise the Balance sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of changes in equity ("Standalone Financial Statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the 'Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act. The standalone financial statements have also been prepared in accordance with the relevant presentation requirements of the Act.

### B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest millions, unless otherwise indicated.

### C. Basis of preparation and presentation

These standalone financial statements have been prepared on historical cost convention and on an accrual basis except for the following:

- certain financial instruments that are measured at fair value;
- fair value of plan assets less present value of defined benefit obligation and
- share-based payments liability measured at grant date fair value

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants

at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For changes that have occurred between levels in the hierarchy during the year the Company re-assesses categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### D. Operating Cycle

All assets have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act and Ind AS 1 – Presentation of Financial Statements, based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents. Based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has



## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### **E. Use of estimates and Judgements**

In preparing these standalone financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

##### **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:

- Note 3(e) - whether an agreement contains a lease;

- Note 3 (t) - presentation of exceptional items

##### **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following:

##### **i) Useful lives of Property, plant and equipment (refer note 3(a) and 3(b))**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by Management at the time the asset is acquired and is reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Revision to accounting estimates on such reassessment are recognised in the period in which the estimate is revised if that revision effects only that period or in the period of the revision and future periods if the revision effects both current and future periods.

##### **ii) Provision for employee benefits (refer note 3(l))**

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors. Information about such valuation is provided in the notes to the standalone financial statements.

##### **iii) Impairment of Intangible assets having indefinite useful life and of investments in subsidiaries (refer notes 3(c))**

Intangible assets with indefinite life are tested for impairment on an annual basis and investments in subsidiaries are tested, whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

##### **iv) Claims, provisions and contingent liabilities (refer note 3(k))**

If any ongoing litigations against the Company with various regulatory authorities and third parties, where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.

##### **v) Refund Liability (refer 3(h))**

The Company accepts sales returns as per the policy. Accruals for estimated product returns,

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

#### vi) Measurement of Expected credit loss (ECL) allowance for trade receivables and other financial assets (refer note 3(g))

The Company uses practical expedient when measuring expected credit losses, which is based on a provision matrix that takes into account historical credit loss experience and is adjusted for current estimates.

#### vii) Business combination: Fair value consideration transferred on business acquisition (refer note 54)

### 3. Material accounting policies

#### (a) Property, plant and equipment

##### i. Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Items of property, plant and equipment, are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes (other than those subsequently recoverable from the tax authorities), after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

The cost property, plant and equipment as at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to the carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up (including receivable from insurance companies after the impairment or loss of items of property, plant and equipment due to fire, natural disasters, theft etc.,) are included in profit or loss when the compensation becomes receivable.

##### Capital work-in-progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets.

##### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

##### iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful life of assets estimated by internal assessment and technical valuation carried out wherever necessary, and is recognised in the statement of profit and loss. Depreciation for assets purchased/ sold during the period is proportionately charged.

The range of estimated useful lives of items of property, plant and equipment are as follows:

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Nature of Assets	Useful life as per the Company	Useful life as per Schedule II
<b>Buildings</b>		
Buildings (other than factory buildings) other than RCC frame structure	30 years	30 years
Factory buildings*	30 years to 40 years	30 years
Fences, wells, tube-wells	5 years	5 years
<b>Roads</b>		
Carpeted Roads - RCC	10 years	10 years
<b>Plant and Equipment</b>		
Plant and Machinery other than continuous process plant*	15 years to 20 years	15 years
Furniture and fixtures	10 years	10 years
Office equipment	5 years	5 years
<b>Computers and data processing units servers and networks</b>		
End-user devices such as desktops, laptops etc.*	2 to 5 years	3 years
Servers and networks*	5 years	6 years
Handsets*	2 years	3 years
Laboratory Equipment	10 years	10 years
Electrical installations and equipment	10 years	10 years

\* The Company believes the useful lives as given above best represent the useful life of these assets based on internal assessment and technical evaluation carried out where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Freehold land are not depreciated.

Leasehold improvements are amortised over a period of the lease or useful life of asset whichever is lower. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end. If as a result of this reassessment there is change from previous estimate, such change is accounted for as a change in an accounting estimate and adjusted prospectively, if appropriate.

#### (b) Intangible assets

Intangible assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially for separately acquired assets, at cost comprising of the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the assets for its intended use. The useful life of an intangible asset is considered finite where there is a likelihood of technical and technological obsolescence.

#### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost of the asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

#### Useful life and Amortisation

Amortisation of intangible assets having finite useful lives is recognised on a straight-line basis over the useful lives of the asset from the date of capitalisation as below:

Asset	Useful life
Computer software	5 to 10 years

The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

Indefinite-life intangible assets comprises of trademarks, for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. Intangible assets that have an indefinite useful life are not subjected to amortisation and are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

#### Transition to Ind AS

The cost of Intangible assets as at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to the carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

#### (c) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is

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measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss for an asset/CGU (other than goodwill) is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. An impairment loss recognised for goodwill is not reversed in a subsequent period.

#### (d) Leases

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether, (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the

underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### (e) Inventories

Inventories are valued at the lower of weighted average cost (including direct cost, non recoverable taxes / duties and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value. The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

Raw materials, packing materials and stores and spares are valued at cost computed on moving weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Work-in-progress is valued at input material cost plus conversion cost as applicable.



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Stock-in-trade is valued at the lower of net realisable value and cost (including direct cost and other overheads incurred in bringing the inventories to their present location and condition), computed on a moving weighted average basis.

Finished goods are valued at lower of net realisable value and cost (including direct cost, duties and other overheads incurred in bringing the inventories to their present location and condition).

Goods-in-transit/ with third parties and at godowns are valued at cost which represents the costs incurred up to the stage at which the goods are in transit with third parties and at godowns.

Compensation from third parties for items of inventories that were written off, lost or given up (including receivable from insurance companies after the loss of items of inventories due to fire, natural disasters, theft etc.,) are included in profit or loss when the compensation becomes receivable.

#### (f) Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

#### (g) Financial Instruments

##### i. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition except for trade receivables that do not contain a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

##### ii. Classification and Subsequent measurement

###### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL :

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### Subsequent measurement and gains and losses

###### Financial assets carried at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

###### Financial assets at fair value through other comprehensive income

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.



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#### **Financial assets at fair value through profit or loss**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

#### **Financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Contract liabilities against payment have been considered as other financial liabilities. Any gain or loss on derecognition is also recognised in profit or loss.

### **iii. Derecognition**

#### **Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying

amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

### **iv. Impairment**

The Company recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Company measures loss allowances at an amount equal to lifetime expected credit losses. In case of loss allowance of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Company considers a financial asset to be in default when:

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- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is more than 365 days past due.

#### Measurement of expected credit losses

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

*Presentation of allowance for expected credit losses in the balance sheet*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

*Presentation of allowance for expected credit losses in the balance sheet*

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

#### v. Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

#### (h) Income from operations

##### Revenue from contracts with customers :

Revenue from sale of goods is recognised at the point in time when control of the products being sold is transferred to the customer, which is mainly upon delivery of goods to customers and when there are no longer any unfulfilled obligations.

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for sale of goods, net of returns and trade discounts/allowances/volume rebates to customers. Revenue excludes amounts collected on behalf of third parties, such as goods and services tax (GST). Returns, trade discounts, allowances and rebates are estimated using

judgement based on historical experience and the specific terms of the arrangement with the customers.

For contracts that permit the customer to return an item, revenue is recognised to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data related to sales returns. In these circumstances, a refund liability is recognised. The refund liability is included in other financial liability as the refunds are adjusted against the receivable balance. The Company reviews its estimate of expected returns at each reporting date and updates the amount of the liability accordingly.

#### Contract balances

The Company classifies the right to consideration in exchange for sale of goods as trade receivables, advance consideration as contract liability against payment.

#### Other Income

##### Recognition of dividend income, interest income or expense

Dividend income on investments is recognised when the right to receive dividend is established.

Interest income or expense is recognized using the effective interest rate (EIR) method.

The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of financial asset; or
- the amortised cost of financial liability

#### (I) Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange

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differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### (j) Income-tax

Income-tax comprises current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

##### *I. Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Income tax assets and current tax liabilities are offset only if there is a legally enforceable right to set-off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

##### *II. Deferred tax*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered based on the business plans of the Company. Deferred tax assets and liabilities are

not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income tax levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### (k) Provisions, contingent liabilities and contingent assets

##### *I. General*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

##### *II. Contingent liabilities*

Contingent liabilities are disclosed for (i) possible obligations which will be confirmed only by future

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events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements, but are disclosed where an inflow of economic benefits is probable.

#### **III. Onerous Contracts**

Provision for onerous contracts i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be recognised to settle a present obligation as a result of an obligating event based on the reliable estimate of such an obligation.

#### **(I) Employee benefits**

##### **i. Short-term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

##### **ii. Post-employment benefits**

###### **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by employees.

###### **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense/ (income) on the net defined benefit liability/ (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/ (asset), taking into account any changes in the net defined benefit liability/ (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

##### **III. Other long-term employee benefits**

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 31st March every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-



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accumulating compensated absences is recognised in the period in which the absences occur.

#### iv. Voluntary retirement scheme benefits

Voluntary retirement scheme benefits are recognised as an expense in the year they are incurred.

#### (m) Share-based payments

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting conditions, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. The Company has availed exemption given under Ind AS 101 and has not applied Ind AS 102 to the equity instruments that were vested before the date of transition to Ind AS i.e. April 1, 2016.

#### (n) Cash and cash equivalents

For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash on hand, in banks, demand deposit with bank and other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (o) Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In

computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included.

#### (p) Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Company incurs in connection with the borrowing of funds. Other borrowing costs are recognised using the effective interest rate (EIR) method.

#### (q) Treasury Shares

The Company has created an Employee Welfare Trust – Agro Tech ESOP Trust ('ATET') for implementation of the schemes that are notified or may be notified from time to time by the Company under the plan, providing share based payment to its employees. ATET purchases shares of the Company out of funds borrowed from the Company. The Company treats ATET as its extension and shares held by ATET are treated as treasury shares. Own equity instruments (treasury shares) are recognised at cost and deducted from equity. Profit on sale of treasury shares by ATET is recognised in ATET reserve.

#### (r) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the standalone financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

#### (s) Business Combination

In accordance with Ind AS 103, Business Combination, the Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Company. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is



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recognised in other comprehensive income ("OCI") and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis.

#### **(f) Exceptional items**

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

#### **(u) Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing

standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended 31 March 2025 months ended, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

MCA on May 7, 2025, vide the Companies (Indian Accounting standards) Amendment Rules, 2025 issued amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates in relation to lack of exchangeability of foreign currency which are applicable from 1 April 2025. The Company has reviewed the amendments and based on its evaluation has determined that these amendments will not have any significant impact in its financial statement

**Sundrop Brands Limited**  
(Formerly Known as Agro Tech Foods Limited)

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)**  
**Note 4 - Property, plant and equipment and capital work-in-progress**

(All amounts are in ₹ millions, except share data and where otherwise stated)

Description	Gross carrying amount			Accumulated depreciation and impairment losses					Net carrying amount
	As at April 1, 2024	Additions	Disposals	As at March 31, 2025	As at April 1, 2024	Depreciation for the year	Impairment loss (refer note d below)	Disposals March 31, 2025	As at March 31, 2025
Freehold land	113.57	-	-	113.57	-	-	21.19	-	92.38
Buildings	1,151.31	178.93	-	1,330.24	180.55	30.88	491.98	-	626.83
Roads	44.48	-	-	44.48	35.56	2.69	5.44	-	0.79
Plant and equipment	2,107.90	259.66	2.08	2,365.48	523.09	118.72	705.76	1.31	1,346.26
Laboratory equipment	49.58	6.53	0.01	56.10	25.62	3.69	22.90	0.01	1,019.22
Furniture and fixtures	144.17	5.27	0.29	149.15	83.77	10.79	36.91	0.28	3.90
Office equipment	53.68	11.87	0.61	64.94	40.82	5.97	8.24	0.49	17.96
Electrical installations and equipment	140.07	28.76	0.42	168.41	93.50	10.20	37.64	0.26	10.40
Computer and data processing equipment	69.68	19.56	0.04	89.20	53.14	8.71	3.20	0.03	27.33
Leasehold improvements-Buildings	9.53	-	-	9.53	7.55	0.36	-	7.91	24.18
Leasehold improvements-Electrical equipment	4.13	-	-	4.13	3.98	0.03	-	-	1.62
Leasehold improvements-Furniture and fixtures	8.60	-	-	8.60	8.28	0.14	-	-	0.12
<b>Total</b>	<b>3,896.70</b>	<b>510.58</b>	<b>3.45</b>	<b>4,403.83</b>	<b>1,055.86</b>	<b>192.18</b>	<b>1,333.26</b>	<b>2.38</b>	<b>1,824.91</b>
<b>Add: Capital work-in-progress (Refer Note (c) below)</b>									<b>11.23</b>
<b>Grand Total</b>									<b>1,8236.23</b>

Description	Gross carrying amount			Accumulated depreciation and impairment losses					Net carrying amount
	As at April 1, 2023	Additions	Disposals	As at March 31, 2024	As at April 1, 2023	Depreciation for the year	Impairment loss (refer note d below)	Disposals March 31, 2024	As at March 31, 2024
Freehold land	113.57	-	-	113.57	-	-	-	-	113.57
Buildings	1,084.53	66.83	0.05	1,151.31	151.23	29.33	-	0.01	970.76
Roads	44.48	-	-	44.48	30.96	4.60	-	-	8.92
Plant and equipment	1,859.36	254.00	5.46	2,107.90	425.08	100.93	-	2.92	1,584.81
Laboratory equipment	44.67	5.15	0.24	49.58	22.51	3.33	-	0.22	23.96
Furniture and fixtures	135.14	9.11	0.08	144.17	71.21	12.63	-	0.07	60.40
Office equipment	52.36	1.79	0.47	53.68	35.99	5.17	-	0.34	12.86
Electrical installations and equipment	126.78	13.48	0.19	140.07	81.69	12.00	-	0.19	46.57
Computer and data processing equipment	70.63	3.10	4.05	69.68	48.52	8.45	-	3.83	16.54
Leasehold improvements-Buildings	9.53	-	-	9.53	7.19	0.36	-	-	1.98
Leasehold improvements-Electrical equipment	4.13	-	-	4.13	3.95	0.03	-	-	0.15
Leasehold improvements-Furniture and fixtures	8.60	-	-	8.60	8.14	0.14	-	-	0.32
<b>Total</b>	<b>3,553.78</b>	<b>353.46</b>	<b>10.54</b>	<b>3,896.70</b>	<b>886.47</b>	<b>176.97</b>	<b>-</b>	<b>7.58</b>	<b>2,840.84</b>
<b>Add: Capital work-in-progress (Refer Note (c) below)</b>									<b>296.62</b>
<b>Grand Total</b>									<b>3,137.46</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)**  
**Note 4 - Property, plant and equipment and capital work-in-progress (continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

**Notes :**

- (a) Refer Note 36(i) for disclosure of contractual commitments for acquisitions of property, plant and equipment.  
(b) The Company has not revalued any property, plant and equipment after initial recognition during the year ended March 31, 2025 and March 31, 2024.  
(c) Capital work-in-progress ageing schedule.

Particulars	As at March 31, 2025		As at March 31, 2025						
	As at April 1, 2024	Additions	Capitalisation	As at March 31, 2025	Amount in CWIP for a period of				
					Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	296.62	230.23	515.53	11.32	8.15	1.83	-	1.34	11.32
<b>Total</b>	<b>296.62</b>	<b>230.23</b>	<b>515.53</b>	<b>11.32</b>	<b>8.15</b>	<b>1.83</b>	<b>-</b>	<b>1.34</b>	<b>11.32</b>

Particulars	As at March 31, 2024		As at March 31, 2024						
	As at April 1, 2023	Additions	Capitalisation	As at March 31, 2024					
					Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	260.90	393.14	357.42	296.62	234.66	51.82	8.65	1.49	296.62
Total	260.90	393.14	357.42	296.62	234.66	51.82	8.65	1.49	296.62

There is no capital work-in-progress project whose completion is overdue or exceeded its cost compared to original plan as at March 31, 2025 and as at March 31, 2024.

## Sundrop Brands Limited

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### Note 4 - Property, plant and equipment and capital work-in-progress (continued)

##### (d) Provision for Impairment:

##### i. Provision for Impairment loss in relation to property, plant and equipment relating to products discontinued/ not launched

During the year, the Company undertook strategic review of its business plan and decided not to have focus on business of certain products (French Fries, Wafer and Chocolate) due to their failure and scalability in the market. Consequent to the above, the Company has recognized provision for impairment loss of ₹ 654.62 in respect of the related property, plant and equipments (including buildings of ₹ 227.73) (specified assets).

The recoverable amount of the specified assets is estimated to be ₹ 94.06, which is its recoverable value if sold in the market. The fair value of the specified assets is determined basis consideration of orderly liquidation scenario mainly using depreciated replacement cost method and applying discount to this depreciated replacement cost which the Company may expect to derive on disposal of these assets. Depreciated replacement cost and discount applied to determine recoverable value reflects adjustments for physical deterioration as well as functional, economic obsolescence and interest of buyers in the market to buy these assets.

Provision for the impairment is excess of carrying value over its recoverable value on disposal of the specified assets, which is included in the exceptional item in the statement of profit and loss. Subsequent to year end, the Company has also decided to initiate process to dispose these specified assets (excluding building).

##### ii. Impairment testing for CGUs not containing goodwill

Following the Company's strategic review of its business plan and the consideration of its revised strategy, current economic conditions, and expected capacity utilization, an assessment of asset impairment has been conducted as required by Ind AS 36. Based on this assessment, the Company has recognized impairment losses for the current year, with the necessary disclosures provided below.

a. The Company has six manufacturing plants and the same are identified as independent CGUs as they are capable of generating cash flows independently. There has been no change in the identification of the Cash generating unit compared to the previous financial year.

The Company has not identified any indicators of impairment at the Kashipur and Kothur plants, as they are being utilized optimally and which has been assessed as part of IPC business. Refer Note 7.

The recoverable amount of a CGU (or an individual asset) is value in use arrived based on the discounting of the future cash flows.

Value in use is based on the estimated future cash flows, discounted at Weighted average cost of capital. The Value in use is then compared with net book value of CGU to test for impairment. The net book value of CGU includes Property, plant and equipment, right of use assets and other intangible assets.

b. The Company has performed impairment assessment of identified CGU and the impairment loss/ (headroom) identified as below:

##### CGU 1 - Jhagadia Plant

Company manufactures Chocolate, Peanut butter, Pasta, Sweet corn, Masala oats, Choco spreads etc. at Jhagadia Plant.

Particulars	31-Mar-25
Value in use	530.78
Carrying value	1,046.63
Impairment loss	515.85

##### CGU 2 - Mangaldoi Plant

Company manufactures Bakes, Instant Pop corn (IPC), Breakfast cereals, Ready to Eat Popcorn etc at Mangaldoi Plant.

Particulars	31-Mar-25
Value in use	306.64
Carrying value	243.62
Impairment loss / (Headroom) *	(63.02)

\*The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU at (Managldoi Plant) to be less than the carrying value.

##### CGU 3 - Chittoor Plant

Company manufactures RTE popcorn, Nachos, Bakes etc at Chittoor Plant

Particulars	31-Mar-25
Value in use	110.24
Carrying value	236.88
Impairment loss	126.64

## Sundrop Brands Limited

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### CGU 4 - Unnao Plant

Company manufactures RTE Pop corn, Bakes, Nachos, Peanuts, Breakfast cereals etc at Unnao Plant

Particulars	31-Mar-25
Value in use	309.24
Carrying value	372.45
Impairment loss	63.21

c. The key assumptions used in the estimation of the recoverable amount as set out below:

Particulars	31-Mar-25
Average Annual growth rate	10%-30%
Weighted Average Cost of Capital (WACC)	13.30%
Terminal Growth Rate	5.00%

d. The projections cover a period of five years, as the Company believes this to be the most appropriate time scale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates used to estimate future performance are based on the estimates from past performance. Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Company) + Company specific risk premium.



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)**  
**Note 5 - Right-of-use assets**

(All amounts are in ₹ millions, except share data and where otherwise stated)

Description	Gross carrying amount			Accumulated depreciation and impairment losses				Net Carrying amount
	As at April 1, 2024	Additions	Disposals	As at March 31, 2025	As at April 1, 2024	Deprecia- tion for the year	Impairment loss (refer posals note 4 (d))	As at March 31, 2025
Leasehold land (Refer note (i) below)	64.19	-	-	64.19	3.35	0.71	27.13	33.00
Buildings	150.42	-	-	150.42	76.64	20.96	-	52.82
Total	214.61	-	-	214.61	79.99	21.67	27.13	85.82

Description	Gross carrying amount			Accumulated depreciation and impairment losses				Net Carrying amount
	As at April 1, 2023	Additions	Disposals	As at March 31, 2024	As at April 1, 2023	Deprecia- tion for the year	Impairment loss (refer posals note 4 (d))	As at March 31, 2024
Leasehold land (Refer note (i) below)	60.23	3.96	-	64.19	2.67	0.68	-	60.84
Buildings	150.42	-	-	150.42	55.62	21.02	-	73.78
Total	210.65	3.96	-	214.61	58.29	21.70	-	134.62

**Notes:**

(i) Gujarat Industrial Development Corporation (GIDC) has allotted through lease hold for plot bearing no. Plot no. 902/2, GIDC, Jhagadia admeasuring 1,00,000 Sq Meter vide allotment letter dated 23rd February 2011 for a period of 99 years. However, through Corrigendum Order dated 6th July 2011, the area of said plot is reduced to 99,933.90 Sq. Meter, and it was further communicated to Company that the area of 3,420 Sq. Meter is not in the possession of GIDC and will be handed over as and when GIDC will receive the possession.

(ii) Also Refer Note 37

**Note 6 - Intangible assets**

Description	Gross carrying amount			Accumulated amortisation and impairment losses				Net Carrying amount
	As at April 1, 2024	Additions	Disposals	As at March 31, 2025	As at April 1, 2024	Amortisation for the year	Impairment loss (refer note 4 (d))	As at March 31, 2025
Trademarks (Refer Note below)	122.16	-	-	122.16	-	-	-	122.16
Computer software	201.83	4.95	-	206.78	184.73	6.68	0.06	15.31
Total	323.99	4.95	-	328.94	184.73	6.68	0.06	137.47

Description	Gross carrying amount			Accumulated amortisation and impairment losses				Net Carrying amount
	As at April 1, 2023	Additions	Disposals	As at March 31, 2024	As at April 1, 2023	Amortisation for the year	Impairment loss (refer note 4 (d))	As at March 31, 2024
Trademarks (Refer Note below)	122.16	-	-	122.16	-	-	-	122.16
Computer software	201.83	-	-	201.83	178.17	6.56	-	17.10
Total	323.99	-	-	323.99	178.17	6.56	-	139.26

**Note:**

Trademarks represent the purchase consideration paid for the brand 'Sundrop'. As estimated by the Management, this trademark has an indefinite useful life and hence the same is not amortised. However, it is tested for impairment annually as per Ind AS 36 "Impairment of Assets". Also refer note 38.

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 7 - Non-current investments</b>		
<b>Unquoted Investments (fully paid)</b>		
<b>Investment in equity instruments of subsidiaries (at cost unless otherwise stated)</b>		
<b>Sundrop Foods India Private Limited</b>	<b>20.00</b>	20.00
2,000,000 (March 31, 2024: 2,000,000) of ₹ 10 each		
<b>Agro Tech Foods (Bangladesh) Pvt. Ltd (Refer note (I) below)</b>	<b>202.65</b>	202.65
24,979,541 (March 31, 2024: 24,979,541) of BDT 10 each		
<b>Sundrop Foods Lanka (Private) Limited</b>	<b>23.95</b>	23.95
5,000,000 (March 31, 2024: 5,000,000) of LKR 10 each		
Less: Provision for impairment in value of investments (refer note (iii) below)	<b>(23.95)</b>	(18.40)
<b>Del Monte Foods Private Limited (refer note (ii) below)</b>		
5,110,29,382 (March 31, 2024: Nil) of ₹ 10 each	<b>10,565.40</b>	-
<b>Total</b>	<b>10,788.05</b>	228.20
Aggregate amount of carrying value of unquoted non-current investments	<b>10,788.05</b>	228.20
Aggregate amount of provision for impairment in value of investment	<b>23.95</b>	18.40

#### Note

(i) Basis the indicators of impairment, the Company has tested its investment in its wholly owned subsidiary Agro Tech Foods (Bangladesh) Pvt. Ltd. ('ATBD') for impairment during the year. ATBD's operations of manufacture of instant popcorn (IPC) has been allocated to the IPC Cash Generating Unit ('CGU') of the Company. Accordingly, the valuation has been carried out for the IPC CGU using value-in-use method. The following key assumptions were considered while performing impairment testing:

Particulars	As at March 31, 2025	As at March 31, 2024
Annual growth rate (Average)	9%	9%
Terminal Growth Rate	5%	10%
Weighted average cost of capital ('WACC') post tax (Discount rate)	13.30%	15.00%

The projections cover a period of five years (March 31, 2024: six years), as the Company believes this to be the most appropriate time scale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates used to estimate future performance are based on the estimates from past performance. Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Company) + Company specific risk premium.

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the IPC CGU to be less than the carrying value. There is no change in the way this investment is evaluated as compared to previous year.

(ii) During the year ended March 31, 2025, the Company has acquired 100% stake for a consideration of ₹ 10,565.40 in Del Monte Foods Private Limited. Also refer note 54.

(iii) Reconciliation of provision for impairment in value of investments:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Balance at the beginning of the year</b>	<b>18.40</b>	18.40
Changes in impairment	<b>5.55</b>	-
<b>Balance at the end of the year</b>	<b>23.95</b>	18.40

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 8 - Other non-current financial assets</b>		
(Unsecured, considered good)		
Security deposits	42.28	34.53
Loans (loan to employees)	0.17	0.53
<b>Total</b>	<b>42.45</b>	<b>35.06</b>
<b>Note 9 - Other non-current assets</b>		
Unsecured Considered good:		
Capital advances	7.15	31.34
Advances other than capital advances		
- Advances with Government, public bodies and others	24.33	21.24
- Other advances (includes commercial advances and prepaid expenses)	3.51	1.38
Unsecured Considered doubtful:		
Customs duty paid under protest	55.50	55.50
Less: Allowance for customs duty*	(55.50)	-
<b>Total</b>	<b>34.99</b>	<b>109.46</b>
<p>* During the year, Company has reassessed its ongoing dispute in relation to Customs duty under The Customs Act, 1962 and has provided for ₹ 55.50 as the time value of money is reducing since this matter has been pending for long time with judicial authorities. However, the Company continues to believe that it has strong case in its favour.</p>		
<b>Note 10 - Inventories</b>		
(Valued at lower of cost or net reliable value)		
Raw materials	555.66	896.23
Raw materials-in-transit	31.64	2.24
Packing materials	125.75	135.60
Packing materials-in-transit	0.47	20.10
Finished goods	349.06	365.10
Finished goods-in-transit	31.90	25.39
Stock-in-trade	2.16	2.14
<b>Total</b>	<b>1,096.64</b>	<b>1,446.80</b>

#### Notes :

- (i) The consumption of inventories recognised as an expense during the year has been disclosed in Notes 28, 29 and 30.
- (ii) The consumption of inventories recognised as an expense / (gain) includes ₹ (1.21) (2023-24: ₹ 0.86) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (2023-24 : ₹ Nil) in respect of reversal of such write-downs.
- (iii) Refer Note 20 for details of inventories pledged against borrowings.
- (iv) Refer note 3(e) for method of valuation for inventories.

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 11 - Trade receivables</b>		
Trade receivables considered good - unsecured	639.86	673.72
Trade receivables - credit impaired	44.02	75.91
Less: Loss allowance	(46.61)	(79.79)
<b>Total</b>	<b>637.27</b>	<b>669.84</b>

#### Notes:

- (i) The average credit period for the customers is in the range of 14 days to 60 days depending on customer groups.
- (ii) Of the trade receivables balance ₹ 264.38 (as at March 31, 2024 : ₹ 327.17) is due from one of the Company's large customers. There are no other customers who represent more than 10% of the total balance of trade receivables.
- (iii) The Company has used a practical expedient by computing the expected credit loss allowance for doubtful trade receivables based on a provisioning matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking estimates. The expected credit loss allowance is based on the ageing of the receivables which are due and the rates used in the provision matrix.

(iv) Movement in the expected credit loss allowance	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	79.79	85.51
Loss allowance (reversed)/ recognised	(0.07)	1.94
Amount written off during the year	(33.11)	(7.66)
Balance at the end of the year	<b>46.61</b>	<b>79.79</b>

#### Trade receivables ageing schedule:

Particulars	As at March 31, 2025						
	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables - considered good	350.45	278.15	9.42	0.68	1.16	-	639.86
(ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	6.21	6.21
(iii) Disputed trade receivables - credit impaired	-	-	-	-	-	37.81	37.81
<b>Gross trade receivables</b>	<b>350.45</b>	<b>278.15</b>	<b>9.42</b>	<b>0.68</b>	<b>1.16</b>	<b>44.02</b>	<b>683.88</b>
Less: Loss allowance							(46.61)
<b>Trade receivables</b>							<b>637.27</b>

Particulars	As at March 31, 2024						
	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables - considered good	295.56	368.65	6.86	1.31	1.35	-	673.72
(ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	38.09	38.09
(iii) Disputed trade receivables - credit impaired	-	-	-	-	-	37.82	37.82
<b>Gross trade receivables</b>	<b>295.56</b>	<b>368.65</b>	<b>6.86</b>	<b>1.31</b>	<b>1.35</b>	<b>75.91</b>	<b>749.63</b>
Less: Loss allowance							(79.79)
<b>Trade receivables</b>							<b>669.84</b>

**Sundrop Brands Limited***(Formerly Known as Agro Tech Foods Limited)***NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

- (v) There are no outstanding trade receivables from directors or other officers of the Company or from firms or private companies in which director is partner or member as at March 31, 2025 and as at March 31, 2024.
- (vi) There were no unbilled receivables as at March 31, 2025 and as at March 31, 2024.
- (vii) Refer Note 20 for details of trade receivables pledged against borrowings.
- (viii) Information about Company's exposure to credit and market risks related to the trade receivables are included in Note 48.

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 12 - Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	69.13	85.48
- in deposit accounts (original maturity less than 3 months)	150.10	-
Cheques on hand	0.90	-
<b>Cash and cash equivalents as per cash flow statement</b>	<b>220.13</b>	<b>85.48</b>
<b>Note 13 - Other bank balances</b>		
Balances held as margin money against guarantees given	8.84	7.87
Unpaid dividend accounts	3.70	3.52
<b>Total</b>	<b>12.54</b>	<b>11.39</b>
<b>Note 14 - Other financial assets</b>		
Other contractual receivable (Refer Note 43A)	1.48	1.04
Others (including security deposits, advance to PF trust ) (Also, Refer Note 43A)	6.75	30.87
Loans (loan to employees)	0.48	0.73
<b>Total</b>	<b>8.71</b>	<b>32.64</b>
<b>Note 15 - Other current assets</b>		
Balances with government authorities	212.18	250.45
Advances (includes commercial advances)	86.49	7.76
Prepayments (includes AMC and insurance)	45.09	42.72
Advances to related party (Refer Note 43A)	-	3.76
<b>Total</b>	<b>343.76</b>	<b>304.69</b>



## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 16 - Share capital</b>		
<b>Authorised</b>		
Equity shares		
50,000,000 (March 31, 2024: 25,000,000), equity shares of ₹ 10 each	500.00	250.00
Preference shares		
Nil (March 31, 2024: 1,000,000), cumulative redeemable preference shares of ₹ 100 each	-	100.00
	<u>500.00</u>	<u>350.00</u>
<b>Issued</b>		
Equity shares		
37,699,728 (March 31, 2024: 24,372,139), equity shares of ₹ 10 each	<u>377.00</u>	<u>243.72</u>
<b>Subscribed and fully paid-up</b>		
Equity shares fully paid		
37,696,853 (March 31, 2024: 24,369,264), equity shares of ₹ 10 each fully paid up	<u>376.97</u>	<u>243.69</u>

#### Notes:

#### (a) Increase in Authorised Share Capital:

During the year ended March 31, 2025, the authorised equity share capital was increased by ₹ 250 i.e. 25 million equity shares of ₹ 10 each and preference share capital was reduced to Nil.

#### (b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions
Balance at the beginning of the reporting year	24,369,264	243.69	24,369,264	243.69
Shares issued pursuant to business combination (refer note 54)	13,327,589	133.28	-	-
Balance at the end of the reporting year	<u>37,696,853</u>	<u>376.97</u>	24,369,264	243.69

#### (c) Rights, preferences and restrictions attached to the equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to their share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

#### (d) Shares in respect of equity in the Company held by its holding or ultimate holding company, including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate.

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions
<b>Holding Company</b>				
CAG Tech (Mauritius) Limited*	<u>12,785,363</u>	<u>127.85</u>	<u>12,616,619</u>	<u>126.17</u>
	<u>12,785,363</u>	<u>127.85</u>	<u>12,616,619</u>	<u>126.17</u>

\*Refer Note 51

## Sundrop Brands Limited

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### (e) Details of shareholders holding more than 5% of total number of equity shares:

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	% of Holding	Number of shares	% of Holding
CAG Tech (Mauritius) Limited*	12,785,363	33.92	12,616,619	51.77
DMPL India Limited	5,425,096	14.39	-	-
Bharti (SBM) Holdings Private Limited	3,066,167	8.13	-	-
Bharti (RBM) Holdings Private Limited	1,916,355	5.08	-	-
Bharti (RM) Holdings Private Limited	1,916,355	5.08	-	-
Rekha Rakesh Jhunjunwala	1,861,759	4.94	1,823,759	7.48
TATA Mutual Fund	1,782,421	4.73	1,787,264	7.33
Pari Washington India Master Fund, Ltd.	-	-	1,759,354	7.22

\* CAG Tech (Mauritius) Limited was an indirect subsidiary of Conagra Brands Inc. (the Ultimate Holding Company) upto August 27, 2024. Refer Note 51.

#### (f) Shares allotted as fully paid-up pursuant to contracts without payment being received in cash during the year of five years immediately preceding the date of the Balance Sheet is as under:

13,327,589 equity shares fully paid up allotted to the then shareholders of the Del Monte Foods Private Limited pursuant to business combination (Refer note 51).

#### (g) Equity shares of ₹ 10 each, held by promoters at the end of the year

Name of the shareholder	As at March 31, 2025		As at March 31, 2024		
	Number of shares	% of total shares	Number of shares	% of total shares	% change during the year
CAG Tech (Mauritius) Limited	12,785,363	33.92	12,616,619	51.77	(17.85)
Zest Investments Limited #	86	0.00	-	0.00	0.00

# Percentage below 0.01%

Also refer Note 50 in respect of the Share Subscription Agreement dated February 29, 2024 entered into between the Zest Holding Investments Limited ("the Acquirer"), CAG-Tech (Mauritius) Limited and ConAgra Europe B.V.

#### (h) Share based payments

The Company instituted the Agro Tech Employee Stock Option Plan ('Plan') to grant equity based incentives to its eligible employees. The Company has established a trust called the Agro Tech ESOP Trust ("Trust") to implement the Plan. The Company has given advance to the Trust for purchase of the Company's shares and such advance outstanding as at March 31, 2025 is ₹ Nil (As at March 31, 2024: ₹ Nil).

Under the plan a maximum of 2,436,926 options will be granted to the eligible employees. All these options are planned to be settled in equity at the time of exercise at the option of the employee. These options have an exercise price of ₹ 561.00, ₹ 597.55 and ₹ 589.75 per share granted during the years ended March 31, 2014, March 31, 2015 and March 31, 2016 respectively and vests on a graded basis as follows:

#### Vesting period from the grant date

On completion of 12 months  
On completion of 24 months  
On completion of 36 months  
On completion of 48 months

#### Vesting schedule

25%  
25%  
25%  
25%

## Sundrop Brands Limited

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Stock option activity under the plan was as follows:

Movement in the options under the scheme :	For the year ended March 31, 2025	For the year ended March 31, 2024
Options outstanding at the beginning of the year	-	1,90,645
Options granted during the year	-	-
Options exercised during the year	-	(1,90,645)
Options forfeited during the year	-	-
<b>Options outstanding at the end of the year</b>	<b>-</b>	<b>-</b>

#### Fair value Measurement:

The fair value of the employee share based payment is determined using the Black Scholes model on the date of grant. No new grants have been issued during the year ended March 31, 2025 and March 31, 2024.

Particulars	As at March 31, 2025	As at March 31, 2024
-------------	-------------------------	-------------------------

#### Note 17 - Other equity

##### (a) General reserve

Balance at the commencement of the year	296.04	296.04
Add: Changes during the year	-	-
	<u>296.04</u>	<u>296.04</u>

This reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.

##### (b) Securities premium

Balance at the commencement of the year	721.29	721.29
Add: Premium received on issue of equity shares (refer note 54).	10,432.12	-
	<u>11,153.41</u>	<u>721.29</u>

This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.

##### (c) Retained earnings

Balance at the commencement of the year	3,672.77	3650.89
Add: Profit/(Loss) for the year	(1,107.16)	96.42
Items of other comprehensive income directly recognised in retained earnings		
- Remeasurement of defined benefit (asset) / liability, net of tax	(2.30)	(1.94)
<b>Amount available for appropriations</b>	<u>2,563.31</u>	<u>3,745.37</u>

Final dividend on equity shares (FY 2023-24 ₹ 3 per equity share of ₹ 10 each (For FY 2022-23 ₹ 3 per equity share of ₹ 10 each))

	(73.11)	(72.60)
<b>Total appropriations</b>	<u>2,490.20</u>	<u>3,672.77</u>
<b>Total retained earnings</b>	<u>2,490.20</u>	<u>3,672.77</u>

Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Companies Act, 2013.

##### (d) Share options outstanding amount

Balance at the commencement of the year	-	52.43
Exercise of share options	-	(52.43)
	<u>-</u>	<u>-</u>

Share option outstanding account relates to the share options granted by the Company to its employees under its employee share option plan.

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(e) Treasury Shares</b>		
Balance at the commencement of the year	-	(96.89)
Sale of treasury shares during the year	-	96.89
	<u>-</u>	<u>-</u>
Represents the outstanding number of equity shares of the Company held by the controlled trusts.		
<b>(f) Agro Tech ESOP Trust (ATET reserve)</b>		
Balance at the commencement of the year	57.97	42.50
Profit/ (Loss) on sale of shares transferred by Trust	(0.39)	15.47
	<u>57.58</u>	<u>57.97</u>
Represents the profit/loss earned by the Agro Tech ESOP trust on exercise of the share options and on disposal of forfeited shares options.		
<b>Total (a+b+c+d+e+f)</b>	<u>13,997.23</u>	<u>4,748.07</u>
<b>Details of proposed dividend during the year</b>		
Final dividend on equity shares (FY 2024-25 ₹ Nil per equity share of ₹ 10 each (For FY 2023-24 ₹ 3 per equity share of ₹ 10 each))		
<b>Note 18 - Non-current lease liabilities</b>		
Lease liabilities (Refer note 37)	41.98	64.42
<b>Total</b>	<u>41.98</u>	<u>64.42</u>
<b>Note 19 - Non-current provisions</b>		
Provision for employee benefits		
- Compensated absences	19.21	17.22
<b>Total</b>	<u>19.21</u>	<u>17.22</u>
<b>Note 20 - Short-term borrowings</b>		
Loans repayable on demand from banks-Working capital demand loans (secured)	-	335.00
<b>Total</b>	<u>-</u>	<u>335.00</u>
<b>Note :</b> The working capital demand loan has been secured by first charge on current assets of the Company. These loans carry an interest rate ranging from 8.20% to 8.65% p.a.		
<b>Note 21 - Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer Note (i) below)	50.91	83.15
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note (ii) below)	688.40	601.74
<b>Total</b>	<u>739.31</u>	<u>684.89</u>

#### Notes:

- (i) The disclosure in respect of the amounts payable to Micro, Small and Medium Enterprises as at reporting date has been made in the standalone financial statements based on information received and available with the Company.

## Sundrop Brands Limited

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Principal amount due to suppliers under MSMED Act, as at the end of the year	50.91	83.15
(b) Interest accrued and due to suppliers under MSMED Act, on the above amount as at the end of the year	-	-
(c) Payment made to suppliers (other than interest) beyond the appointed date, during the year	-	-
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(f) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(g) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (b) + (f)	-	-
(ii) Includes payables to related parties as disclosed under Note 43A and 43B.		
(iii) Information about Company's exposure to currency and liquidity risks related to the trade payables are included in Note 48.		

#### (iv) Trade payables ageing schedule:

Particulars	Unbilled dues	Not Due	As at March 31, 2025				
			Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises (MSME)	-	48.07	2.84	-	-	-	50.91
(ii) Others	343.19	204.31	132.63	0.67	0.90	6.70	688.40
<b>Total</b>	<b>343.19</b>	<b>252.38</b>	<b>135.47</b>	<b>0.67</b>	<b>0.90</b>	<b>6.70</b>	<b>739.31</b>

Particulars	Unbilled dues	Not Due	As at March 31, 2024				
			Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises (MSME)	-	75.34	7.81	-	-	-	83.15
(ii) Others	269.42	188.42	135.23	0.96	0.37	7.34	601.74
<b>Total</b>	<b>269.42</b>	<b>263.76</b>	<b>143.04</b>	<b>0.96</b>	<b>0.37</b>	<b>7.34</b>	<b>684.89</b>

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 22 - Lease liabilities</b>		
Lease liabilities (Refer note 37)	22.44	20.60
<b>Total</b>	<b>22.44</b>	<b>20.60</b>
<b>Note 23 - Other financial liabilities</b>		
Payables for purchase of property, plant and equipment	5.71	10.84
Unclaimed dividends	3.70	3.52
Employee benefits payable	37.64	27.71
Other liabilities (includes outstanding liabilities for trade schemes etc.)	81.34	46.72
Refund liabilities (refer note (ii) below)	79.83	-
<b>Total</b>	<b>208.22</b>	<b>88.79</b>

#### Note:

- (i) Information about Company's exposure to currency and liquidity risks related to the above financial liabilities are included in Note 48.



## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

- (ii) Based on the management experience in the current year related to sales returns on account of damage and expiry and considering current market situation, the management undertook a detailed review of its accounting estimate for refund liability which resulted in a change in the measurement of estimate for refund liability. As a result, sales returns for which refund liability is being accrued in the books of account as at the year-end are expected to increase, the effect of which has resulted in higher provision for refund liability by ₹ 74.27 and lower profit after tax by ₹ 55.58.

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 24 - Other current liabilities</b>		
Advance from customers (refer note 26)	29.50	36.06
Statutory liabilities (including GST, provident fund, TDS etc.)	30.49	28.58
<b>Total</b>	<b>59.99</b>	<b>64.64</b>

#### Note 25 -Provisions

Provision for employee benefits:		
Gratuity (Refer note 47)	13.52	9.42
Compensated absences	5.29	5.74
Others:		
Provision for indirect tax matters (Refer note below)	36.93	20.30
<b>Total</b>	<b>55.74</b>	<b>35.46</b>

#### Note :

Movement of provision for indirect tax matters:		
Opening balance	20.30	19.48
Provision created	16.79	1.80
Less : Provision utilised / reversed	0.16	0.98
<b>Closing balance</b>	<b>36.93</b>	<b>20.30</b>

- i) The above provision majorly includes:
- Differential Goods and service tax payable on Bakes and Nachos under GST Act 2017.
  - Provision for interest on demand paid pertaining to sales tax levied by authorities denying offset of Input Tax Credit.
  - Demand pertaining to Entry tax levied by the authorities.
- ii) These provisions have not been discounted as it is not practicable for the Company to estimate the timing of the provision utilisation and cashoutflows, if any, pending resolution.
- iii) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of cash outflows, if any in respect of the above as it is determinable only on receipt of judgement/ decisions pending with various forms/ authorities.
- iv) Contingent liabilities where applicable are disclosed under note 36.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Note 26 - Revenue from operations</b>		
Sale of products	7,913.66	7,566.39
Other operating revenues (includes scrap sales and royalty income)	15.85	15.94
<b>Total</b>	<b>7,929.51</b>	<b>7,582.33</b>

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### Notes :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(i) The Company disaggregates revenue from contracts with customers by geography. Disaggregation of revenue by geography is not an operating segment as disclosed in Note 42.		
<b>Location</b>		
India	7,892.49	7,522.85
Outside India	21.17	43.54
<b>Total</b>	<u>7,913.66</u>	<u>7,566.39</u>
Geographical revenue is allocated based on the location of customers.		
<b>(ii) Timing of revenue recognition</b>		
Products transferred at a point in time	7,913.66	7,566.39
Products and services transferred over time	-	-
<b>Total</b>	<u>7,913.66</u>	<u>7,566.39</u>
(iii) Reconciliation of revenue from sale of products recognised with contract price		
Gross revenue (as per contracted price)	8,569.27	8,158.81
Less : Trade allowances, rebates, damage & leakage, expiry related returns*	655.61	592.42
<b>Net revenue recognised during the year</b>	<u>7,913.66</u>	<u>7,566.39</u>

\* Also refer note 23

#### (iv) Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers.

Receivables, which are included in 'trade receivables'	637.27	669.84
Contract liabilities	29.50	36.06

- Trade receivables are the amounts receivable by the Company from Revenue from Contracts with customers and other operating revenues.
- The contract liabilities primarily relate to the advance consideration received from customers for sale of goods. The amount of ₹ 15.19 included in contract liabilities at 31 March 2024 has been recognised as revenue during the year ended 31 March 2025 (31 March 2024: ₹ 3.21). Contract liabilities are recognised as revenue as (or when) the Company perform under contract which is expected to occur over the next year.

The Company has availed exemption in relation to remaining performance obligations at 31 March 2025 or at 31 March 2024 that have an original expected duration of one year or less, as allowed by Ind AS 115.

#### Note 27 - Other income

Cross charge income	4.28	3.78
Insurance Claim Settlement (Refer note below)	-	11.31
Gain on disposal of mutual funds units	8.00	0.48
Interest income under the effective interest method		
- on rental deposits	1.52	1.23
- on deposits with banks and others	4.57	1.68
<b>Total</b>	<u>18.37</u>	<u>18.48</u>

**Note:** During the previous year, the Company received an amount of ₹ 11.31 in respect of the 'Business Interruption claim' made by it in relation to the fire incident at one of the manufacturing locations of the Company in the earlier years.

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Note 28 - Cost of materials consumed</b>		
Opening stock		
Raw materials (including material-in-transit)	898.47	1,011.21
Packing materials (including material-in-transit)	155.70	143.62
Add: Purchases		
Raw materials	3,846.28	3,673.81
Packing materials	805.78	799.67
Less: Closing stock		
Raw materials (including material-in-transit)	587.30	898.47
Packing materials (including material-in-transit)	126.22	155.70
<b>Total</b>	<b>4,992.71</b>	<b>4,574.14</b>
<b>Note 29 - Purchase of stock-in-trade</b>		
Stock-in-trade	7.89	34.56
<b>Total</b>	<b>7.89</b>	<b>34.56</b>
<b>Note 30 - Changes in inventories of finished goods and stock-in-trade</b>		
<b>Finished goods (including material-in-transit)</b>		
Opening stock	390.49	488.39
Closing stock	380.96	390.49
Increase in finished goods	9.53	97.90
<b>Stock-in-trade</b>		
Opening stock	2.14	3.59
Closing stock	2.16	2.14
Increase / ( Decrease) in stock-in-trade	(0.02)	1.45
<b>Increase in finished goods and stock-in-trade</b>	<b>9.51</b>	<b>99.35</b>
<b>Note 31 - Employee benefits expense</b>		
Salaries, wages and bonus	497.37	461.05
Contribution to provident and other funds (Refer note 47)	42.00	37.89
Staff welfare expenses	23.06	21.18
<b>Total</b>	<b>562.43</b>	<b>520.12</b>
<b>Note 32 - Finance costs</b>		
Interest on working capital loan measured at amortised cost	9.83	21.19
Interest on lease liability (Refer note 37)	6.13	7.57
<b>Total</b>	<b>15.96</b>	<b>28.76</b>
<b>Note 33 - Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment (Refer note 4)	192.18	176.97
Amortisation of intangible assets (Refer note 6)	6.68	6.56
Depreciation on Right-of-use asset (Refer note 5)	21.70	21.70
<b>Total</b>	<b>220.56</b>	<b>205.23</b>

**Sundrop Brands Limited***(Formerly Known as Agro Tech Foods Limited)***NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Note 34 - Other expenses</b>		
Consumption of stores and spares	41.79	55.48
Power and fuel	123.53	124.63
Processing charges	340.11	289.33
Rent	74.55	72.29
Rates and taxes	36.11	23.54
Repairs and maintenance:		
- Machinery	2.72	4.44
- Others	25.60	22.91
Insurance	25.07	24.30
Printing and stationery	3.71	3.88
Software expenses	49.79	45.39
Communication expenses	7.80	7.62
Travelling expenses	69.58	70.91
Outward freight	463.61	439.75
Brokerage/ commission	32.57	33.77
Distribution expenses	208.60	283.79
Legal and professional charges (refer note 40)	41.90	40.89
Advertisement and sales promotion	350.47	254.03
Royalty	94.84	83.97
Bad debts written off	33.11	7.66
Loss allowance reversed	(33.18)	(5.72)
Loss on sale/ retirement of property, plant and equipment (net)	0.90	1.34
Provision for impairment in value of investment in subsidiary	5.55	-
Loss on foreign currency transactions (net)	0.29	0.78
Bank charges	0.38	0.46
Director sitting fees and commision	5.53	6.89
Expenditure on corporate social responsibility (refer note 44)	4.45	6.72
Miscellaneous expenses	121.14	135.57
<b>Total</b>	<b>2,130.52</b>	<b>2,034.62</b>

## Sundrop Brands Limited

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024		
<b>Note 35 - Income-tax</b>				
<b>(a) Amounts recognised in the statement of profit and loss</b>				
Tax expense / Income for the year				
Current tax	-	15.34		
Deferred tax	(352.08)	19.08		
<b>Total</b>	<b>(352.08)</b>	<b>34.42</b>		
<b>(b) Amounts recognised in other comprehensive income</b>				
Deferred tax income on remeasurements of defined benefit plans	(0.77)	(0.66)		
<b>Total</b>	<b>(0.77)</b>	<b>(0.66)</b>		
<b>(c) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>				
<b>Profit / (Loss) before tax</b>	<b>(1,459.24)</b>	<b>130.84</b>		
Tax using the Company's domestic tax rate @ 25.168%	(367.26)	32.93		
<b>Tax effect of :</b>				
Tax effects of amounts which are not deductible in determining taxable profit	15.18	1.97		
Others	-	(0.48)		
<b>Income tax expense recognised in standalone statement of profit and loss</b>	<b>(352.08)</b>	<b>34.42</b>		
<b>(d) The major components of deferred tax liabilities/ assets arising on account of timing differences are as follows:</b>				
<b>2024-25</b>				
Deferred tax (liabilities) / assets in relation to :	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets</b>				
On provision for doubtful debts and advances	20.08	5.62	-	25.70
On expenditure allowed on payment basis	17.96	1.04	0.77	19.77
Business Loss and unabsorbed depreciation	-	39.51	-	39.51
Lease liabilities	21.37	(5.19)	-	16.17
<b>Total deferred tax assets (A)</b>	<b>59.41</b>	<b>40.97</b>	<b>0.77</b>	<b>101.15</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(214.65)	306.21	-	91.56
Right of use assets	(17.15)	4.89	-	(12.26)
<b>Total deferred tax liabilities (B)</b>	<b>(231.80)</b>	<b>311.10</b>	<b>-</b>	<b>79.30</b>
<b>Net deferred tax asset / (liability) (A-B)</b>	<b>(172.40)</b>	<b>352.08</b>	<b>0.77</b>	<b>180.45</b>



## Sundrop Brands Limited

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### 2023-24

Deferred tax (liabilities) / assets in relation to :	Opening balance	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income	Closing balance
<b>Deferred tax assets</b>				
On provision for doubtful debts and advances	21.52	(1.44)	-	20.08
On expenditure allowed on payment basis	13.76	3.54	0.66	17.96
Lease liabilities	25.21	(3.84)	-	21.37
<b>Total deferred tax assets (A)</b>	<b>60.49</b>	<b>(1.74)</b>	<b>0.66</b>	<b>59.41</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment	(192.33)	(22.32)	-	(214.65)
Right of use assets	(22.13)	4.98	-	(17.15)
<b>Total deferred tax liabilities (B)</b>	<b>(214.46)</b>	<b>(17.34)</b>	<b>-</b>	<b>(231.80)</b>
<b>Net deferred tax asset / (liability) (A-B)</b>	<b>(153.97)</b>	<b>(19.08)</b>	<b>0.66</b>	<b>(172.40)</b>

During the year ended March 31, 2025, the Company has incurred a tax loss of ₹ 156.99 (includes unabsorbed depreciation of ₹ 138.25). The Company has based on an overall evaluation and in accordance with provision of para 35 of Ind AS 12 – Income taxes decided to recognize deferred tax assets to the extent there is reasonable certainty supported by convincing other evidence (based on Board approved projections, indefinite carry forward for unabsorbed depreciation and tax loss which expires in FY 2032-33) that sufficient taxable profit will be available against which the temporary difference can be utilised by the Company.

#### Note 36 - Contingent liabilities and commitments :

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	10.76	142.49
(ii) Contingent liabilities (to the extent not provided for):		
Claims against the Company not acknowledged as debts in respect of :		
- Indirect tax and direct tax matters, under dispute	150.57	161.34
- Other matters, under dispute	2.19	2.49

#### Note :

The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before various tax authorities. The amounts included above represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such dispute. The Company's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial conditions. The Company has accrued appropriate provision wherever required.

#### The above majorly includes the following:

- Demand raised by customs authorities on account of misclassification of imported machinery under customs tariff heading amounting to ₹ 11.83.
- Demand pertaining to Entry tax levied by the authorities on crude oil entered into state of Rajasthan amounting to ₹ 43.30.
- Demands raised by Goods & Services Taxes (GST) Authorities for irregular availment of Input Tax Credit (ITC), Input Service Distribution Credit (ISD), differences between GSTR 3B and GSTR 2A filed by the company and differential GST payable on account of misclassification of HSN code amounting to ₹ 32.13.
- Income-tax demand comprises of demand from the Indian tax authorities upon completion of their assessment. The tax demands are mainly on account of disallowance of the benefit on research & development expenses, other expenses not allowed.

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 37 - Leases</b>		
<b>(i) The following is the breakup of current and non current lease liabilities</b>		
Current lease liabilities	22.44	20.60
Non-current lease liabilities	41.98	64.42
	64.42	85.02
<b>(ii) The following is the movement of lease liabilities during the year</b>		
Balance at the beginning	85.02	100.33
Finance cost accrued during the year	6.13	7.57
Payment of lease liabilities (including finance cost)	(26.73)	(22.88)
<b>Balance at the end</b>	64.42	85.02
<b>(iii) Maturity analysis of lease liabilities</b>		
Less than one year	26.76	20.60
One to five years	44.73	64.42
<b>Total lease liabilities</b>	71.49	85.02

### Note 38- Intangible assets - Trademarks

Trademarks represent the purchase consideration paid for brand "Sundrop". Sundrop brand has been assessed to have an indefinite useful life and therefore measured at cost and not subject to amortisation, but tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. On the Balance Sheet date, the Management reassesses the value of brand through an independent valuer to ensure that the recoverable amount of the asset is not lower than its carrying amount. Valuation of the brand Sundrop ("Sundrop" or the "Brand") for Impairment Testing Purpose under Ind AS 36 carried out under Multi-Period Excess Earnings Method. Key assumptions used in the estimation of value-in-use are set out below:

Particulars	As at March 31, 2025	As at March 31, 2024
Annual average growth rate	13.00%	15.00%
Pre tax discount rate	17.70%	18.00%
Terminal growth rate	4.00%	4.00%
The Management believes that any reasonable possible change in the key assumptions that would not cause the carrying amount to exceed the recoverable amount of the asset.		

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Note 39 - Exceptional items</b>		
Provision for impairment (refer note 4)	1,360.45	-
Acquisition related costs (refer note a below)	51.59	-
Allowances for duty paid under protest for Custom Duty related litigation (refer note 9)	55.50	-
Income tax refunds (refer note b below)	-	26.81
<b>Total</b>	1,467.54	26.81

- a. The Company has incurred rebranding and acquisition-related costs of ₹ 51.59 on legal, professional, due diligence costs and other fees for acquisition of Del Monte Foods Private Limited.
- b. During the previous year, the Company received income tax refund orders relating to earlier years which includes interest income of ₹ 26.81, such interest income has been disclosed as exceptional item in the standalone financial statements for the year ended March 31, 2024.

## Sundrop Brands Limited

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Note 40 - Auditor's remuneration (excluding GST):</b>		
To Statutory auditor		
Statutory audit fee	6.16	2.76
Tax audit fee	0.25	0.22
Limited review fee	1.05	1.05
Fees for certifications	0.55	0.67
Others	0.50	0.40
Reimbursement of expenses	0.44	0.52
<b>Total</b>	<b>8.95</b>	<b>5.62</b>

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Note 41 - Earnings per equity share ("EPS")</b>		
(a) (i) Net profit / (loss) attributable to the equity shareholders (₹ in Millions)	(1,107.16)	96.42
(ii) Weighted average number of equity shares outstanding during the year (No's)		
Basic outstanding shares	26,341,017	24,369,264
Less: Weighted average number of treasury shares	-	130,577
(b) Weighted average number of shares used for computing basic EPS (No's)	26,341,017	24,238,687
Add: Dilutive effect of stock options	-	-
(c) Weighted average number of shares used for computing diluted EPS (No's)	26,341,017	24,238,687
(d) Basic earnings per share (₹) (a/b)	(42.03)	3.98
(e) Diluted earnings per share (₹) (a/c)	(42.03)	3.98

### Note 42 - Segmental information

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators by industry classes. The operating segment of the Company has been identified as "Foods" as the CODM reviews the business performance at an overall Company level as one segment.

### Information about major customers

Revenue from specific customers exceeding 10% of total revenue

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>One customer</b>		
Revenue from top customer	1,236.31	1,263.90
Percentage of total revenue	14.43%	15.49%

**Sundrop Brands Limited***(Formerly Known as Agro Tech Foods Limited)***NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

Relationships	Name of related parties
<b>Note 43A - Related parties</b>	
1. Ultimate Holding Company	Zest Holding Investments Limited (w.e.f. August 28 , 2024) Conagra Brands Inc. (Upto August 27, 2024)
2. Holding Company	CAG Tech (Mauritius) Limited
3. Wholly owned Subsidiary Companies	Sundrop Foods India Private Limited Agro Tech Foods (Bangladesh) Pvt. Ltd. Sundrop Foods Lanka (Private) Limited Del Monte Foods Private Limited (w.e.f. February 6, 2025)
4. Step-down subsidiary company	Del Monte Foods India (North) Private Limited (w.e.f. February 6, 2025)
5. Fellow Subsidiary Company	Conagra Foods RDM LLC (Upto August 27, 2024) (formerly known as Conagra Foods RDM, Inc.)
6. Key Management Personnel (KMP)	
(i) Group Managing Director	Mr. Nitish Bajaj (w.e.f. November 25, 2024)
(ii) Executive Director & Chief Executive Officer	Mr. Asheesh Kumar Sharma (w.e.f. November 25, 2024)# # He was a Managing Director ( w.e.f. April 25, 2024 to November 24, 2024) Mr. Sachin Gopal, Managing Director (Upto April 24, 2024)
(iii) Chief Financial Officer	Mr. K P N Srinivas
(iv) Company Secretary	Ms. Jyoti Chawla
(v) Independent Directors	Mr. Rajesh Jain (w.e.f. July 17, 2024) Mr. Satish Premanand Rao (w.e.f. July 17, 2024) Ms. Richa Arora (w.e.f. July 17, 2024) Dr. Om Prakash Manchanda (w.e.f. November 15, 2024) Mr. Karamendra Daulat Singh (w.e.f. February 6, 2025) Lt. Gen. D.B. Singh (Upto July 16, 2024) Mr. Sanjaya Kulkarni (Upto July 16, 2024) Mr. Arun Bewoor (Upto July 16, 2024) Mr. Narendra Ambwani (Upto July 16, 2024) Ms. Veena Vishindas Gidwani (Upto July 16, 2024)
7. Post-employment benefit trusts	Agro Tech Foods Management Staff Gratuity Fund Agro Tech Foods Non-Management Staff Gratuity Fund Agro Tech Foods Provident Fund Agro Tech Foods Superannuation Fund

## Sundrop Brands Limited

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### (a) Related party transactions during the year

Particulars	Relationship	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Sundrop Foods India Private Limited</b>	Wholly owned Subsidiary Companies		
Recovery of expenses		0.29	-
Distribution services received		168.82	171.32
Cross-charge income		4.22	3.78
<b>Agro Tech Foods (Bangladesh) Pvt. Ltd.</b>	Wholly owned Subsidiary Companies		
Purchase of Goods		7.55	33.15
<b>Del Monte Foods Private Limited</b>	Wholly owned Subsidiary Companies		
Rental Income		0.05	-
<b>Del Monte Foods India (North) Private Limited</b>	Fellow Subsidiary Company		
Rental Income		0.01	-
<b>Conagra Brands Inc.</b>	Ultimate Holding Company (Upto August 27, 2024)		
Reimbursement of expenses		128.14	-
Recovery of expenses		0.06	0.10
<b>Conagra Foods RDM LLC</b> (formerly known as Conagra Foods RDM, Inc.)	Fellow Subsidiary Company (Upto August 27, 2024)		
Royalty*		38.02	83.97
<b>CAG Tech (Mauritius) Limited</b>	Holding Company		
Dividend paid		37.85	37.85
<b>Zest Investments Limited</b>	Ultimate Holding Company (w.e.f August 28, 2024)		
Dividend paid (amount below ₹ thousand)		0.00	-
<b>Key Managerial Personnel Compensation</b>	Key Management Personnel		
Short-term employee benefits		49.14	31.08
Post-employment defined benefits		2.00	2.06
Sitting fees and commission to independent directors		5.53	6.89
Dividend paid		0.05	0.25
Gratuity**		20.06	12.42
Compensated absences**		2.70	1.25
<b>Agro Tech Foods Management Staff Gratuity Fund</b>	Post-employment benefit trusts		
Contribution during the year		9.42	8.76
<b>Agro Tech Foods Provident Fund</b>	Post-employment benefit trusts		
Contribution during the year		36.05	38.63
<b>Agro Tech Foods Superannuation Fund</b>	Post-employment benefit trusts		
Contribution during the year		5.15	5.50

\*Conagra Foods RDM LLC has authorised Conagra Brands Inc. to collect the amount of royalty on its behalf.

\*\*It includes gratuity of ₹ 9.64, leave encashment of ₹ 0.69 to one of the KMPs who resigned during the period. The Company has received amount of ₹ 128.14 from Conagra Brands Inc. (erstwhile Ultimate Holding Company) as reimbursement towards one time retention incentive/ severance payment to certain employees, KMPs and to erstwhile CEO which is excluded above.

In previous year exercise of stock options aggregating ₹ 21.90 by key managerial personnel has not been included in the remuneration disclosed above.



## Sundrop Brands Limited

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

On 6 February 2025, the Company acquired 100% equity shares of Del Monte Foods Private Limited as detailed in Note 54. Accordingly, transactions of the Company with the entities which became Company's related party as a result of acquisition of Del Monte Foods Private Limited have been disclosed as related party transaction post Company acquired control in Del Monte Foods Private Limited.

The Company deducted and paid TDS on the capital gain earned by DMPL India Limited which was reimbursed by the said entity to the Company. This transaction has not been disclosed above as DMPL India Limited was not a related party of the Company as at the date of the transaction under the applicable Ind AS.

#### (b) Balances receivable from/payable to related parties

Particulars	Nature of Transactions	As at March 31, 2025	As at March 31, 2024
<b>Receivable from related parties</b>			
Agro Tech Foods (Bangladesh) Pvt. Ltd.	Advances	-	3.76
Sundrop Foods India Private Limited	Other contractual receivable	1.41	1.04
Agro Tech Foods Provident Fund	Other Advances	-	23.94
Conagra Brands Inc.	Other Advances	-	0.10
Del Monte Foods Private Limited	Other contractual receivable	0.06	-
Del Monte Foods India (North) Private Limited	Other contractual receivable	0.01	-
<b>Payable to related parties</b>			
Agro Tech Foods Management Staff Gratuity Fund	Provision for employee benefits	13.76	9.42
Agro Tech Foods Provident Fund	Employee benefits payable	3.23	-
Agro Tech Foods Superannuation Fund	Employee benefits payable	0.43	0.43
Sundrop Foods India Private Limited	Trade payable	93.14	95.71
Conagra Foods RDM LLC	Trade payable	-	10.47
(formerly known as Conagra Foods RDM, Inc.)			
Key Managerial Personnel Compensation	Employee benefits payable	4.73	0.18
Key Managerial Personnel Compensation	Provision for employee benefits	20.06	12.42
Key Managerial Personnel Compensation	Employee benefits payable	2.70	1.25
Independent Directors	Trade payable	1.98	2.92

**Note 43B :** The Company paid ₹ 2.5 to Mediaedge Cia India Private Limited towards rebranding related services. The relative of one of the director is holding senior position in this company. While this is not a related party under applicable Ind AS, however, the Company has taken necessary audit committee approval on good governance basis.

#### Note 44 - Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Accordingly, the gross amount required to be spent during the year is ₹ 4.45 (March 31, 2024: ₹ 6.72). The Company has before the year end, contributed the entire amount of its current year obligation of ₹ 4.45 to the Prime Minister's National Relief Fund, which is a fund prescribed under Schedule VII of the Act.

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a. Amount required to be spent by Company during the year	4.45	6.72
b. Amount approved by the Board to be spent during the year	4.45	6.72
c. Amount spent during the year	-	-
i. Construction / acquisition of any asset	-	-
ii. On purposes other than (i) above	4.45	6.72
d. Details of related party transactions	-	-
e. Shortfall /(excess) at the end of the year	-	-
f. Movements in provision of liability created	-	-
Nature of activities	Contributed to Prime Minister's National Relief Fund	

#### Note 45 - Research and development expenses

Revenue expenditure on research and development is expensed as incurred. Capital expenditure incurred on research and development ('R&D') is capitalised as property, plant and equipment and depreciated in accordance with the depreciation policy of the Company. The details are as below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Capital expenditure	10.09	4.13
Revenue expenditure	16.94	19.00
<b>Total</b>	<u>27.03</u>	<u>23.13</u>

#### Note 46 - Capital management

The Company's policy is to maintain a stable and strong capital structure with focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends of equity share holders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. The Company monitors capital using a gearing ratio, which is net debt divided by adjusted equity. Company's capital includes issued capital and all other equity reserves and debt includes long-term borrowings and short-term working capital demand loan excluding lease liabilities.

The Company monitors capital on the basis of the following gearing ratio

Particulars	As at March 31, 2025	As at March 31, 2024
Total Debt (excluding lease liabilities) (refer note 20)	-	335.00
Total Equity	14,374.20	4,991.76
Debt to equity ratio	-	0.07

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### **Note 47 - Employee Benefits**

##### **a) The employee benefit schemes are as under:**

###### **i. Provident fund :**

All employees of the Company receive benefits under the Provident Fund which is a defined benefit plan wherein the Company provides the guarantee of a specified return on contribution. The contribution is made both by the employee and the Company equal to 12% of the employees' salary. These contributions are made to the fund administered and managed by the Company's own Trust. (Refer Note 43A). Amount of contribution charged to statement of profit and loss ₹ 20.63 ( Previous year ₹ 20.55).

###### **ii. Superannuation fund:**

The Company has a defined contribution scheme to provide pension to its eligible employees. The Company makes monthly contributions equal to a specified percentage of the covered employees' salary. These contributions are administered by Company's own Trust which has subscribed to "Group Superannuation Policy" of ICICI Prudential Life Insurance Company Limited. The Company's monthly contributions are charged to the Statement of Profit and Loss. (Refer Note 43A). Amount of contribution charged to statement of profit and loss ₹ 5.15 ( Previous year ₹ 5.50)

###### **iii. Compensated absences :**

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the Statement of Profit and Loss. Amount of contribution charged to statement of profit and loss ₹ 7.52 ( Previous year ₹ 6.26)

###### **iv. Gratuity :**

In accordance with the 'The Payment of Gratuity Act, 1972' of India, the Company provides for Gratuity, a defined retirement benefit scheme (the Gratuity Plan), covering eligible employees. Liabilities with regard to such gratuity plan are determined by an actuarial valuation as at the end of the year. The gratuity plan is a funded plan administered by Company's own Trust which has subscribed to "Group Gratuity Scheme" of ICICI Prudential Life Insurance Company Limited. Amount of contribution charged to statement of profit and loss ₹ 10.45 (Previous year ₹ 6.82)

#### **Risk Management:**

**Investment risk** - The probability or likelihood of occurrence of losses related to the expected return on any particular investment.

**Interest rate risk** - The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**Longevity risk** - The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk** - The present value of the defined benefit plan is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

## Sundrop Brands Limited

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

**b) The following table sets out the particulars of the employee benefits as required under the Ind AS 19 "Employee Benefits"**

i) The amounts recognised in the Balance Sheet and the movement in the defined benefit obligation for Gratuity is as follows:

Particulars	March 31, 2025			March 31, 2024		
	Present value of obligation	Fair value of plan assets	Net Liability/ (asset)	Present value of obligation	Fair value of plan assets	Net Liability/ (asset)
<b>Opening balance (A)</b>	<b>108.53</b>	<b>99.11</b>	<b>9.42</b>	109.81	101.05	8.76
Current service cost	9.83	-	9.83	6.49	-	6.49
Interest cost	6.80	-	6.80	6.70	-	6.70
Expected returns	-	6.18	(6.18)	-	6.37	(6.37)
<b>Total amount recognised in the statement of profit and loss (B)</b>	<b>16.63</b>	<b>6.18</b>	<b>10.45</b>	13.19	6.37	6.82
Remeasurements						
Loss/ (gain) from change in financial assumptions	3.67	-	3.67	1.78	-	1.78
Experience losses - experience	1.58	-	1.58	5.35	-	5.35
Return on plan assets, greater/ less than discount rate	-	2.18	(2.18)	-	4.53	(4.53)
<b>Total amount recognised in other comprehensive income (C)</b>	<b>5.25</b>	<b>2.18</b>	<b>3.07</b>	7.13	4.53	2.60
Contributions (D)	-	9.42	(9.42)	-	8.76	(8.76)
Benefit paid (E)	(18.58)	(18.58)	-	(21.60)	(21.60)	-
<b>Closing Balance (A+B+C+D+E)</b>	<b>111.83</b>	<b>98.31</b>	<b>13.52</b>	108.53	99.11	9.42

**Expected contributions to the plan for the next annual reporting period**

The Company expects to contribute a sum of ₹ 12.91 to the plan for the next annual reporting period (31 March 2024: ₹ 11.27)

ii) The amounts recognised in the Balance Sheet and the movement in the defined benefit obligation for Provident Fund is as follows:

Particulars	March 31, 2025			March 31, 2024		
	Present value of obligation	Fair value of plan assets	Net Liability/ (asset)	Present value of obligation	Fair value of plan assets	Net Liability/ (asset)
<b>Opening balance (A)</b>	<b>425.48</b>	<b>441.95</b>	<b>(16.47)</b>	427.78	448.44	(20.66)
Current service cost	11.07	-	11.07	11.10	-	11.10
Interest cost	31.22	-	31.22	30.77	-	30.77
Expected returns	-	34.27	(34.27)	-	33.83	(33.83)
<b>Total amount recognised in the statement of profit and loss (B)</b>	<b>42.29</b>	<b>34.27</b>	<b>8.02</b>	41.87	33.83	8.04
Remeasurements						
Actuarial loss / (gain)	(23.01)	-	(23.01)	31.58	-	31.58
Return on plan assets	-	(27.36)	27.36	1.87	26.20	(24.33)
<b>Total amount recognised in other comprehensive income (C)</b>	<b>(23.01)</b>	<b>(27.36)</b>	<b>4.35</b>	33.45	26.20	7.25
Contributions (D)	24.97	36.05	(11.08)	27.53	38.63	(11.10)
Transfer in (E)	1.52	1.52	-	1.82	1.82	-
Interest allocations (F)	-	-	-	-	-	-
Benefits paid (G)	(90.79)	(90.79)	-	(106.97)	(106.97)	-
<b>Closing Balance (A+B+C+D+E+F+G)*</b>	<b>380.46</b>	<b>395.64</b>	<b>(15.18)</b>	425.48	441.95	(16.47)

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

\* The Company has not recognised an asset amounting to ₹ 15.18 (March 31, 2024: ₹ 16.47) as there are no future economic benefits available to the Company in the form of reduction in future contribution or a cash refund.

#### ii) Significant estimates: Actuarial assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

Particulars	Provident fund		Gratuity	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Discount rate	6.78%	7.21%	6.78%	7.21%
Expected rate of return on plan assets	8.25%	8.25%	7.21%	7.21%
Salary escalation rate	7.00%	7.00%	7.00%	7.00%

**Discount rate :** The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

**Expected rate of return on plan assets :** This is based on the expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

**Salary escalation rate :** The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

#### iii) Details of plan assets

Particulars	Provident fund		Gratuity	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Government of India securities	56.50%	55.11%	-	-
Public Sector Undertakings and Private Companies	32.24%	35.71%	-	-
Mutual Funds	11.26%	9.18%	-	-
Fund managed by ICICI Prudential Life Insurance Company Limited*	-	-	100.00%	100.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

\*The Company makes annual contribution to the ICICI Prudential Life Insurance Company Limited.

#### iv) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

Particulars	Provident fund		Gratuity	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
A. Discount rate				
a. Discount rate - 100 basis points	408.67	451.89	121.25	115.83
b. Discount rate +100 basis points	363.53	410.24	103.59	100.69
B. Salary increase rate				
a. Rate - 100 basis points	363.90	410.50	103.37	100.45
b. Rate +100 basis points	406.08	449.61	121.33	115.95

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions maybe correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as and when calculating the defined benefit liability recognised in the Balance Sheet.



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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

#### v) Maturity profile of defined benefit obligation:

Particulars	Provident fund		Gratuity	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Year 1	51.91	47.81	21.97	26.79
Year 2	77.03	71.24	8.61	11.15
Year 3	41.87	38.74	12.93	7.78
Year 4	34.68	32.04	11.49	13.05
Year 5	87.67	81.17	2.99	9.60
Year 6 to 10	231.79	214.42	21.49	18.36

#### Note 48 - Financial instruments

The Company's principal financial liabilities comprise borrowings, trade payables and other liabilities. The Company's principal financial assets include loans, investments, trade and other receivables, and cash and cash equivalents that are derived directly from its operations. The Company's activities expose it to a variety of financial risks viz. market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses forward contracts to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree policies for managing each of these risks, which are summarised below:

#### Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2025, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets										
Non current financial assets	8	-	-	42.45	-	42.45	-	-	-	-
Trade receivables	11	-	-	637.27	-	637.27	-	-	-	-
Cash and cash equivalents	12	-	-	220.13	-	220.13	-	-	-	-
Bank balances (other than cash and cash equivalents)	13	-	-	12.54	-	12.54	-	-	-	-
Other financial assets	14	-	-	8.71	-	8.71	-	-	-	-
		-	-	921.10	-	921.10	-	-	-	-
Financial liabilities										
Borrowings	20	-	-	-	-	-	-	-	-	-
Trade payables	21	-	-	-	739.31	739.31	-	-	-	-
Other financial liabilities	23	-	-	-	208.22	208.22	-	-	-	-
Lease liabilities	18,22	-	-	-	64.42	64.42	-	-	-	-
		-	-	-	1,011.95	1,011.95	-	-	-	-

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2024, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets										
Non current financial assets	8	-	-	35.06		35.06	-	-	-	-
Trade Receivables	11	-	-	669.84	-	669.84	-	-	-	-
Cash and cash equivalents	12	-	-	85.48	-	85.48	-	-	-	-
Bank balances (other than cash and cash equivalents)	13	-	-	11.39	-	11.39	-	-	-	-
Other financial assets	14	-	-	32.64	-	32.64	-	-	-	-
		-	-	834.41	-	834.41	-	-	-	-
Financial liabilities										
Borrowings	20	-	-	-	335.00	335.00	-	-	-	-
Trade payables	21	-	-	-	684.89	684.89	-	-	-	-
Other financial liabilities	23	-	-	-	88.79	88.79	-	-	-	-
Lease liabilities	18,22	-	-	-	85.02	85.02	-	-	-	-
		-	-	-	1,193.70	1,193.70	-	-	-	-

The above table does not includes investment in subsidiaries carried at cost.

#### Fair value hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements)

The following levels have been used for classification:

- Level 1: Quoted prices (unadjusted) for identical instruments in active market
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs
- Level 3: Inputs which are not based on observable market data.

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, cash and cash equivalents, Bank balances (other than cash and cash equivalents), borrowings, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. With respect to non current financial assets and lease liabilities discount rate for fair valuation is not significantly different from discount rate at lease inception. Hence fair value approximates the carrying value. For all other amortised cost instruments, carrying value represents the best estimate of fair value. There were no transfers between Level 1 and Level 2 during the year.

#### Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- i. Liquidity Risk
- ii. Market Risk
- iii. Credit Risk

#### Risk Management framework:

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's risk management policy is set by the Risk Management Committee. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's primary focus is to

## Sundrop Brands Limited

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. A summary of the risks have been given below:

#### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or any other financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk of damage to the Company's reputation.

The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2025 and March 31, 2024:

Particulars	As at March 31, 2025			
	Carrying value	Less than 1 year	1-2 years	2 years and above
<b>Non-derivative financial liabilities</b>				
Borrowings	-	-	-	-
Trade payables	739.31	739.31	-	-
Other financial liabilities	208.22	208.22	-	-
Lease liabilities	64.42	26.76	26.76	17.97
	<b>1,011.95</b>	<b>974.29</b>	<b>26.76</b>	<b>17.97</b>

Particulars	As at March 31, 2024			
	Carrying value	Less than 1 year	1-2 years	2 years and above
<b>Non-derivative financial liabilities</b>				
Borrowings	335.00	335.00	-	-
Trade payables	684.89	684.89	-	-
Other financial liabilities	88.79	88.79	-	-
Lease liabilities	85.02	20.60	22.44	41.98
	<b>1,193.70</b>	<b>1,129.28</b>	<b>22.44</b>	<b>41.98</b>

#### Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

#### Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The functional currency of the Company is INR and maximum sales transactions are denominated in INR itself. Foreign currency transactions are mainly denominated in USD.

## Sundrop Brands Limited

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### Exposure to currency risk

The following is the nominal value of outstanding derivative contracts entered into by the Company for hedging currency related risks as at :

Particulars	As at March 31, 2025		As at March 31, 2024	
	Foreign Currency (USD)	Amount in ₹ millions	Foreign Currency (USD)	Amount in ₹ millions
Forward foreign exchange contract -Trade payables	-	-	344,360	28.71

The particulars of un-hedged foreign exposure as at balance sheet date is as under

Particulars	As at March 31, 2025		As at March 31, 2024	
	Foreign Currency (USD)	Amount in ₹ millions	Foreign Currency (USD)	Amount in ₹ millions
Payables for purchase of property, plant and equipment	-	-	15,413	1.28
Trade receivables	35,233	3.01	40,012	3.34

#### Sensitivity Analysis:

The profit or loss is sensitive to foreign exchange gain/ (loss) as a result of changes in foreign exchange rates.

Particulars	Impact on profit for the year ended	
	March 31, 2025	March 31, 2024
Foreign exchange rate - Increases by 5%	0.15	0.10
Foreign exchange rate - Decreases by 5%	(0.15)	(0.10)

#### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

#### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale, retail or institutional customers, their industry, trading history with the Company and existence of previous financial difficulties. The default in collection as a percentage to total receivable is low.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses. The following table provides information about the exposure to credit risk and expected credit loss (ECL) for trade receivables.

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(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### As at 31 March 2025

Particulars	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
Less than 90 days	0.05%	615.60	0.31	No
90 - 180 days	0.74%	12.93	0.10	No
180 - 270 days	3.09%	7.08	0.46	No
270 - 360 days	9.52%	2.35	0.22	No
360 - 450 days	25.30%	0.37	0.09	No
450 - 540 days	36.10%	0.10	0.04	No
540 - 630 days	40.88%	0.01	0.00	No
More than 630 days	100.00%	45.39	45.39	Yes

#### As at 31 March 2024

Particulars	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
Less than 90 days	0.02%	641.68	0.15	No
90 - 180 days	0.34%	22.52	0.08	No
180 - 270 days	1.57%	4.08	0.83	No
270 - 360 days	4.90%	2.78	1.15	No
360 - 450 days	12.49%	0.92	0.12	No
450 - 540 days	19.63%	0.18	0.04	No
540 - 630 days	24.97%	0.10	0.03	No
More than 630 days	100.00%	77.41	77.41	Yes

The Company uses an allowance matrix to measure the ECL of trade receivables from individual customers, which comprise a very large number of small balances. Based on the industry practice and the business environment in which the entity operates, Management considers that the trade receivables are significant increase in credit risk if the payments are pending for more than 180 days for all customers other than Government related Customers. In the case of Government related customers, if the payments are pending for more than 365 days.

Loss rates are based on actual credit loss experience over the past 3 years.

#### Security deposits

Security deposits are primarily given to electricity authorities of states across India and rental deposits. Recoverability of these deposits is probable and no risk is expected.

#### Loans

Loan are interest free loans which are primarily given to employees and recovered from their monthly salary.

#### Cash and cash equivalents and other bank balances

The cash and cash equivalents and other bank balances are held with banks. Credit risk on cash and cash equivalents and deposits with banks and financial institutions are generally low as the said deposits have been made with the banks and financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

**Note 49** - During the year ended March 31, 2025 and March 31, 2024 no material foreseeable loss was incurred for any long-term contract including derivative contracts.

**Note 50** - The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been enacted. However, the date on which the Code will come into effect has not been notified. The Management will assess the impact of the Code and will give appropriate impact in the financial



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### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

statements in the period in which, the Code becomes effective.

#### **Note 51- Change in Ultimate Holding Company**

Pursuant to previously submitted Public Announcement of Open Offer made on the February 29, 2024 and a copy of Detailed Public Statement made on March 7, 2024, the change in control of Sundrop Brands Limited (formerly Known as Agro Tech Foods Limited) ("the Company") has occurred through the indirect acquisition of the Company by Zest Holding Investments Limited by way of acquisition of shares of CAG-Tech (Mauritius) Limited (Holding Company/ Promoter of the Company). Post this transaction Zest Holding Investments Limited holds 100% of the issued and paid-up share capital of CAG-Tech (Mauritius) Limited, i.e. w.e.f August 28, 2024.

Subsequently, on February 6, 2025, the Company acquired 100% equity shares of Del Monte Foods Private Limited as detailed in Note 3 above. This resulted in reduction of shareholding by CAG-Tech (Mauritius) Limited. As per Article of Association of the Company, CAG-Tech (Mauritius) Limited has right to appoint upto 50% of directors in the Board of the Company and is largest shareholder of the Company. Considering this CAG-Tech (Mauritius) Limited has continued to be disclosed as Holding Company of the Company.

**Note 52** - As per the proviso to Rule 3(1) of Companies (Accounts) Rules, 2014, for the financial year commencing on or after the 1st day of April 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company used Oracle E-Business as its primary accounting software for recording all the accounting transactions viz., sales, purchases, production/costing, fixed assets, other expenses, cash and bank transactions, journal entries and all other general ledger accounting transactions for the year ended March 31, 2025. Oracle E-Business has a feature of recording audit trail (edit log) facility which log was enabled throughout the period for all relevant transactions recorded in the software except for one table at application level. At the core database level, log was not enabled for Oracle E-Business for the period 01 April 2024 to 10 August 2024.

In respect of accounting software used by the Company i.e. 'Oracle CRM Seibel' used for processing certain customer related transactions (i.e. sale orders, credit notes/claims from distributors) the audit trail feature of such software was not enabled throughout the year.

In respect of accounting software used by the Company for maintaining the books of account relating to payroll processing records, which is operated by a third-party software service provider, has a feature of recording audit trail (edit log) facility which log was enabled for the period from 01 April 2024 to 30 September 2024. In the absence of an independent service auditor's report from 01 October 2024 to 31 March 2025 in relation to controls at a service organisation, the Company is unable to comment whether audit trail feature for the said software was enabled and operated from 01 October 2024 to 31 March 2025 for all relevant transactions recorded in the software.

In respect of accounting software used by the Company for maintaining the books of account relating to payroll masters, which is operated by a third-party software service provider, in the absence of an independent service auditor's report in relation to controls at a service organisation, the Company is unable to comment whether audit trail feature for the said software was enabled and operated during the year for all relevant transactions recorded in the software.

Additionally, except where audit trail was not enabled in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### Note 53 Additional Regulatory Information

##### Ratios :

The following are analytical ratios for the year ended March 31, 2025 and March 31, 2024

Srl. No.	Particulars	Numerator	Denominator	March 31, 2025	March 31, 2024	Change %	Reasons for Variance
a.	Current Ratio	Current assets	Current liabilities	2.10	2.05	2.49%	
b.	Debt -Equity Ratio	Debt consisting of borrowings and lease liabilities	Total equity	0.00	0.08	(94.68%)	The Company has repaid borrowings during the year.
c.	Debt Service Coverage Ratio	Earning for Debt service #	Debt Service : Interest and Lease payments	13.20	7.52	75.78%	The Company has repaid borrowings during the year.
d.	Return on Equity (in %)	Profit/(Loss) after tax	Average Shareholder's equity	(11.43%)	1.96%	(683.99%)	The exceptional item as disclosed in note 39 has resulted in negative returns.
e.	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	3.94	3.04	29.43%	Lower inventory and higher consumption (cost of good sold) results in improvement in inventory turnover ratio.
f.	Trade receivables Turnover Ratio	Revenue from operations	Average trade receivables	12.13	11.14	8.89%	
g.	Trade payables Turnover Ratio	Net credit purchases (excluding other expenses)	Average trade payables	6.54	6.91	(5.34%)	
h.	Net capital turnover ratio	Revenue from operations	Working capital	6.52	5.80	12.43%	
i.	Net profit ratio (in %)	Profit/(Loss) after tax	Revenue from operations	(13.96%)	1.27%	(1197.99%)	The exceptional item as disclosed in note 39 has resulted in negative returns.
j.	Return on capital employed (in %)	Profit/(Loss) before interest and tax	Capital employed ##	(10.09%)	2.93%	(444.30%)	The exceptional item as disclosed in note 39 has resulted in negative returns.

# Net profit after tax + Interest + non cash operating expenses

## Net worth+ lease liabilities + total debt + deferred tax liability

#### Note 54 Business combination

##### Acquisition during the year ended 31 March 2025

##### A. Acquisition of Del Monte Foods Private Limited

During the current year, the Company had entered into Share Purchase Agreements and Share Subscription Agreements on 11 November 2024 with the shareholders of Del Monte Foods Private Limited (DMFPL) for acquisition of 100% equity shares of DMFPL.

Post obtaining relevant regulatory approvals, the Company acquired 100% equity shares and voting interest of DMFPL on 06 February 2025, being acquisition date. The Company allotted its 13,327,589 equity shares to the shareholders of DMFPL towards purchase consideration.

DMFPL is also primarily engaged in the business of manufacturing and trading of food products. The acquisition is expected to achieve synergy by integrating acquired assets into the Company's existing business and help in exploring untapped geographies and product categories in food business. The Company also expects to reduce costs through economies of scale.

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### NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### B. Purchase Consideration transferred

The total consideration paid was ₹ 10,565.45 million which comprised of equity shares of the Company, valued based on the share price of the Company on the acquisition date. Refer to details below:

Total number of DMFPL shares outstanding	511,029,382
Total number of company's shares issued to DMFPL shareholders	13,327,589
Value of the Company share (closing price of the Company on NSE share as on 06 February 2025)	792.75
<b>Total consideration paid to acquire DMFPL (₹ in million)</b>	<b>10,565.45</b>

- a) The preferential price per equity share, as per SEBI (Substantial Acquisition of Shares and Takeovers) regulations, 2011 issued by Security Exchange Board of India, was ₹ 975.5 per equity share. However, for the purpose of accounting of business combination, the Company has considered fair value ₹ 792.75 per equity share at the date of the acquisition i.e. 6 Feb 2025, in compliance with the applicable Ind AS.
- b) The Company has incurred acquisition-related-costs of ₹ 51.59 on legal and professional, due diligence costs and other fees. Considering these are non-recurring and material expenses, there are included under exceptional items in the consolidated Statement of Profit and Loss.

#### Note 55 Satisfaction of Charges

The Company is in the process of filing satisfaction of the charges listed below with the Registrar of Companies. However, due to the longstanding nature of these charges, the Company is still in the process of retrieving the necessary documents, which is causing a delay. There is no change in list compared to previous year. Additionally, as of 31 March 2025, the Company has no outstanding loans.

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Amount
1	Y10211538	90118733	State Bank of Hyderabad	14-Oct-97	09-Dec-02	360.00
2	Y10207998	90115193	The Industrial Finance Corporation	01-Sep-95	-	126.50
3	Y10209751	90116946	American Express Bank Limited	12-May-94	06-Mar-96	10.00
4	Y10211251	90118446	State Bank of Hyderabad	07-Apr-93	09-Dec-95	3.70
5	Y10207774	90114969	Common Wealth Development Corporation	14-Sep-92	-	1.00
6	Y10209586	90116781	State Bank of India	11-Jun-90	23-Jul-90	4.10
7	Y10211118	90118313	State Bank of Hyderabad	02-May-90	21-Oct-98	360.00
8	Y10211111	90118306	State Bank of India	24-Mar-90	24-Sep-96	48.00
9	Y10212337	90119532	State Bank of India	31-Aug-89	-	1.04

#### Note 56 Other Legal and Regulatory Matters

- a) There are no proceeding initiated or pending against the Company as at 31 March 2025 and 31 March 2024, under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).
- b) The Company is not declared a wilful defaulter by any bank or financial Institution or other lender.
- c) The Company has no such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other provisions of the Income Tax Act, 1961).
- d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

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### **NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f) There are no loans or advances in the nature of loans are granted to promoters, directors, KMP's and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person, that are :
  - a) repayable on demand; or
  - b) without specifying any terms or period of repayment
- g) The Company has complied with number of layers of companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- h) The Company has not entered into any transactions with the companies struck-off as per Section 248 or Section 560 of the companies act 2013.
- i) The Company has not entered into any scheme of arrangement which has an accounting impact on current and previous financial year.
- j) The Company has not traded or invested in Crypto currency or Virtual Currency during the current financial year and previous financial year.
- k) All quarterly returns or statements of current assets are filed by the Company with banks or financial institutions and are in agreement with the books of accounts.

**Note 57** - The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on May 19, 2025.

As per our Report of even date attached  
**For BSR and Co**  
Chartered Accountants  
ICAI Firm Registration Number: 128510W

**Arpan Jain**  
Partner  
Membership No.125710

Place: Gurugram  
Date: May 19, 2025

**For and on behalf of the Board of Directors of  
Sundrop Brands Limited**  
(Formerly Known as Agro Tech Foods Limited)

**Nitish Bajaj**  
Group Managing Director  
DIN 10835891

**K P N Srinivas**  
Chief Financial Officer  
Place: Gurugram  
Date: May 19, 2025

**Asheesh Kumar Sharma**  
Executive Director & CEO  
DIN 10602319

**Jyoti Chawla**  
Company Secretary

## Consolidated Financial Statements



## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNDROP BRANDS LIMITED (FORMERLY KNOWN AS AGRO TECH FOODS LIMITED)**

#### **Report on the Audit of the Consolidated Financial Statements**

##### **Opinion**

We have audited the consolidated financial statements of **Sundrop Brands Limited** (formerly known as Agro Tech Foods Limited) (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2025, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries/step down subsidiary as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2025, of its consolidated loss and other comprehensive loss, consolidated changes in equity and consolidated cash flows for the year then ended.

##### **Revenue Recognition**

See Note 3(h) and Note 26 to consolidated financial statements

<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer, which is mainly upon delivery of goods to customer and when there are no longer any unfulfilled obligations. The amount of revenue to be recognized is based on the consideration expected to be received in exchange for goods, excluding trade discounts, volume discounts, sales returns and taxes.	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"><li>• Comparing the Group's revenue recognition policies with the applicable accounting standards;</li><li>• Evaluating the design and implementation and testing the operating effectiveness of the relevant key internal controls over revenue recognition, including general IT controls and key IT application controls;</li></ul>

##### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

##### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

<p>We have identified the existence of revenue recognition from sale of goods as a key audit matter because revenue is a key performance indicator for the Group and external stakeholders. Therefore, there is a risk of revenue being overstated on account of recognition before transfer of control particularly due to pressures for achieving the performance targets for the year.</p>	<ul style="list-style-type: none"> <li>• Performing substantive testing by selecting samples using statistical sampling for revenue transactions recorded during the year. For the samples selected, verifying the underlying documents such as sales invoices and dispatch/ acknowledged delivery receipts/ shipping documents to assess whether criteria for revenue recognition are met;</li> <li>• Testing samples of revenue transactions recorded closer to the year end and subsequent to the year end, selected using statistical sampling. For samples selected, we verified the underlying documents such as sales invoices and dispatch/ acknowledged delivery receipts/ shipping documents. Further, we examined the credit notes issued after the year-end to test whether related revenue was recognised in correct financial year;</li> <li>• Comparing revenue with historical trends and for deviations, conducted further enquiries and testing;</li> <li>• Assessing manual journal entries posted to revenue, selected based on specified risk-based criteria to identify unusual items and testing unusual items, if any;</li> <li>• Evaluating the adequacy of disclosures in the consolidated financial statements in accordance with the requirements of the applicable accounting standards.</li> </ul>
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#### Business Combination- Acquisition of Del Monte Foods Private Limited

See Note 3(s) and note 54 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Group has completed the acquisition of 100% equity shares of Del Monte Foods India Private Limited and accounted for this acquisition as a business combination as per Ind AS 103 by recognising identifiable assets (including intangible assets) and liabilities acquired at fair value.</p> <p>The measurement of identifiable assets and liabilities acquired at fair value is inherently judgmental. Fair value was determined by the Group with the assistance of an external valuation expert using various valuations techniques, which will be applied according to the assets and liabilities being measured.</p> <p>Given the complexity and judgement analysis involved in fair value measurements and magnitude of the acquisition made by the Group, we have identified this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Reading the underlying Share Purchase Agreement to understand the key terms and conditions of the acquisition;</li> <li>• Evaluating the design and implementation and testing the operating effectiveness of key internal controls related to the Group's valuation process and allocation of the purchase price;</li> <li>• Evaluating the objectivity and competence of expert engaged by the Group;</li> <li>• Tracing the value of the consideration transferred with reference to Share Purchase Agreement and in accordance with Ind AS 103;</li> <li>• Obtaining an understanding of the valuation techniques used by the external valuation expert engaged by the Group in the fair valuation of acquired assets and assumed liabilities;</li> </ul>

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

	<ul style="list-style-type: none"> <li>Assessing and challenging the key assumptions used for the identification and valuation of the identified intangible assets by involving our valuation specialists;</li> <li>Evaluating the adequacy of disclosures in respect of the acquisition in accordance with the requirements of the applicable accounting standards.</li> </ul>
<b>Impairment of Cash Generating Units (CGUs) and identified property, plant and equipment (PPE) of the Holding Company</b>	
See Note 4 and 5 to consolidated financial statements	
The key audit matter	How the matter was addressed in our audit
<p>The net carrying value of CGUs and identified PPE of the Holding Company aggregating to INR 1,895.71 millions (post impairment provision) represents 10.61% of the total assets of the Group as at 31 March 2025. As stated in Note 4, during the year, the Group has recorded impairment provision of INR 654.62 millions against certain identified CGUs and impairment provision of INR 705.70 millions against certain identified PPE.</p> <p>As stated in Note 3(d) to the consolidated financial statements, if any indication exists, the Group estimates the recoverable amount of the asset which is higher of the asset's fair value less costs of disposal and its value in use. The Group has identified following indicators of impairment:</p> <ul style="list-style-type: none"> <li>Change in business strategy of the Holding Company's business with respect to certain products.</li> <li>Overall expected capacity utilization of certain plants.</li> </ul> <p>The identification of impairment event and the determination of impairment charge requires application of significant judgement by the Group. The value in use is determined based on a discounted cash flow model. It involves making certain assumptions, in particular, with respect to the timing and amount of future cash flows of the asset and using estimates like projected future cashflows, long term growth rate and applicable discounting rates, due to the inherent uncertainty and judgment in forecasting and discounting future cash flows.</p> <p>The recoverable value of certain PPE related to products, business of which is not expected to continue are determined at fair value which is inherently judgmental. Fair value was determined by the Group with the assistance of an external valuation expert using market value.</p> <p>Due to the significance of the value of CGUs and identified PPE and the possible indicators of impairment, we have considered this as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Evaluating the design and implementation and testing the operating effectiveness of key controls in respect of company's impairment testing process, including approval of forecasts and valuation models;</li> <li>Assessing whether the methodology established to identify Cash Generating Units (CGUs) is appropriate;</li> <li>Analyzing the indicators of impairment of PPE and Group's assessment of those indicators;</li> <li>Comparing the projections used in the impairment model with the Board approved forecasts;</li> <li>Verifying overall mathematical accuracy of calculations;</li> <li>Challenging the assumptions used by comparing the inputs, in particular those relating to forecast revenue growth and earnings, weighted average cost of capital, long-term growth rates, any by checking for inconsistency with the commercial strategy associated with the products, comparing the inputs with externally available data, knowledge of the industry with assistance of valuation specialist;</li> <li>Challenging the methodology and approach followed to determine the fair value of identified PPE with the assistance of firm's valuation specialist;</li> <li>Performing sensitivity analysis to evaluate impact on recoverable amount due to changes in key assumptions like future revenue growth rates, terminal growth rate, and discount rate applied in the valuation;</li> <li>Evaluating adequacy of disclosures in the consolidated financial statements in accordance with the requirements of the applicable accounting standards.</li> </ul>

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

#### **Other Information**

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the financial statements and auditor's report thereon. The Holding Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

#### **Management's and Board of Directors'/Board of Trustees Responsibilities for the Consolidated Financial Statements**

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Companies/ Board of Trustees of the Trust included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each Company/Trust and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls,

that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the Companies/ Board of Trustees of the Trust included in the Group are responsible for assessing the ability of each Company/Trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/Board of Trustees either intends to liquidate the Company/Trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies/ Board of Trustees of the Trust included in the Group are responsible for overseeing the financial reporting process of each Company/Trust.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than



## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial

statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- a. The consolidated financial statements of the Group for the year ended 31 March 2024 were audited by the predecessor auditor who had expressed an unmodified opinion on 24 April 2024.
- b. We did not audit the financial statements of four subsidiaries (including one step down subsidiary), whose financial statements reflects total assets (before consolidation adjustments) of ₹ 3,498.46 millions as at 31 March 2025, total revenues (before consolidation adjustments) of ₹ 1,066.69 millions and net cash flows (before consolidation adjustments) amounting to ₹ 50.34 millions for the year ended on that date, as considered in the consolidated financial statements. These financial



## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/ step down subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries/ step down subsidiary is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries/ step down subsidiary, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt

with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2025 and 01 April 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies/ step down subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary / step down subsidiary company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries/ step down subsidiary, as noted in the "Other Matters" paragraph:
  - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group. Refer Note 9, 25 and 36 to the consolidated financial statements.
  - b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2025.

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

- c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2025. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by its subsidiary companies incorporated in India during the year ended 31 March 2025.
- d (i) The management of the Holding Company and its subsidiary companies/ step down subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 55 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies/ step down subsidiary company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies/ step down subsidiary company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management of the Holding Company and its subsidiary companies/ step down subsidiary incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 55 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies/ step down subsidiary company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies/ step down subsidiary company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Holding Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- f. Based on our examination which included test checks except for the instances mentioned below, the Holding Company and one subsidiary company incorporated in India have used accounting softwares for maintaining the books of account which have a feature of audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the respective softwares:
- i. In case of primary accounting software, the feature of recording audit trail (edit log) facility was not enabled at the application layer for one table during the year. Further, the audit trail was not enabled at the database level to log any direct data changes for the period 01 April 2024 to 10 August 2024.
- ii. In the absence of an independent service auditor's report in relation to controls at a service organisation for an accounting software used for maintaining payroll masters, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature for the said software was enabled and operated during the year for all relevant transactions recorded in the software.
- iii. In the absence of an independent service auditor's report from 01 October 2024 to 31 March 2025 in relation to controls at a service organisation for an accounting software used for maintaining the books of account relating to payroll processing records, which is operated by a third-party software service provider, we are unable to comment whether audit trail feature for the said software was enabled and operated from 01 October 2024 to 31 March 2025 for all relevant transactions recorded in the software.
- Further, where audit trail (edit log) facility was enabled and operated throughout the year, we did not come across any instances of audit trail

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

feature being tampered with. Additionally, except where audit trail was not enabled in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

In case of two subsidiary company/ step down subsidiary company incorporated in India, as reported by the auditors of such subsidiary/ step down subsidiary, the feature of recording audit trail (edit log) facility used by the said subsidiary/ step down subsidiary to maintain its books of account has not been enabled. Consequently, the auditors of such subsidiary/ step down subsidiary were not able to comment on audit trail feature of the said software.

Further, these two subsidiary company/ step down subsidiary has used a payroll software which is operated by third party software service provider, for maintaining its books of account. In the absence of SOC 1 type 2 report, the auditors of such subsidiary/ step down subsidiary are unable to comment on whether the audit trail feature for the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there are any instances of the audit trail feature being tampered with. Additionally, the auditors of such subsidiary/ step down subsidiary are unable to comment whether the audit trail in relation to previous year has been preserved by these subsidiary company/ step down subsidiary as per statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary company/ step down subsidiary company incorporated in India which were not audited by us, the remuneration paid/ payable during the current year by the Holding Company and its subsidiary companies/ step down subsidiary company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director by the Holding Company and its subsidiary companies/ step down subsidiary company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R and Co**

Chartered Accountants

Firm's Registration No.:128510W

**Arpan Jain**

Partner

Membership No.: 125710

ICAI UDIN : 25125710BMOXWU8532

Place: Gurugram

Date: 19 May 2025

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**Annexure A to the Independent Auditor's Report on the Consolidated Financial Statements of Sundrop Brands Limited (formerly known as Agro Tech Foods Limited) for the year ended 31 March 2025**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

<b>Sr. No.</b>	<b>Name of the entities</b>	<b>CIN</b>	<b>Holding Company/ Subsidiary/ Step down subsidiary</b>	<b>Clause number of the CARO report which is unfavourable or qualified or adverse</b>
1	Del Monte Foods Private Limited	U15133HR2004PTC041215	Subsidiary Company	Clause (i)(c)
2	Del Monte Foods India (North) Private Limited	U15490HR2019PTC083488	Step down subsidiary company	Clause (i) (c)

For **B S R and Co**

Chartered Accountants

Firm's Registration No.:128510W

**Arpan Jain**

Partner

Membership No.: 125710

ICAI UDIN : 25125710BMOXWU8532

Place: Gurugram

Date: 19 May 2025

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

**Annexure B to the Independent Auditor's Report on the consolidated financial statements of Sundrop Brands Limited (formerly known as Agro Tech Foods Limited) for the year ended 31 March 2025**

**Report on the Internal Financial Controls with Reference to the Aforesaid Consolidated Financial Statements under Clause (I) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of **Sundrop Brands Limited** (formerly known as Agro Tech Foods Limited) (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary company/ step down subsidiary company, as of that date.

In our opinion and based on the consideration of reports of the other auditor on internal financial controls with reference to financial statements of subsidiary company/ step down subsidiary, as were audited by the other auditor, the Holding Company and such companies incorporated in India which are its subsidiary company/ step down subsidiary company, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The respective Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention

and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the relevant subsidiary company/ step down subsidiary company in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.



## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material

misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Other Matter**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary company/ step down subsidiary company, which are companies incorporated in India, is based on the corresponding reports of the auditor of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R and Co**

Chartered Accountants

Firm's Registration No.:128510W

**Arpan Jain**

Partner

Membership No.: 125710

ICAI UDIN : 25125710BMOXWU8532

Place: Gurugram

Date: 19 May 2025

**Sundrop Brands Limited***(Formerly Known as Agro Tech Foods Limited)*

CIN: L15142TG1986PLC006957

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2025**

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	Note	As at March 31, 2025	As at March 31, 2024
<b>I Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	3,780.48	2,922.94
Capital work-in-progress	4	15.55	296.62
Right-of-use assets	5	236.49	134.62
Goodwill	6b	5,819.87	-
Intangible assets	6a	3,150.05	139.26
Financial assets			
(i) Investments	7	1.10	-
(ii) Other financial assets	8	49.91	35.69
Deferred tax assets (net)	35(d)	702.22	24.86
Other tax assets (net)		129.59	157.76
Other non-current assets	9	46.69	112.24
<b>Total non-current assets</b>		<b>13,931.95</b>	<b>3,823.99</b>
<b>Current assets</b>			
Inventories	10	1,946.17	1,457.95
Financial assets			
(i) Trade receivables	11	979.83	670.04
(ii) Cash and cash equivalents	12	470.65	129.77
(iii) Bank balances other than (ii) above	13	12.54	11.39
(iv) Other financial assets	14	20.95	31.60
<b>Other current assets</b>	15	<b>509.83</b>	<b>305.21</b>
<b>Total current assets</b>		<b>3,939.97</b>	<b>2,605.96</b>
<b>Total assets</b>		<b>17,871.92</b>	<b>6,429.95</b>
<b>II Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	376.97	243.69
Other equity	17	14,006.83	4,758.83
<b>Total equity attributable to owners of the Company</b>		<b>14,383.80</b>	<b>5,002.52</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Lease liabilities	18	111.66	64.42
Provisions	19	90.84	22.46
Deferred tax liabilities (net)	35(d)	951.03	172.40
<b>Total non-current liabilities</b>		<b>1,153.53</b>	<b>259.28</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	20	-	335.00
(ii) Lease liabilities	22	31.45	20.60
(iii) Trade payables	21		
- Total outstanding dues of micro enterprises and small enterprises		100.73	83.15
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,679.89	509.50
(iv) Other financial liabilities	23	327.56	98.16
Other current liabilities	24	114.07	67.45
Provisions	25	62.96	39.45
Current tax liabilities (net)		17.93	14.84
<b>Total current liabilities</b>		<b>2,334.59</b>	<b>1,168.15</b>
<b>Total equity and liabilities</b>		<b>17,871.92</b>	<b>6,429.95</b>
Summary of material accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our Report of even date attached

**For B S R and Co**

Chartered Accountants

ICAI Firm Registration Number: 128510W

**Arpan Jain**

Partner

Membership No.125710

Place: Gurugram

Date: May 19, 2025

**For and on behalf of the Board of Directors of  
Sundrop Brands Limited****Nitish Bajaj**

Group Managing Director

DIN 10835891

**K P N Srinivas**

Chief Financial Officer

Place: Gurugram

Date: May 19, 2025

**Asheesh Kumar Sharma**

Executive Director &amp; CEO

DIN 10602319

**Jyoti Chawla**

Company Secretary

# Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

CIN: L15142TG1986PLC006957

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	Note	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>I Revenue from operations</b>	26	<b>8,988.68</b>	7,596.73
<b>II Other income</b>	27	<b>23.24</b>	14.77
<b>III Total income (I+II)</b>		<b>9,011.92</b>	7,611.50
<b>IV Expenses</b>			
Cost of materials consumed	28	5,460.02	4,600.96
Purchases of stock-in-trade	29	189.54	1.51
Changes in inventories of finished goods and stock-in-trade	30	58.04	98.84
Employee benefits expense	31	808.90	644.56
Finance costs	32	17.29	28.76
Depreciation and amortisation expense	33	257.48	211.58
Other expenses	34	2,209.47	1,909.03
<b>Total expenses</b>		<b>9,000.74</b>	7,495.24
<b>V Profit before exceptional items and tax (III-IV)</b>		<b>11.18</b>	116.26
<b>VI Exceptional items</b>	39	<b>(1,467.54)</b>	26.81
<b>VII Profit /(Loss) before tax (V+VI)</b>		<b>(1,456.36)</b>	143.07
<b>VIII Tax expense</b>	35(a)		
Current tax		2.18	17.80
Deferred tax expense/(credit)		<b>(359.53)</b>	21.17
<b>Total tax expense/(credit)</b>		<b>(357.35)</b>	38.97
<b>IX Profit / (Loss) for the year (VII-VIII)</b>		<b>(1,099.01)</b>	104.10
<b>X Other comprehensive income / (loss)</b>			
Items that will not be reclassified to profit or loss			
(i) Remeasurement of the net defined benefit plans		<b>(2.16)</b>	(1.54)
(ii) Income-tax relating to above	35(b)	<b>0.55</b>	0.38
Items that will be reclassified subsequently to the statement of profit or loss			
(i) Exchange differences in translating the financial statements of foreign subsidiaries		<b>(10.00)</b>	(0.95)
<b>Total Other comprehensive income/ (loss)</b>		<b>(11.61)</b>	(2.11)
<b>XI Total comprehensive income / (loss) for the year (IX+X)*</b>		<b>(1,110.62)</b>	101.99
*Attributable to owners of the Company			
Earnings per share (of ₹ 10 each)	41		
Basic (in ₹)		<b>(41.72)</b>	4.29
Diluted (in ₹)		<b>(41.72)</b>	4.29
Summary of material accounting policies	3		

The accompanying notes are an integral part of the consolidated financial statements

As per our Report of even date attached  
**For B S R and Co**  
Chartered Accountants  
ICAI Firm Registration Number: 128510W

**Arpan Jain**  
Partner  
Membership No.125710

Place: Gurugram  
Date: May 19, 2025

**For and on behalf of the Board of Directors of  
Sundrop Brands Limited**  
(Formerly Known as Agro Tech Foods Limited)

**Nitish Bajaj**  
Group Managing Director  
DIN 10835891

**K P N Srinivas**  
Chief Financial Officer

Place: Gurugram  
Date: May 19, 2025

**Asheesh Kumar Sharma**  
Executive Director & CEO  
DIN 10602319

**Jyoti Chawla**  
Company Secretary

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

CIN: L15142TG1986PLC006957

### CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>A. Cash flow from operating activities</b>		
Profit / (Loss) before tax	(1,456.36)	143.07
Adjustments for:		
Depreciation and amortisation expense	257.48	211.58
Loss on sale/ retirement of property, plant and equipment (net)	0.89	1.34
Gain on disposal of investments in mutual funds units	(8.00)	(0.48)
Fair value gain on financial assets mandatorily measured at fair value through profit and loss	(4.42)	-
Interest income	(7.61)	(2.98)
Finance costs	17.29	28.76
Exceptional items (Refer Note 39)	1,415.95	(26.81)
Liabilities no longer required written back	5.11	-
Unrealised loss in foreign exchange	(4.12)	-
Bad debts written off	33.11	7.66
Reversal of loss allowance	(33.18)	(5.72)
<b>Operating profit before working capital changes</b>	<b>216.14</b>	<b>356.42</b>
<b>Movement in working capital</b>		
<b>Adjustments for (increase) / decrease in assets</b>		
Trade receivables	(3.27)	19.89
Inventories	326.90	203.03
Other financial assets	21.50	(23.24)
Other assets	(103.03)	(19.37)
<b>Adjustments for increase / (decrease) in operating liabilities</b>		
Trade payables and Other financial liabilities	325.64	51.26
Provisions	20.45	1.14
Other liabilities	(5.34)	12.82
<b>Cash generated from operations</b>	<b>798.99</b>	<b>601.95</b>
Income taxes (paid) / refund (net)	45.13	24.19
<b>Net cash generated from operating activities (A)</b>	<b>844.12</b>	<b>626.14</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(210.94)	(370.63)
Proceeds from sale of property, plant and equipment	0.16	1.62
Interest received	5.80	1.75
Purchase of investments in mutual funds	(1,994.00)	(746.00)
Proceeds from sale of investments in mutual funds	2,002.00	746.48
Investment in bank balance	(0.97)	(6.54)
<b>Net cash used in investing activities (B)</b>	<b>(197.95)</b>	<b>(373.32)</b>

**Sundrop Brands Limited***(Formerly Known as Agro Tech Foods Limited)*

CIN: L15142TG1986PLC006957

**CONSOLIDATED CASH FLOW STATEMENT (Continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>C. Cash flows from financing activities</b>		
Repayment of working capital demand loans (net)	(335.00)	(185.00)
Proceeds from sale of treasury shares (Refer note 17)	-	112.36
Dividend paid	(73.11)	(72.60)
Finance costs (including in relation to lease liabilities)	(15.97)	(28.76)
Repayment of lease liabilities	(23.36)	(15.31)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(447.44)</b>	<b>(189.31)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>198.73</b>	<b>63.51</b>
Cash and cash equivalents at the beginning of the year	129.77	67.21
Cash acquired as part of business acquisition (refer Note 54)	146.71	-
Exchange differences on translation of foreign currency	(4.56)	(0.95)
<b>Cash and cash equivalents at end of the year (Refer Note 12)</b>	<b>470.65</b>	<b>129.77</b>

**Notes :**

- The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".
- Reconciliation of liabilities from financing activities

Particulars	As at March 31, 2024	Cash inflow/ (outflow)	Interest Cost	As at March 31, 2025
Borrowings -current	335.00	(344.83)	9.83	-
Lease liabilities (refer note 37)	85.02	(26.73)	84.81	143.11

Particulars	As at March 31, 2023	Cash inflow/ (outflow)	Interest Cost	As at March 31, 2024
Borrowings -current	520.00	(206.19)	21.19	335.00
Lease liabilities (refer note 37)	100.33	(22.88)	7.57	85.02

Summary of material accounting policies (refer note 3).

The accompanying notes are an integral part of the consolidated financial statements

As per our Report of even date attached  
**For B S R and Co**  
Chartered Accountants  
ICAI Firm Registration Number: 128510W

**For and on behalf of the Board of Directors of  
Sundrop Brands Limited**  
(Formerly Known as Agro Tech Foods Limited)

**Arpan Jain**  
Partner  
Membership No.125710

**Nitish Bajaj**  
Group Managing Director  
DIN 10835891

**Asheesh Kumar Sharma**  
Executive Director & CEO  
DIN 10602319

**K P N Srinivas**  
Chief Financial Officer

**Jyoti Chawla**  
Company Secretary

Place: Gurugram  
Date: May 19, 2025

Place: Gurugram  
Date: May 19, 2025



# Consolidated Statement of changes in equity for the year ended March 31, 2025

(All amounts are in ₹ millions, except share data and where otherwise stated)

CIN: L15142TG1986PLC006957

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

Particulars	As at March 31, 2025		As at March 31, 2024	
<b>Balance as at beginning of the year</b>		<b>243.69</b>		<b>243.69</b>
Changes in equity share capital due to prior period errors		-		-
<b>Restated balance at beginning of the year</b>		<b>243.69</b>		<b>243.69</b>
Changes in equity share capital during the year		133.28		-
<b>Balance as at end of the year</b>		<b>376.97</b>		<b>243.69</b>
<b>Particulars</b>	<b>Reserves and surplus</b>			
	<b>General Reserve</b>	<b>Securities premium</b>	<b>Retained earnings</b>	<b>Treasury Shares</b>
<b>Balance at April 1, 2024</b>	<b>296.04</b>	<b>721.29</b>	<b>3,693.19</b>	<b>-</b>
<b>Total comprehensive income for the year ended March 31, 2025</b>				
Profit/(Loss) for the year	-	-	(1,099.01)	-
Other comprehensive income, net of tax effect	-	-	(1.61)	-
Exchange differences in translating the financial statements of foreign subsidiaries	-	-	-	(10.00)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>(1,100.62)</b>	<b>-</b>
<b>Transactions with owners of the Company</b>				
Dividends (Refer Note below)	-	-	(73.11)	-
Issue of equity shares related to business combination (refer note 54)	-	10,432.12	-	-
Income Tax related to ESOP Trust	-	-	-	(0.39)
<b>Balance as at March 31, 2025</b>	<b>296.04</b>	<b>11,153.41</b>	<b>2,519.46</b>	<b>-</b>
<b>Balance at April 1, 2023</b>	<b>243.61</b>	<b>721.29</b>	<b>3,662.85</b>	<b>(96.89)</b>
<b>Total comprehensive income for the year ended 31 March 2024</b>				
Profit for the year	-	-	104.10	-
Other comprehensive income, net of tax effect	-	-	(1.16)	-
Exchange differences in translating the financial statements of foreign subsidiaries	-	-	-	(0.95)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>102.94</b>	<b>-</b>
<b>Transactions with owners of the Company</b>				
Dividends (Refer Note below)	-	-	(72.60)	-
Profit on sale of shares transferred by trust	-	-	-	-
Sale of treasury shares during the year	-	-	-	-96.89
Exercise of share options	52.43	-	-	(52.43)
<b>Balance as at March 31, 2024</b>	<b>296.04</b>	<b>721.29</b>	<b>3,693.19</b>	<b>-</b>
			(9.66)	
				57.97
				4,758.83
				4,758.83

## Consolidated Statement of changes in equity for the year ended March 31, 2025

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note

Dividend on equity shares paid during the year	2024-25	2023-24
Final dividend for FY 2023-24 ₹ 3 per equity share of ₹ 10 each (For FY 2022-23 ₹ 3 per equity of ₹ 10 each)	73.11	72.60
<b>Total</b>	<b>73.11</b>	<b>72.60</b>

Summary of material accounting policies (refer note 3)

The accompanying notes are an integral part of the consolidated financial statements

As per our Report of even date attached  
**For B S R and Co**  
Chartered Accountants  
ICAI Firm Registration Number: 128510W

**Arpan Jain**  
Partner  
Membership No. 125710

Place: Gurugram  
Date: May 19, 2025

**For and on behalf of the Board of Directors of Sundrop Brands Limited**  
(Formerly Known as Agro Tech Foods Limited)

**Nitish Bajaj**  
Group Managing Director  
DIN 10835891

**K P N Srinivas**  
Chief Financial Officer  
Place: Gurugram  
Date: May 19, 2025

**Asheesh Kumar Sharma**  
Executive Director & CEO  
DIN 10602319

**Jyoti Chawla**  
Company Secretary

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in ₹ millions, except share data and where otherwise stated)

### 1 Group information

Sundrop Brands Limited (formerly known as Agro Tech Foods Limited) ('the Parent' or 'the Company') is a company domiciled in India, with its registered office situated at 31, Sarojini Devi Road, Secunderabad, Telangana - 500 003, India. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

The Consolidated Financial Statements of the Company for the year ended March 31, 2025 comprise the Company {Sundrop Brands Limited (formerly known as Agro Tech Foods Limited) and its wholly owned subsidiaries - Sundrop Foods India Private Limited, Del Monte Foods Private Limited, Del Monte Foods India (North) Private Limited (incorporated in India), Agro Tech Foods (Bangladesh) Pvt. Ltd. (incorporated in Bangladesh) and Sundrop Foods Lanka (Private) Limited (incorporated in Sri Lanka)}. These entities have together been referred to as the 'Group'. During the year, Group had acquired Del Monte Foods Private Limited (refer Note 54). The Group Company is primarily engaged in the business of manufacturing and trading of edible oils and food products.

### 2 Basis of preparation

#### A. Statement of compliance

The consolidated financial statements which comprise the Balance sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of changes in equity ("consolidated financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the 'Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act. The consolidated financial statements have also been prepared in accordance with the relevant presentation requirements of the Act.

#### B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest millions unless otherwise indicated.

#### C. Basis of preparation and presentation

These consolidated financial statements have been prepared on historical cost convention and on an accrual basis except for the following:

- certain financial instruments that are measured at fair value
- net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations;
- share-based payments liability measured at fair value and
- assets held for sale measured at lower of cost or fair value less cost to sell;

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received from sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

For changes that have occurred between levels in the hierarchy during the year the Group re-assesses categorisation (based on the lowest level

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### **D. Operating Cycle**

All assets have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act and Ind AS 1 – Presentation of Financial Statements, based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents. Based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### **E. Use of estimates and judgements**

In preparing these consolidated financial statements, Management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

##### **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 3(e) - whether an agreement contains a lease;

Note 3 (t) - presentation of exceptional items

##### **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following:

##### **i) Useful life of Property, plant and equipment**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by

Management at the time the asset is acquired and is reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Revision to accounting estimates on such reassessment are recognised in the period in which the estimate is revised if that revision effects only that period or in the period of the revision and future periods if the revision effects both current and future periods.

##### **ii) Provision for employee benefits**

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Consolidated Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors. Information about such valuation is provided in the notes to the consolidated financial statements.

##### **iii) Impairment of intangible assets having indefinite useful life**

Intangible assets with indefinite life are tested for impairment on an annual basis and investments in subsidiaries are tested, whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

##### **iv) Claims, provisions and contingent liabilities (refer note 3(k))**

If any ongoing litigations against the Group with various regulatory authorities and third parties, where an outflow of funds is believed to be probable and a reliable estimate of the outcome

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of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.

#### v) Refund Liability

The Group accepts sales returns as per the policy. Accruals for estimated product returns, which are based on historical experience of actual sales returns and adjustment on account of current market scenario is considered by Company to be reliable estimate of future sales returns.

#### vi) Measurement of Expected credit loss (ECL) allowance for trade receivables and other financial assets

The Group uses practical expedient when measuring expected credit losses, which is based on a provision matrix that takes into account historical credit loss experience and is adjusted for current estimates.

#### vii) Business Combination and assumption used in discounted cash flow (DCF) projection

The estimated value of investment or business is based on future cashflow projection. The DCF projections assumes that the value of its future cash flows, which are discounted at an appropriate discount rate to reflect the time value of money and the risk associated with the investment. The Group determines the fair value of the identifiable assets in the business combination using DCF model.

### 3. Material accounting policies

#### (a) Basis of consolidation

##### i. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity,

income and expenses. Inter Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

#### ii. Subsidiaries considered in the consolidated financial statements:

Name of the Company	Country of Incorporation	Ownership Interest (In %)	
		As at March 31, 2025	As at March 31, 2024
<b>Subsidiary companies:</b>			
Sundrop Foods India Private Limited	India	100	100
Agro Tech Foods (Bangladesh) Pvt. Ltd	Bangladesh	100	100
Sundrop Foods Lanka (Private) Limited	Srilanka	100	100
Del Monte Foods Private Limited (DMFPL)*	India	100	-
<b>Step-down subsidiary:</b>			
Del Monte Foods India (North) Private Limited*	India	100	-

\* Company has acquired 100% equity shares and voting interest of Del Monte Foods Private Limited on 06 February 2025, being acquisition date. Refer Note 54.

#### iii. Principles of consolidation

These Consolidated Financial Statements have been prepared by consolidation of the financial statements of the Company and its subsidiaries on a line-by-line basis after fully eliminating the inter-company transactions.

#### (b) Property, plant and equipment

##### i. Recognition and measurement

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Items of property, plant and equipment including capital-work-in-progress, are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes (other than those subsequently recoverable from the tax authorities), after deducting trade discounts and



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rebates, any directly attributable cost of bringing the item to its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

The cost of property, plant and equipment as at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to the carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up (including receivable from insurance companies after the impairment or loss of items of property, plant and equipment due to fire, natural disasters, theft etc.,) are included in profit or loss when the compensation becomes receivable.

#### Capital work-in-progress

Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work-in-progress. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as other non-current assets.

#### II. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

#### III. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method

over the useful life of assets estimated by internal assessment and technical valuation carried out wherever necessary, and is recognised in the statement of profit and loss. Depreciation for assets purchased/ sold during the period is proportionately charged.

The range of estimated useful lives of items of property, plant and equipment are as follows:

Asset	Useful life as per the Company	Useful life as per Schedule II
<b>Buildings</b>		
Buildings (other than factory buildings) other than RCC frame structure	30 years	30 years
Factory buildings*	30 years to 40 years	30 years
Fences, wells, tube-wells	5 years	5 years
<b>Roads</b>		
Carpeted Roads - RCC	10 years	10 years
<b>Plant and Equipment</b>		
Plant and Machinery other than continuous process plant*	15 years to 20 years	15 years
Furniture and fixtures	10 years	10 years
Office equipment	5 years	5 years
<b>Computers and data processing units servers and networks</b>		
End-user devices such as desktops, laptops etc.*	2 to 5 years	3 years
Servers and networks*	5 years	6 years
Handsets*	2 years	3 years
Laboratory Equipment	10 years	10 years
Electrical installations and equipment	10 years	10 years

\*The Group believes the useful lives as given above best represent the useful life of these assets based on internal assessment and technical evaluation carried out where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Freehold land are not depreciated.

Leasehold improvements are amortised over a period of the lease or useful life of asset whichever is lower. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end. If as a result of this reassessment, there is a change from previous estimate, such change is accounted for as a change in an accounting estimate and adjusted prospectively, if appropriate.

#### (c) Intangible assets

Intangible assets that the Group controls and from which it expects future economic benefits are

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capitalised upon acquisition and measured initially for separately acquired assets, at cost comprising of the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the assets for its intended use. The useful life of an intangible asset is considered finite where there is a likelihood of technical and technological obsolescence.

#### Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of the asset can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

#### Useful life and Amortisation

Amortisation of intangible assets having finite useful lives is recognised on a straight-line basis over the useful lives of the asset from the date of capitalisation as below:

Asset	Useful life
Computer software	5 to 10 years

The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

Intangible assets that have an indefinite useful life are not subjected to amortisation and are tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

#### Transition to Ind AS

The cost of Intangible assets as at 1 April 2016, the Group's date of transition to Ind AS, was determined with reference to the carrying value recognised as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

#### (d) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent

of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss for an asset/CGU (other than goodwill) is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. An impairment loss recognised for goodwill is not reversed in a subsequent period.

#### (e) Leases

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether, (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease

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incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

#### (f) Inventories

Inventories are valued at the lower of weighted average cost (including direct cost, non recoverable taxes / duties and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value. The provision for inventory

obsolescence is assessed regularly based on estimated usage and shelf life of products.

Raw materials, packing materials and stores and spares are valued at cost computed on moving weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Work-in-progress is valued at input material cost plus conversion cost as applicable.

Stock-in-trade is valued at the lower of net realisable value and cost (including direct cost and other overheads incurred in bringing the inventories to their present location and condition), computed on a moving weighted average basis.

Finished goods are valued at lower of net realisable value and cost (including direct cost, duties and other overheads incurred in bringing the inventories to their present location and condition).

Goods-in-transit/ with third parties and at godowns are valued at cost which represents the costs incurred upto the stage at which the goods are in transit with third parties and at godowns.

Compensation from third parties for items of inventories that were written off, lost or given up (including receivable from insurance companies after the loss of items of inventories due to fire, natural disasters, theft etc.,) are included in profit or loss when the compensation becomes receivable.

#### (g) Financial Instruments

##### 1. Recognition and initial measurement

The Group initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition except for trade receivables that do not contain a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value

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through profit and loss are recognised immediately in Consolidated Statement of Profit and Loss.

#### **ii. Classification and subsequent measurement**

##### **Financial assets**

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income (FVOCI) - equity investment; or
- fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets in which case all affected financial assets are re-classified on first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### **Subsequent measurement and gains and losses**

##### **Financial assets carried at amortised cost**

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at fair value through other comprehensive income

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

##### **Financial assets at fair value through profit or loss**

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

##### **Financial liabilities**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Contract liabilities against payment have been considered as other financial liabilities. Any gain or loss on derecognition is also recognised in profit or loss.

#### **iii. Derecognition**

##### **Financial assets**

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

##### **Financial liabilities**

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows



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under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

#### iv. Impairment

The Group recognises loss allowances for expected credit losses on:

- financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The Group measures loss allowances at an amount equal to lifetime expected credit losses. In case of loss allowance of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 180 days past due.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the financial asset is more than 365 days past due.

#### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### *Presentation of allowance for expected credit losses in the balance sheet*

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

#### v. Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

#### (h) Income from operations

##### **Revenue from contract with customers :**

Revenue from sale of goods is recognised at the point in time when control of the products being sold is transferred to the customer, which is mainly upon delivery of goods to customers and when there are no longer any unfulfilled obligations.

Revenue is measured at the transaction price that the Group receives or expects to receive as consideration for sale of goods/services, net of returns and trade discounts/allowances/volume rebates to customers. Revenue excludes amounts collected on behalf of third parties, such as goods and services tax (GST). Returns, trade discounts, allowances and rebates are estimated using



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judgement based on historical experience and the specific terms of the arrangement with the customers.

For contracts that permit the customer to return an item, revenue is recognised to the extent that is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data related to sales returns. In these circumstances, a refund liability is recognised. The refund liability is included in other financial liability as the refunds are adjusted against the receivable balance. The Group reviews its estimate of expected returns at each reporting date and updates the amount of the liability accordingly.

#### Contract balances

The Group classifies the right to consideration in exchange for sale of goods as trade receivables, advance consideration as contract liability against payment.

#### Recognition of dividend income, interest income or expense

Dividend income on investments is recognised when the right to receive dividend is established.

Interest income or expense is recognized using the effective interest rate (EIR) method.

The "effective interest rate" is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- a. the gross carrying amount of financial asset; or
- b. the amortised cost of financial liability

#### (I) Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded by the Group at their functional currency spot rates at the date of the transaction. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary

items or on reporting at each balance sheet date of the Group's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

#### Translation of financial statements of foreign entities

On consolidation, the assets and liabilities of foreign operations are translated into ₹ (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in consolidated statement of Other Comprehensive Income ('OCI'). On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to the Consolidated Statement of Profit and Loss.

#### (I) Income-tax

Income-tax comprises current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

##### 1. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Income tax assets and current tax liabilities are offset only if there is a legally enforceable right to set-off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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#### II. Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered based on the business plans of the Group. Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income tax levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

#### (k) Provisions, contingent liabilities and contingent assets

##### i. General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group

will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### ii. Contingent liabilities

Contingent liabilities are disclosed for (i) possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements but are disclosed where an inflow of economic benefits is probable.

#### iii. Onerous Contracts

Provision for onerous contracts i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be recognised to settle a present obligation as a result of an obligating event based on the reliable estimate of such an obligation.

#### (l) Employee benefits

##### i. Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

##### ii. Post-employment benefits

###### Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by employees.

#### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Group determines the net interest expense/ (income) on the net defined benefit liability/ (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/ (asset), taking into account any changes in the net defined benefit liability/ (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### iii. Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits)

which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 31st March every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

#### iv. Voluntary retirement scheme benefits

Voluntary retirement scheme benefits are recognised as an expense in the year they are incurred.

#### (m) Share-based payments

Employees of the Parent Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting conditions, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. The Parent Company has availed exemption given under Ind AS 101 and has not applied Ind AS 102 to the equity instruments that were vested before the date of transition to Ind AS i.e. April 1, 2016.

#### (n) Cash and cash equivalents

For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash on hand, in banks, demand deposit with bank and other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (o) Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included.

#### (p) Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Group incurs in connection with the borrowing of funds. Other borrowing costs are recognised using the effective interest rate (EIR) method.

#### (q) Treasury shares

The Parent Company has created an Employee Welfare Trust – Agro Tech ESOP Trust ('ATET') for implementation of the schemes that are notified or may be notified from time to time by the Parent Company under the plan, providing share based payment to its employees. ATET purchases shares of the Parent Company out of funds borrowed from the Parent Company. The Parent Company treats ATET as its extension and shares held by ATET are treated as treasury shares. Own equity instruments (treasury shares) are recognised at cost and deducted from equity. Profit on sale of treasury shares by ATET is recognised in ATET reserve.

#### (r) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the consolidated financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

#### (s) Business Combination

In accordance with Ind AS 103, Business Combination, the Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular

set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in other comprehensive income ("OCI") and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred, except to the extent related to the issue of debt or equity securities. Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis.

#### (t) Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

#### (u) Recent pronouncements

"Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended 31 March 2025 months ended, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements." MCA on May 7, 2025, vide the Companies (Indian Accounting standards) Amendment Rules, 2025 issued amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates in relation to lack of exchangeability of foreign currency which are applicable from 1 April 2025. The Group has reviewed the amendments and based on its evaluation has determined that these amendments will not have any significant impact in its financial statement.



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**Note 4 - Property, plant and equipment and capital work-in-progress**

(All amounts are in ₹ millions, except share data and where otherwise stated)

**Sundrop Brands Limited**  
*(Formerly Known as Agro Tech Foods Limited)*

Description	Gross carrying amount					Accumulated depreciation and Impairment Losses								Net carrying amount
	As at 1 April 2024	Acquisition on account of Business Combination*	Exchange differences	Additions	Disposals As at March 31, 2025	As at April 1, 2024	Acquisition on account of Business Combination*	Exchange differences	Depreciation for the year	Impairment Loss (refer note 4 (e))	Disposals	As at March 31, 2025		
Freehold land	145.48	640.00	(2.47)	-	-	783.01	-	-	-	21.19	-	21.19	761.82	
Buildings	1,203.14	654.74	(4.01)	178.93	-	2,032.80	198.51	108.29	(1.44)	36.32	491.98	-	1,199.14	
Roads	44.48	-	-	-	-	44.48	35.56	-	-	2.69	5.44	-	0.79	
Plant and equipment	2,141.94	1,393.81	(2.82)	259.33	2.08	3,790.18	541.23	689.53	(2.43)	137.96	705.76	1.31	1,719.43	
Laboratory equipment	49.58	-	-	6.53	0.01	56.10	25.62	-	-	3.69	22.90	0.01	3.90	
Furniture and fixtures	144.74	2.31	(0.04)	5.27	0.29	151.99	84.27	1.03	(0.04)	10.84	36.91	0.28	132.73	
Office equipment	53.77	8.78	(0.01)	12.03	0.62	73.95	40.91	5.11	(0.01)	6.32	8.24	0.50	13.88	
Electrical installations and equipment	140.07	-	-	28.76	0.42	168.41	93.50	-	-	10.20	37.64	0.26	27.33	
Computer and data processing equipment	71.73	24.97	(0.02)	19.56	0.04	116.20	54.82	15.54	(0.02)	9.85	3.20	0.03	32.84	
Leasehold improvements - Buildings	9.53	5.74	-	-	-	15.27	7.55	5.56	-	0.37	-	-	1.80	
Leasehold improvements - Electrical equipment	4.13	-	-	-	-	4.13	3.98	-	-	0.03	-	-	0.12	
Leasehold improvements - Furniture and fixtures	8.60	-	-	-	-	8.60	8.30	-	-	0.14	-	-	0.16	
Total	4,017.19	2,730.35	(9.37)	510.41	3.46	7,245.12	1,094.25	825.06	(3.94)	218.41	1,333.26	2.39	3,780.48	
Add: Capital work-in-progress [Refer Note (d) below]													15.55	
Grand Total													3,796.03	

\* Refer Note 54

Description	Gross carrying amount					Accumulated depreciation and Impairment Losses						Net carrying amount	
	As at 1 April 2023	Acquisition on account of Business Combination*	Exchange differences	Additions	Disposals	As at March 31, 2024	As at April 1, 2023	Acquisition on account of Business Combination*	Exchange differences	Depreciation for the year	Impairment Loss (refer note 4 (e))	Disposals	As at March 31, 2024
Freehold land	145.73	-	(0.25)	-	-	145.48	-	-	-	-	-	-	145.48
Buildings	1,136.69	-	(0.40)	66.90	0.05	1,203.14	166.71	-	(0.10)	31.91	-	0.01	198.51
Roads	44.48	-	-	-	-	44.48	30.96	-	-	4.60	-	-	35.56
Plant and equipment	1,893.68	-	(0.28)	254.00	5.46	2,141.94	439.90	-	(0.09)	104.34	-	2.92	541.23
Laboratory equipment	44.67	-	-	5.15	0.24	49.58	22.51	-	-	3.33	-	0.22	25.62
Furniture and fixtures	135.71	-	-	9.11	0.08	144.74	71.69	-	-	12.65	-	0.07	84.27
Office equipment	52.45	-	-	1.79	0.47	53.77	36.08	-	-	5.17	-	0.34	40.91
Electrical installations and equipment	126.78	-	-	13.48	0.19	140.07	81.69	-	-	12.00	-	0.19	93.50
Computer and data processing equipment	72.68	-	-	3.10	4.05	71.73	49.86	-	-	8.79	-	3.83	54.82
Leasehold improvements - Buildings	9.53	-	-	-	-	9.53	7.19	-	-	0.36	-	-	7.55
Leasehold improvements - Electrical equipment	4.13	-	-	-	-	4.13	3.95	-	-	0.03	-	-	3.98
Leasehold improvements - Furniture and fixtures	8.60	-	-	-	-	8.60	8.16	-	-	0.14	-	-	8.30
Total	3,675.13	-	(0.93)	353.53	10.54	4,017.19	918.70	-	(0.19)	183.32	-	7.58	2,922.94
Add: Capital work-in-progress [Refer Note (b) below]													296.62
Grand Total													3,219.56



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note 4 - Property, plant and equipment and capital work-in-progress (continued)

#### Notes:

- (a) Refer Note 36 (i) for disclosure of contractual commitments for acquisitions of property, plant and equipment.
- (b) The Company has not revalued any property, plant and equipment after initial recognition during the year ended March 31, 2025 and March 31, 2024.
- (c) Agro Tech Foods (Bangladesh) Pvt. Ltd. (ATBD) - wholly owned subsidiary of the Parent Company purchased a piece of land measuring 64 decimal in 2012, which was registered in ATBD's name (Carrying amount as of March 31, 2025 ₹ 16.32 (Previous year ₹ 16.32)). The purchased land was mutated properly in name of ATBD on February 02, 2013 and Factory structured was constructed on the land wherein productions has been going on since then. (ATBD constructed a factory structure on such land). An application was made for claiming the title through succession before the Assistant Commissioner of Land at Kaliakoir, Gazipur for cancellation of mutation of small part (4.80 decimal) of land, however the claim was not supported by any deed of title. ATBD appeared before various authorities and currently, the case is under adjudication in the office of Assistant Deputy Commission (Rev), Gazipur, Bangladesh.
- (d) Capital work-in-progress for the current year also includes of ₹ 1.68 intangibles under development.
- Capital work-in-progress ageing schedule:

Particulars	As at March 31, 2025			As at March 31, 2025		
	As at April 1, 2024	Acquisition on account of Business Combination*	Additions	Capitalisation	Amount in CWIP for a period of	
					Less than 1 year	More than 3 years
Projects in progress	296.62	4.17	230.20	515.44	12.38	1.83
<b>Total</b>	<b>296.62</b>	<b>4.17</b>	<b>230.20</b>	<b>515.44</b>	<b>12.38</b>	<b>1.83</b>

Particulars	As at March 31, 2024			As at March 31, 2024		
	As at April 1, 2023	Acquisition on account of Business Combination*	Additions	Capitalisation	Amount in CWIP for a period of	
					Less than 1 year	More than 3 years
Projects in progress	260.90	-	393.14	357.42	234.66	51.82
<b>Total</b>	<b>260.90</b>	<b>-</b>	<b>393.14</b>	<b>357.42</b>	<b>234.66</b>	<b>51.82</b>

There is no capital work-in-progress project whose completion is overdue or exceeded its cost compared to original plan as at March 31, 2025 and as at March 31, 2024.

\* Refer Note 54

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### Note 4 - Property, plant and equipment and capital work-in-progress (continued)

##### (e) Provision for Impairment:

##### i. Impairment loss in relation to property, plant and equipment relating to products discontinued/not launched

During the year, the Company undertook strategic review of its business plan and decided not to have focus on business of certain products (French Fries, Wafer and Chocolate) due to their failure and scalability in the market. Consequent to the above, the Company has recognized impairment loss of ₹ 654.62 in respect of the related property, plant and equipments (including buildings of ₹ 227.73) (specified assets).

The recoverable amount of the specified assets is estimated to be ₹ 94.06, which is its recoverable value if sold in the market. The fair value of the specified assets is determined basis consideration of orderly liquidation scenario mainly using depreciated replacement cost method and applying discount to this depreciated replacement cost which the Company may expect to derive on disposal of these assets. Depreciated replacement cost and discount applied to determine recoverable value reflects adjustments for physical deterioration as well as functional, economic obsolescence and interest of buyers in the market to buy these assets.

Provision for the impairment is excess of carrying value over its recoverable value on disposal of the specified assets, which is included in the exceptional item in the statement of profit and loss. Subsequent to year end, the Company has also decided to initiate process to dispose these specified assets (excluding building).

##### ii. Impairment testing for CGUs not containing goodwill

Following the Company's strategic review of its business plan and the consideration of its revised strategy, current economic conditions, and expected capacity utilization, an assessment of asset impairment has been conducted as required by Ind AS 36. Based on this assessment, the Company has recognized impairment losses for the current year, with the necessary disclosures provided below.

a. The Company has six manufacturing plants and the same are identified as independent CGUs as they are capable of generating cash flows independently. There has been no change in the identification of the Cash generating unit compared to the previous financial year.

The Company has not identified any indicators of impairment at the Kashipur and Kothur plants, as they are being utilized optimally and which has been assessed as part of IPC business.

The recoverable amount of a CGU (or an individual asset) is value in use arrived based on the discounting of the future cash flows.

Value in use is based on the estimated future cash flows, discounted at Weighted average cost of capital. The Value in use is then compared with net book value of CGU to test for impairment. The net book value of CGU includes Property, plant and equipment, right of use assets and other intangible assets.

b. The Company has performed impairment assessment of identified CGU and the impairment loss/ (headroom) identified as below :

##### CGU 1 - Jhagadia Plant

Company manufactures Chocolate, Peanut butter, Pasta, Sweet corn, Masala oats, Choco spreads etc. at Jhagadia Plant.

Particulars	31-Mar-25
Value in use	530.78
Carrying value	1,046.63
Impairment loss	515.85

##### CGU 2 - Mangaldoi Plant

Company manufactures Bakes, Instant Popcorn (IPC), Breakfast cereals, Ready to eat Popcorn etc at Mangaldoi Plant.

Particulars	31-Mar-25
Value in use	306.64
Carrying value	243.62
Impairment loss / (Headroom) *	(63.02)

\*The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the CGU at (Managldoi Plant) to be less than the carrying value.

##### CGU 3 - Chittoor Plant

Company manufactures RTE popcorn, Nachos, Bakes etc at Chittoor Plant

Particulars	31-Mar-25
Value in use	110.24
Carrying value	236.88
Impairment loss	126.64

## Sundrop Brands Limited

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### CGU 4 - Unnao Plant

Company manufactures RTE Pop corn, Bakes, Nachos, Peanuts, Breakfast cereals etc at Unnao Plant

Particulars	31-Mar-25
Value in use	309.24
Carrying value	372.45
Impairment loss	63.21

c. The key assumptions used in the estimation of the recoverable amount as set out below:

Particulars	31-Mar-25
Average Annual growth rate	10%-30%
Weighted Average Cost of Capital (WACC)	13.30%
Terminal Growth Rate	5.00%

d. The projections cover a period of five years, as the Company believes this to be the most appropriate time scale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates used to estimate future performance are based on the estimates from past performance. Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Company) + Company specific risk premium.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**  
**Note 5 - Right-of-use assets**

(All amounts are in ₹ millions, except share data and where otherwise stated)

Description	Gross carrying amount				Accumulated depreciation and Impairment Losses					Net Carrying amount
	As at April 1, 2024	Acquisition on account of Business Combination*	Additions	Disposals	As at March 31, 2025	As at April 1, 2024	Acquisition on account of Business Combination*	Depreciation for the year	Impairment loss (refer note 4 (e)(ii))	As at March 31, 2025
Leasehold land (Refer Note (i) below)	64.19	86.79	-	-	150.98	3.35	4.53	0.86	27.13	115.11
Buildings	150.42	95.70	-	-	246.12	76.64	25.05	23.06	-	121.38
Total	214.61	182.49	-	-	397.10	79.99	29.58	23.92	27.13	236.49
Description	Gross carrying amount				Accumulated depreciation and Impairment Losses					Net Carrying amount
	As at April 1, 2023	Acquisition on account of Business Combination*	Additions	Disposals	As at March 31, 2024	As at April 1, 2023	Acquisition on account of Business Combination*	Depreciation for the year	Impairment loss (refer note 4 (e)(ii))	As at March 31, 2024
Leasehold land (Refer Note (i) below)	60.23	-	3.96	-	64.19	2.67	-	0.68	-	60.84
Buildings	150.42	-	-	-	150.42	55.62	-	21.02	-	73.78
Total	210.65	-	3.96	-	214.61	58.29	-	21.70	-	134.62

\* Refer Note 54

**Notes:**

(i) Gujarat Industrial Development Corporation (GIDC) has allotted through lease hold for plot bearing no. Plot no. 902/2, GIDC, Jhagadia admeasuring 1,00,000 Sq Meter vide allotment letter dated 23rd February 2011 for a period of 99 years. However, through Corrigendum Order dated 6th July 2011, the area of said plot is reduced to 99,933.90 Sq. Meter, and it was further communicated to Company that the area of 3,420 Sq. Meter is not in the possession of GIDC and will be handed over as and when GIDC will receive the possession.

**(ii) Also Refer Note 37**

**Note 6 - Intangible assets**

(a)

Description	Gross carrying amount				Accumulated depreciation and impairment Losses				Net Carrying amount	
	As at April 1, 2024	Acquisition on account of Business Combination*	Additions	Disposals	As at March 31, 2025	As at April 1, 2024	Acquisition on account of Business Combination*	Amortisation for the year	Impairment loss (refer note 4 (e)(ii))	As at March 31, 2025
Trademarks (Refer Note below)	122.16	-	-	-	122.16	-	-	-	-	122.16
Computer software	201.83	7.26	4.95	-	214.04	184.73	6.67	6.77	0.06	15.81
Customer relationship (Refer Note below 3)	-	493.47	-	-	493.47	-	4.29	-	-	489.18
Favourable Contract (Refer Note below 2)	-	2,522.90	-	-	2,522.90	-	-	-	-	2,522.90
Total	323.99	3,023.63	4.95	-	3,352.57	184.73	10.96	6.77	0.06	3,150.05

\* Refer Note 54

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Description	Gross carrying amount			Accumulated amortisation and Impairment Losses			Net Carrying amount
	As at April 1, 2023	Acquisition on account of Business Combination*	Additions	Disposals	As at March 31, 2024	As at April 1, 2023	As at March 31, 2024
Trademarks (Refer Note below 1)	122.16	-	-	-	122.16	-	122.16
Computer software	201.83	-	-	-	201.83	178.17	17.10
Total	323.99	-	-	-	323.99	178.17	139.26

\* Refer Note 54

### (b) Goodwill

Description	As at April 1, 2024	Acquisition on account of Business Combination*	Additions	Disposals	As at March 31, 2025
Goodwill	-	5,819.87	-	-	5,819.87

\* Refer Note 54

### Notes:

- Trademarks represent the purchase consideration paid for the brand 'Sundrop'. As estimated by the Management, this trademark has an indefinite useful life and hence the same is not amortised. However, it is tested for impairment annually as per Ind AS 36 "Impairment of Assets". Also refer Note 38.
- Favorables contracts represents rights to use Del Monte Brand with lower rate of royalty to be paid, identified as part of business acquisition of Del Monte Foods Private Limited. As estimated by the Management, this trademark has an indefinite useful life and hence the same is not amortised. However, it is tested for impairment annually as per Ind AS 36 "Impairment of Assets". Also refer Note 54.
- Customer relationship represent intangible assets identified as part of business acquisition of Del Monte Foods Private Limited. As estimated by the Management, this assets has an definite useful life of 230 months.



## Sundrop Brands Limited

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 7 - Non-current investments</b>		
Unquoted investments (fully paid)		
Investment in equity instruments of subsidiaries (at cost unless otherwise stated)		
Sakthi Murugan Wind Farms (P Ltd.)		
1,10,000 fully paid up equity shares of ₹ 10 each	1.10	-
<b>Total</b>	<u>1.10</u>	<u>-</u>
<b>Note 8 - Other non-current financial assets</b>		
<i>(Unsecured, considered good)</i>		
Security deposits	49.14	35.16
Balances held as margin money for bank guarantees pledged with Govt. authorities.	0.60	-
Loans (loan to employees)	0.17	0.53
<b>Total</b>	<u>49.91</u>	<u>35.69</u>
<b>Note 9 - Other non-current assets</b>		
<i>Unsecured Considered good:</i>		
Capital advances	10.39	34.12
Advances other than capital advances		
- Advances with Government, public bodies and others	29.51	21.24
- Other advances (includes commercial advances and prepaid expenses)	6.79	1.38
<i>Unsecured Considered doubtful:</i>		
Customs duty paid under protest	55.50	55.50
Less: Allowance for customs duty*	(55.50)	-
<b>Total</b>	<u>46.69</u>	<u>112.24</u>
* During the year, Company has reassessed its ongoing dispute in relation to Customs duty under The Customs Act, 1962 and has provided for ₹ 55.50 as the time value of money is reducing since this matter has been pending for long time with judicial authorities. However, the Company continues to believe that it has strong case in its favour.		
<b>Note 10 - Inventories</b>		
(Valued at lower of cost or net reliable value)		
Raw materials*	798.26	901.54
Raw materials-in-transit*	135.50	2.24
Packing materials	195.09	139.22
Packing materials-in-transit	0.80	20.10
Finished goods	540.39	367.53
Finished goods-in-transit	43.82	25.39
Stock-in-trade	232.31	1.93
<b>Total</b>	<u>1,946.17</u>	<u>1,457.95</u>

\* Raw materials include stores and spares consumables.

#### Notes

- (i) The consumption of inventories recognised as an expense during the year has been disclosed in Notes 28, 29, and 30.
- (ii) The consumption of inventories recognised as an expense/ (gain) includes ₹ (1.21) (2023-24: ₹ 0.86) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (2023-24 : ₹ Nil ) in respect of reversal of such write-downs.
- (iii) Refer Note 20 for details of inventories pledged against borrowings.
- (iv) Refer Note 3(f) for method of valuation for inventories.

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 11 - Trade receivables</b>		
Trade receivables considered good - unsecured	983.25	673.92
Trade receivables - credit impaired	49.20	75.91
Less: Loss allowance	(52.62)	(79.79)
<b>Total</b>	<b>979.83</b>	<b>670.04</b>

#### Notes:

- (i) The average credit period for the customers is in the range of 14 days to 60 days depending on customer groups.
- (ii) Of the trade receivables balance ₹ 264.38 (as at March 31, 2024 : ₹ 327.17) is due from one of the Company's large customers. There are no other customers who represent more than 10% of the total balance of trade receivables.
- (iii) The Group has used a practical expedient by computing the expected credit loss allowance for doubtful trade receivables based on a provisioning matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking estimates. The expected credit loss allowance is based on the ageing of the receivables which are due and the rates used in the provision matrix.

(iv) Movement in the expected credit loss allowance	For the year ended March 31, 2025	For the year ended March 31, 2024
Balance at the beginning of the year	79.79	85.51
Loss allowance (reversed)/ recognised	5.94	1.94
Amount written off during the year	(33.11)	(7.66)
<b>Balance at the end of the year</b>	<b>52.62</b>	<b>79.79</b>

#### Trade receivables ageing schedule:

Particulars	As at March 31, 2025						
	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables - considered good	635.23	336.54	9.42	0.68	1.16	0.22	983.25
(ii) Undisputed Trade receivables - credit impaired	-	-	1.26	0.27	0.62	6.21	8.36
(iii) Disputed trade receivables - credit impaired	-	-	-	0.84	2.19	37.81	40.84
<b>Gross trade receivables</b>	<b>635.23</b>	<b>336.54</b>	<b>10.68</b>	<b>1.79</b>	<b>3.97</b>	<b>44.24</b>	<b>1,032.45</b>
Less: Loss allowance							(52.62)
<b>Trade receivables</b>							<b>979.83</b>

Particulars	As at March 31, 2024						
	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables - considered good	295.56	368.65	6.86	1.31	1.35	0.19	673.92
(ii) Undisputed Trade receivables - credit impaired	-	-	-	-	-	38.09	38.09
(iii) Disputed trade receivables - credit impaired	-	-	-	-	-	37.82	37.82
<b>Gross trade receivables</b>	<b>295.56</b>	<b>368.65</b>	<b>6.86</b>	<b>1.31</b>	<b>1.35</b>	<b>76.10</b>	<b>749.83</b>
Less: Loss allowance							(79.79)
<b>Trade receivables</b>							<b>670.04</b>

## Sundrop Brands Limited

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

- (v) There are no outstanding trade receivables from directors or other officers of the Company or from firms or private companies in which director is partner or member as at March 31, 2025 and as at March 31, 2024.
- (vi) There were no unbilled receivables as at March 31, 2025 and as at March 31, 2024.
- (vii) Refer Note 20 for details of trade receivables pledged against borrowings.
- (viii) Information about Company's exposure to credit and market risks related to the trade receivables are included in Note 48.

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 12 - Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	166.57	129.77
- in deposit accounts (original maturity less than 3 months)	303.18	-
Cheques on hand	0.90	-
<b>Total</b>	<b>470.65</b>	<b>129.77</b>
<b>Note 13 - Other bank balances</b>		
Balances held as margin money against guarantees given	8.84	7.87
Unpaid dividend accounts	3.70	3.52
<b>Total</b>	<b>12.54</b>	<b>11.39</b>
<b>Note 14 - Other financial assets</b>		
Others (including security deposits, advance to PF trust) (Also, Refer note 43 A)	20.47	31.60
Loans (loan to employees)	0.48	-
<b>Total</b>	<b>20.95</b>	<b>31.60</b>
<b>Note 15 - Other current assets</b>		
Balances with government authorities	264.81	253.30
Advances (includes commercial advances)	198.92	8.21
Prepayments (includes AMC and insurance etc.,)	46.10	43.70
<b>Total</b>	<b>509.83</b>	<b>305.21</b>
<b>Note 16 - Share capital</b>		
<b>Authorised</b>		
Equity shares		
50,000,000 (March 31, 2024: 25,000,000), equity shares of ₹ 10 each	500.00	250.00
Preference shares		
Nil (March 31, 2024: 1,000,000), cumulative redeemable preference shares of ₹ 100 each	-	100.00
	<b>500.00</b>	<b>350.00</b>
<b>Issued</b>		
Equity shares		
37,699,728 (March 31, 2024: 24,372,139), equity shares of ₹ 10 each	377.00	243.72
<b>Subscribed and fully paid-up</b>		
Equity shares fully paid		
37,696,853 (March 31, 2024: 24,369,264), equity shares of ₹ 10 each fully paid up	376.97	243.69

#### (a) Increase in Authorised Share Capital:

During the year ended March 31, 2025, the authorised equity share capital was increased by ₹ 250 i.e. 25 million equity shares of ₹ 10 each and preference share capital was reduced to Nil.

## Sundrop Brands Limited

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

**(b) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year:**

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions
Balance at the beginning of the reporting year	24,369,264	243.69	24,369,264	243.69
Shares issued pursuant to business combination (refer note 54)	13,327,589	133.28	-	-
Balance at the end of the reporting year	37,696,853	376.97	24,369,264	243.69

**(c) Rights, preferences and restrictions attached to the equity shares:**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to their share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**(d) Shares in respect of equity in the Company held by its holding or ultimate holding company, including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:**

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions
<b>Holding Company</b>				
CAG Tech (Mauritius) Limited*	12,785,363	127.85	12,616,619	126.17
	<u>12,785,363</u>	<u>127.85</u>	<u>12,616,619</u>	<u>126.17</u>

\*Refer Note 52

**(e) Details of shareholders holding more than 5% of total number of equity shares:**

Particulars	As at March 31, 2025		As at March 31, 2024	
	Number of shares	% of holding	Number of shares	% of holding
CAG Tech (Mauritius) Limited*	12,785,363	33.92	12,616,619	51.77
DMPL India Limited	5,425,096	14.39	-	-
Bharti (SBM) Holdings Private Limited	3,066,167	8.13	-	-
Bharti (RBM) Holdings Private Limited	1,916,355	5.08	-	-
Bharti (RM) Holdings Private Limited	1,916,355	5.08	-	-
Rekha Rakesh Jhunjunwala	1,861,759	4.94	1,823,759	7.48
TATA Mutual Fund	1,782,421	4.73	1,787,264	7.33
Pari Washington India Master Fund, Ltd.	-	-	1,759,354	7.22

\* CAG Tech (Mauritius) Limited was an indirect subsidiary of Conagra Brands Inc. (the Ultimate Holding Company) upto August 27, 2024. Refer Note 52.

**f) Shares allotted as fully paid-up pursuant to contracts without payment being received in cash during the year of five years immediately preceding the date of the Balance Sheet is as under:**

13,327,589 equity shares fully paid up allotted to the then shareholders of the Del Monte Foods Private Limited pursuant to business combination (Refer note 54).

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### g) Equity shares of ₹ 10 each, held by promoters at the end of the year

Shares held by promoters as at March 31, 2025 and March 31, 2024:

Name of the shareholder	As at March 31, 2025		As at March 31, 2024		
	Number of shares	% of total shares	Number of shares	% of total shares	% change during the year
CAG Tech (Mauritius) Limited	12,785,363	33.92	12,616,619	51.77	(17.85)
Zest Investments Limited #	86	0.00	-	0.00	0.00
# Percentage below 0.01%					

Also refer Note 52 in respect of the Share Subscription Agreement dated February 29, 2024 entered into between the Zest Holding Investments Limited ('the Acquirer'), CAG-Tech (Mauritius) Limited and ConAgra Europe B.V.

#### (h) Share based payments

The Parent Company instituted the "Agro Tech Employee Stock Option Plan ('Plan') to grant equity based incentives to its eligible employees. The Parent Company has established a trust called the Agro Tech ESOP Trust ("Trust") to implement the Plan. The Parent Company has given advance to the Trust for purchase of the Parent Company's shares and such advance outstanding as at March 31, 2025 is ₹ Nil (As at March 31, 2024: ₹ Nil).

Under the plan a maximum of 2,436,926 options will be granted to the eligible employees. All these options are planned to be settled in equity at the time of exercise at the option of the employee. These options have an exercise price of ₹ 561.00, ₹ 597.55 and ₹ 589.75 per share granted during the years ended March 31, 2014, March 31, 2015 and March 31, 2016 respectively and vests on a graded basis as follows:

Vesting period from the grant date	Vesting schedule
On completion of 12 months	25%
On completion of 24 months	25%
On completion of 36 months	25%
On completion of 48 months	25%

Stock option activity under the plan was as follows:

Movement in the options under the scheme :	For the year ended March 31, 2025	For the year ended March 31, 2024
Options outstanding at the beginning of the year	-	1,90,645
Options granted during the year	-	-
Options exercised during the year	-	(1,90,645)
Options forfeited during the year	-	-
<b>Options outstanding at the end of the year</b>	<b>-</b>	<b>-</b>

#### Fair value Measurement:

The fair value of the employee share based payment is determined using the Black Scholes model on the date of grant. No new grants have been issued during the year ended March 31, 2025 and March 31, 2024.



## Sundrop Brands Limited

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 17 - Other equity</b>		
<b>(a) General reserve</b>		
Balance at the commencement of the year	296.04	296.04
Add: Changes during the year	-	-
	<u>296.04</u>	<u>296.04</u>
This reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013.		
<b>(b) Securities premium</b>		
Balance at the commencement of the year	721.29	721.29
Add: Premium received on issue of equity shares (refer note 54)	10,432.12	-
	<u>11,153.41</u>	<u>721.29</u>
This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013.		
<b>(c) Retained earnings</b>		
Balance at the commencement of the year	3,693.19	3,662.85
Add: Profit/(Loss) for the year	(1,099.01)	104.10
Items of other comprehensive income directly recognised in retained earnings		
- Remeasurement of defined benefit (asset) / liability, net of tax	(1.61)	(1.16)
<b>Amount available for appropriations</b>	<u>2,592.57</u>	<u>3,765.79</u>
Final dividend on equity shares ((FY 2023-24 ₹ 3 per equity share of ₹ 10 each) (For FY 2022-23 ₹ 3 per equity share of ₹ 10 each))	(73.11)	(72.60)
<b>Total appropriations</b>	<u>2,519.46</u>	<u>3,693.19</u>
<b>Total retained earnings</b>	<u>2,519.46</u>	<u>3,693.19</u>
Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Companies Act, 2013.		
<b>(d) Share options outstanding amount</b>		
Balance at the commencement of the year	-	52.43
Exercise of share options	-	(52.43)
	<u>-</u>	<u>-</u>
Share option outstanding account relates to the share options granted by the Company to its employees under its employee share option plan.		
<b>(e) Treasury Shares</b>		
Balance at the commencement of the year	-	(96.89)
Sale of treasury shares during the year	-	96.89
	<u>-</u>	<u>-</u>
Represents the outstanding number of equity shares of the Company held by the controlled trusts.		
<b>(f) Agro Tech ESOP Trust (ATET reserve)</b>		
Balance at the commencement of the year	57.97	42.50
Profit/ (Loss) on sale of shares transferred by Trust	(0.39)	15.47
	<u>57.58</u>	<u>57.97</u>

## Sundrop Brands Limited

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
Represents the profit/loss earned by the Agro Tech ESOP trust on exercise of the share options and on disposal of forfeited shares options.		
<b>(g) Foreign currency translation reserve</b>		
Balance at the commencement of the year	(9.66)	(8.71)
Add: Changes during the year	(10.00)	(0.95)
	<u>(19.66)</u>	<u>(9.66)</u>
This reserve contains balance of foreign exchange differences from translation of financial statements of the Group's foreign subsidiaries arising at time of consolidation of such subsidiaries. Exchange differences accounted in this reserve are reclassified to profit or loss on the disposal of the foreign subsidiaries.		
<b>Total (a+b+c+d+e+f+g)</b>	<u>14,006.83</u>	<u>4,758.83</u>
<b>Details of proposed dividend during the year</b>		
Final dividend on equity shares (FY 2024-25 ₹ Nil per equity share of ₹ 10 each (For FY 2023-24 ₹ 3 per equity share of ₹ 10 each))		
<b>Note 18 - Non-current lease liabilities</b>		
Lease liabilities (Refer note 37)	111.66	64.42
<b>Total</b>	<u>111.66</u>	<u>64.42</u>
<b>Note 19 - Non-current provisions</b>		
Provision for employee benefits		
- Compensated absences	48.10	22.46
- Gratuity (Refer note 47)	42.74	-
<b>Total</b>	<u>90.84</u>	<u>22.46</u>
<b>Note 20 -Short-term borrowings</b>		
Loans repayable on demand from banks		
- Working capital demand loans (secured)	-	335.00
<b>Total</b>	<u>-</u>	<u>335.00</u>
<b>Note :</b> The working capital demand loan has been secured by first charge on current assets of the Company. These loans carry an interest rate ranging from 8.20% to 8.65% p.a.		
<b>Note 21 - Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (Refer Note (i) below)	100.73	83.15
Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note (ii) below)	1,679.89	509.50
<b>Total</b>	<u>1,780.62</u>	<u>592.65</u>

#### Notes:

- (i) Based on and to the extent of information available with the Group under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

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(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	As at March 31, 2025	As at March 31, 2024
(a) Principal amount due to suppliers under MSMED Act, as at the end of the year	100.73	83.15
(b) Interest accrued and due to suppliers under MSMED Act, on the above amount as at the end of the year	-	-
(c) Payment made to suppliers (other than interest) beyond the appointed date, during the year	-	-
(d) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(e) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(f) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(g) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (b) + (f)	-	-
(ii) Includes payables to related parties as disclosed under Note 43A and 43B.		
(iii) Information about Company's exposure to currency and liquidity risks related to the trade payables are included in Note 48.		
(iv) Trade payables ageing schedule :		

Particulars	Unbilled dues	Not Due	As at March 31, 2025				
			Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises (MSME)	-	97.89	2.84	-	-	-	100.73
(ii) Others	834.46	537.69	294.22	5.63	1.18	6.71	1,679.89
<b>Total</b>	<b>834.46</b>	<b>635.58</b>	<b>297.06</b>	<b>5.63</b>	<b>1.18</b>	<b>6.71</b>	<b>1,780.62</b>

Particulars	Unbilled dues	Not Due	As at March 31, 2024				
			Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Micro, Small and Medium Enterprises (MSME)	-	75.34	7.81	-	-	-	83.15
(ii) Others	271.44	188.42	40.97	0.96	0.37	7.34	509.50
<b>Total</b>	<b>271.44</b>	<b>263.76</b>	<b>48.78</b>	<b>0.96</b>	<b>0.37</b>	<b>7.34</b>	<b>592.65</b>

#### Note 22 - Lease liabilities

Lease liabilities (Refer Note 37)	31.45	20.60
<b>Total</b>	<b>31.45</b>	<b>20.60</b>

#### Note 23 - Other financial liabilities

Payables for purchase of property, plant and equipment	7.60	10.84
Unclaimed dividends	3.70	3.52
Employee benefits payable	148.99	37.08
Other liabilities (includes outstanding liabilities for trade schemes etc.)	87.44	46.72
Refund liabilities (refer note (ii) below)	79.83	-
<b>Total</b>	<b>327.56</b>	<b>98.16</b>

(i) Information about Group's exposure to currency and liquidity risks related to the above financial liabilities are included in Note 48.

## Sundrop Brands Limited

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

- (ii) Based on the management experience in the current year related to sales returns on account of damage and expiry and considering current market situation, the management undertook a detailed review of its accounting estimate for refund liability which resulted in a change in the measurement of estimate for refund liability. As a result, sales returns for which refund liability is being accrued in the books of account as at the year-end are expected to increase, the effect of which has resulted in higher provision for refund liability by ₹ 74.27 and lower profit after tax by ₹ 55.58.

Particulars	As at March 31, 2025	As at March 31, 2024
<b>Note 24 - Other current liabilities</b>		
Advance from customers (refer note 26)	51.34	36.06
Statutory liabilities (including GST, provident fund, TDS etc.)	62.73	31.39
<b>Total</b>	<u>114.07</u>	<u>67.45</u>
<b>Note 25 - Provisions</b>		
Provision for employee benefits:		
- Gratuity (Refer Note 47)	18.03	12.41
- Compensated absences	8.00	6.74
Others:		
Provision for indirect tax matters (Refer Note below)	36.93	20.30
<b>Total</b>	<u>62.96</u>	<u>39.45</u>
<b>Note:</b>		
<b>Movement of provision for indirect tax matters:</b>		
Opening balance	20.30	19.48
Provision created	16.79	1.80
Less :Provision utilised / reversed	0.16	0.98
<b>Closing balance</b>	<u>36.93</u>	<u>20.30</u>

- i) The above provision majorly includes:
- Differential Goods and service tax payable on Bakes and Nachos under GST Act 2017.
  - Provision for interest on demand paid pertaining to sales tax levied by authorities denying offset of Input Tax Credit.
  - Demand pertaining to Entry tax levied by the authorities.
- ii) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timing of cash outflows, if any in respect of the above as it is determinable only on receipt of judgement/ decisions pending with various forms/ authorities.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Note 26 - Revenue from operations</b>		
Sale of products	8,940.49	7,580.79
Sale of services - Job work income	30.86	-
Other operating revenues (includes scrap sales and royalty income)	17.33	15.94
<b>Total</b>	<u>8,988.68</u>	<u>7,596.73</u>

#### Notes

- (i) The Company disaggregates revenue from contracts with customers by geography. Disaggregation of revenue by geography is not an operating segment as disclosed in Note 42.

## Sundrop Brands Limited

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Location</b>		
India	8,806.07	7,522.85
Outside India	134.42	57.94
<b>Total</b>	<u>8,940.49</u>	<u>7,580.79</u>
Geographical revenue is allocated based on the location of customers.		
<b>(ii) Timing of revenue recognition</b>		
Products transferred at a point in time	8,971.35	7,580.79
Products and services transferred over time	-	-
<b>Total</b>	<u>8,971.35</u>	<u>7,580.79</u>
<b>(iii) Reconciliation of revenue from sale of products recognised with contract price</b>		
Gross Revenue	9,663.26	8,173.21
Less : Trade allowances, rebates, damage & leakage, expiry related returns*	722.77	592.42
<b>Net revenue recognised during the year</b>	<u>8,940.49</u>	<u>7,580.79</u>

\* Also refer note 23

#### (iv) Contract balances

The following table provides information about receivables, contract liabilities from contracts with customers.

Receivables, which are included in 'trade receivables'	979.83	670.04
Contract liabilities	51.34	36.06

- Trade receivables are the amounts receivable by the Company from Revenue from Contracts with customers and other operating revenues.
- The contract liabilities primarily relate to the advance consideration received from customers for sale of goods. The amount of ₹ 15.19 included in contract liabilities at 31 March 2024 has been recognised as revenue during the year ended 31 March 2025 (31 March 2024: ₹ 3.21). Contract liabilities are recognised as revenue as (or when) the Company perform under contract which is expected to occur over the next year.

The Group has availed exemption in relation to remaining performance obligations at 31 March 2025 or at 31 March 2024 that have an original expected duration of one year or less, as allowed by Ind AS 115.

#### Note 27 - Other income

Insurance Claim Settlement (Refer Note below)	-	11.31
Gain on property, plant and equipment discarded/ sold (net)	0.01	-
Gain on disposal of mutual funds units	8.00	0.48
Provisions and liabilities no longer required written back (net)	0.04	-
Fair value gain on financial assets mandatorily measured at fair value through profit	4.42	-
Interest income under the effective interest method		
- on rental deposits	1.62	1.23
- on deposits with banks and others	5.78	1.75
Rent received	1.77	-
Miscellaneous Income	1.60	-
<b>Total</b>	<u>23.24</u>	<u>14.77</u>

**Note:** During the previous year, the Parent Company received an amount of ₹ 11.31 in respect of the 'Business Interruption claim' made by it in relation to the fire incident at one of the manufacturing locations of the Parent Company in the earlier years.



## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Note 28 - Cost of materials consumed</b>		
Opening stock		
Raw materials (including materials-in-transit)	903.78	1,021.16
Packing materials (including materials-in-transit)	159.32	146.13
Acquisition on account of Business Combination	332.43	-
Add: Purchases		
Raw materials	4,239.71	3,689.36
Packing materials	942.62	807.41
Less: Closing stock		
Raw materials (including materials-in-transit)	921.95	903.78
Packing materials (including materials-in-transit)	195.89	159.32
<b>Total</b>	<b>5,460.02</b>	<b>4,600.96</b>
<b>Note 29 - Purchase of stock-in-trade</b>		
Stock-in-trade	0.39	1.51
Acquisition on account of Business Combination	189.15	-
<b>Total</b>	<b>189.54</b>	<b>1.51</b>
<b>Note 30 - Changes in inventories of finished goods and stock-in-trade</b>		
<b>Finished goods (including material-in-transit)</b>		
Opening stock	392.92	490.45
Acquisition on account of Business Combination	206.80	-
Closing stock	584.21	392.92
Increase in finished goods	15.51	97.53
<b>Stock-in-trade</b>		
Opening stock	1.93	3.24
Acquisition on account of Business Combination	272.91	-
Closing stock	232.31	1.93
<b>Increase / (Decrease) in stock-in-trade</b>	<b>42.53</b>	<b>1.31</b>
<b>Increase in finished goods and stock-in-trade</b>	<b>58.04</b>	<b>98.84</b>
<b>Note 31 - Employee benefit expense</b>		
Salaries, wages and bonus	706.88	569.86
Contribution to provident and other funds (Refer Note 47)	64.25	53.47
Staff welfare expenses	37.77	21.23
<b>Total</b>	<b>808.90</b>	<b>644.56</b>
<b>Note 32 - Finance costs</b>		
Interest on working capital loan measured at amortised cost	9.83	21.19
Interest on lease liability (Refer Note 37)	7.46	7.57
<b>Total</b>	<b>17.29</b>	<b>28.76</b>
<b>Note 33 - Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment (Refer Note 4)	222.50	183.32
Amortisation of intangible assets (Refer Note 6)	11.06	6.56
Depreciation on Right-of-use asset (Refer Note 5)	23.92	21.7
<b>Total</b>	<b>257.48</b>	<b>211.58</b>

**Sundrop Brands Limited***(Formerly Known as Agro Tech Foods Limited)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Note 34 - Other expenses</b>		
Consumption of stores and spares	50.80	55.63
Power and fuel	129.44	125.49
Processing charges	340.11	206.81
Rent	82.49	154.81
Rates and taxes	41.11	23.66
Repairs and maintenance:		
- Machinery	7.09	4.44
- Buildings	1.99	-
- Others	26.92	23.22
Insurance	28.95	26.89
Printing and stationery	3.93	4.18
Software expenses	55.24	45.48
Communication expenses	9.82	8.24
Travelling expenses	118.19	103.83
Outward freight	521.05	440.31
Brokerage/ commission	32.57	33.77
Distribution expenses	45.03	112.92
Legal and professional charges (Refer note 40)	54.48	45.91
Advertisement and sales promotion	422.14	255.05
Royalty	102.76	83.97
Bad debts written off	33.11	7.66
Loss allowance reversed	(33.18)	(5.72)
Loss on sale/ retirement of property, plant and equipment (net)	0.90	1.34
Loss / (Gain) on foreign currency transactions (net)	1.86	0.74
Bank charges	0.39	0.58
Director sitting fees and commission	5.53	6.89
Expenditure on corporate social responsibility ( Refer Note 44)	4.53	6.72
Miscellaneous expenses	122.22	136.21
<b>Total</b>	<b>2,209.47</b>	<b>1,909.03</b>

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024			
<b>Note 35 - Income-tax</b>					
<b>(a) Amounts recognised in the statement of profit and loss</b>					
Tax expense / credit for the year					
Current Tax	2.18	17.80			
Deferred tax credit	(359.53)	21.17			
<b>Total</b>	<b>(357.35)</b>	<b>38.97</b>			
<b>(b) Amounts recognised in other comprehensive income</b>					
Deferred tax income on remeasurements of defined benefit plans	(0.55)	(0.38)			
<b>Total</b>	<b>(0.55)</b>	<b>(0.38)</b>			
<b>(c) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>					
Profit / (Loss) before tax	(1,456.36)	143.07			
Tax using the Group's domestic tax rate	(370.15)	36.54			
<b>Tax effect of :</b>					
Effect of available benefits	(0.85)	(1.15)			
Tax effects of amounts which are not deductible in determining taxable profit	13.65	3.58			
<b>Total</b>	<b>(357.35)</b>	<b>38.97</b>			
<b>(d) The major components of deferred tax liabilities/ assets arising on account of timing differences are as follows:</b>					
<b>2024-25</b>					
<b>Deferred tax (liabilities) / assets in relation to :</b>	<b>Opening balance</b>	<b>Acquisition on account of business combination (Refer Note 54)</b>	<b>Recognised in State-ment of profit and loss</b>	<b>Recognised in other compre-hensive income</b>	<b>Closing balance</b>
<b>Deferred tax assets</b>					
On provision for doubtful debts and advances	20.08	4.89	5.10	-	30.07
On expenditure allowed on payment basis	21.06	21.50	0.80	0.55	43.91
MAT credit entitlement	3.82	-	(0.01)	-	3.81
Business Loss	-	-	39.51	-	39.51
Unabsorbed loss of Agro Tech Foods (Bangladesh) Pvt. Ltd.	12.95	-	0.71	-	13.66
Unabsorbed loss of Sundrop Foods Lanka (Private) Limited	5.03	-	(1.87)	-	3.16
Unabsorbed loss of Del Monte Foods Private Limited	-	484.91	7.67	-	492.57
Lease liabilities	21.37	2.95	16.41	-	40.72
Others	-	13.69	(1.02)	-	12.66
<b>Total deferred tax assets (A)</b>	<b>84.31</b>	<b>527.94</b>	<b>67.30</b>	<b>0.55</b>	<b>680.08</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment	(214.69)	(36.87)	306.62	-	55.06
Right of use assets	(17.15)	-	(16.50)	-	(33.65)
Purchase price allocation	-	(952.40)	2.11	-	(950.29)
<b>Total deferred tax liabilities (B)</b>	<b>(231.84)</b>	<b>(989.27)</b>	<b>292.23</b>	<b>-</b>	<b>(928.89)</b>
<b>Net deferred tax liability (A-B)</b>	<b>(147.54)</b>	<b>(461.33)</b>	<b>359.53</b>	<b>0.55</b>	<b>(248.80)</b>

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### 2023-24

Deferred tax (liabilities) / assets in relation to :	Opening balance	Acquisition on account of business combination (Refer Note 54)	Recognised in State-ment of profit and loss	Recognised in other compre-hensive income	Closing balance
<b>Deferred tax assets</b>					
On provision for doubtful debts and advances	21.52	-	(1.44)	-	20.08
On expenditure allowed on payment basis	16.89	-	3.79	0.38	21.06
MAT credit entitlement	3.82	-	-	-	3.82
Unabsorbed loss of Agro Tech Foods (Bangladesh) Pvt. Ltd.	15.34	-	(2.39)	-	12.95
Unabsorbed loss of Sundrop Foods Lanka (Private) Limited	5.03	-	-	-	5.03
Lease liabilities	25.21	-	(3.84)	-	21.37
<b>Total deferred tax assets (A)</b>	<b>87.81</b>	<b>-</b>	<b>(3.88)</b>	<b>0.38</b>	<b>84.31</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment	(192.42)	-	(22.27)	-	(214.69)
Right of use assets	(22.13)	-	4.98	-	(17.15)
<b>Total deferred tax liabilities (B)</b>	<b>(214.55)</b>	<b>-</b>	<b>(17.29)</b>	<b>-</b>	<b>(231.84)</b>
<b>Net deferred tax liability (A-B)</b>	<b>(126.74)</b>	<b>-</b>	<b>(21.17)</b>	<b>0.38</b>	<b>(147.54)</b>

During the year ended March 31, 2025, the Parent Company has incurred a tax loss of ₹ 156.99 (includes unabsorbed depreciation of ₹ 138.25). During the year ended March 31, 2025, Del Monte Foods Private Limited (Wholly owned subsidiary company) has carried forward unabsorbed depreciation of ₹ 492.57. The Parent Company and its subsidiary has based on an overall evaluation and in accordance with provision of para 35 of Ind AS 12 – Income taxes decided to recognize deferred tax assets to the extent there is reasonable certainty supported by convincing other evidence (based on Board approved projections, indefinite carry forward for unabsorbed depreciation and tax loss which expires in FY 2032-33) that sufficient taxable profit will be available against which the temporary difference can be utilised by the Parent Company and its subsidiary.

As per Indian tax laws, companies are liable for a Minimum Alternate Tax (“MAT” tax) when current tax, as computed under the provisions of the Income-tax Act, 1961 (“Tax Act”), is determined to be below the MAT tax computed under section 115JB of the Tax Act. The excess of MAT tax over current tax is eligible to be carried forward and set-off in the future against the current tax liabilities over a period of 15 years.

Sundrop Foods India Private Limited (Wholly owned subsidiary company) has MAT credit of ₹ 7.90 as per the latest income tax returns. The subsidiary company did not recognise deferred tax assets of ₹ 4.08 millions, primarily on MAT credit entitlement pending management assessment that future taxable profit will be available against which the subsidiary company can use the benefits there after taking into consideration the benefits available including financial projections, business plans and the availability of sufficient taxable income. The above MAT credit expires at various dates ranging from Financial year 2030-31 through 2038-39.

#### Note 36 - Contingent liabilities and commitments :

Particulars	As at March 31, 2025	As at March 31, 2024
(i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	27.63	142.49
(ii) Contingent liabilities (to the extent not provided for):		
Claims against the Group not acknowledged as debts in respect of :		
- Indirect tax and direct tax matters, under dispute	152.88	161.34
- Employee Provident Fund	3.63	-
- Other matters, under dispute	3.41	3.71

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### Note:

In pursuance of provisions of Section 6 of the Employees Provident Fund Act 1952 on recent judgement of Honourable Supreme Court dated February 28, 2019, all fixed payments/allowances shall depart from basic wages which are paid universally, necessarily and ordinarily to employees except variable payment and HRA. However, there is ambiguity with regards to the date of applicability of the said order as no specific date of change has been mentioned in said judgement of Honourable Supreme Court and also no clarification has been provided by the PF department in circular issued on March 14, 2019.

In lieu of ambiguity and interpretation issue regarding which allowances to be considered and applicability date, the group has estimated the impact of addition of all allowances to basic salary except HRA from September 2014, when the limit of Rupees Fifteen thousand was revised from Rupees Six thousand five hundred and accordingly the same has been shown as contingent liability. The group will take necessary steps once it received further clarification on the above matter and accordingly is of the opinion that the amount cannot be reasonably estimated and accordingly disclose the same contingent liability.

- i. Income tax on expenses disallowed by the tax authorities of ₹ 51.30 for the assessment year 2017-18 may result in reducing the carry forward losses. The group has filed appeals to Commissioner of Income Tax (CIT) for assessment year 2017-18 against the order of the assessing officer.
- ii. The Assistant Director of Income tax (ADIT) has passed a rectification order for the addition of ₹ 4.50 while computing the total income for AY 2021-22. The group has filed appeal against the said order at Commissioner of Income tax (Appeals) which is pending for hearing.
- iii. The Deputy Director of Income tax (DDIT) has passed a rectification order for the addition of ₹ 22.79 while computing the total income for AY 2022-23. The group has filed appeal against the said order at Commissioner of Income tax (Appeals) which is pending for hearing.
- a) The group has obtained licenses under the Export Promotion of Capital Goods scheme (EPCG) for importing capital goods at a concessional rate of customs duty against submission of bank guarantee and bonds. The export obligation is to be fulfilled within a year of 6 years from the date of issuance of license. Under this scheme, the group has to export goods of FOB value equivalent to or more than six/ eight times of the duty saved amount. Accordingly the group is required to export goods of FOB value of at least ₹ 200.81 (31 March 2024: ₹ 101.67) which has been partially exported and Export Obligation Discharge Certificate is awaited from authority.
- b) The group has obtained Advance licenses under the Duty Exemption scheme for importing input materials without payment of basic customs duty against submission of bonds. The export obligation is to be fulfilled within a year of 18/24/36 months from the date of issuance of license. Under this scheme the group has to achieve both the quantity and FOB value of exports specified in the license. Accordingly, the group is required to export goods of FOB value of at least ₹ 143.10 (31 March 2024: ₹ 176.83 ) which has been partially exported and Export Obligation Discharge Certificate is awaited from authority.
- c) The group imports certain items of packing material under Duty Exemption Scheme which allows import without payment of duty subject to the group re-exporting finished goods manufactured which includes the use of the above imported packing material within 6 months of imports. The group has an outstanding obligation of customs duty of ₹ Nil (31 March 2024: ₹ 0.25 ) out of which the time of re-export has expired for goods with customs duty value aggregating to ₹ Nil (31 March 2024 ₹ 0.25) which has been exported and Export Obligation Discharge Certificate is awaited from authority.
- d.) The Company has obtained licenses at a concessional rate for payment of customs duty under export promotion schemes, subject to fulfillment of export obligations within the stipulated period as per applicable regulations. The company has an outstanding export obligation as at 31st March 2025 for 74841 kg and accordingly company has recognised Deferred revenue arising from Govt grant of ₹ 1.06 (31 March 2024 - ₹ 5.10 ).

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before various tax authorities. The amounts included above represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or



## Sundrop Brands Limited

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

the claimants as the case may be and therefore cannot be predicted accurately. The Group engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such dispute. The Groups's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial conditions. The Group has accrued appropriate provision wherever required.

#### The above majorly includes the following:

- Demand raised by customs authorities on account of misclassification of imported machinery under customs tariff heading amounting to ₹ 11.83.
- Demand pertaining to Entry tax levied by the authorities on crude oil entered into state of Rajasthan amounting to ₹ 43.30.
- Demands raised by Goods & Services Taxes (GST) Authorities for irregular availment of Input Tax Credit (ITC), Input Service Distribution Credit (ISD), differences between GSTR 3B and GSTR 2A filed by the company and differential GST payable on account of misclassification of HSN code amounting to ₹ 32.13.
- Income-tax demand comprises of demand from the Indian tax authorities upon completion of their assessment. The tax demands are mainly on account of disallowance of the benefit on research & development expenses, other expenses not allowed.

#### Note 37 - Leases

Particulars	As at March 31, 2025	As at March 31, 2024
<b>(i) The following is the breakup of current and non current lease liabilities</b>		
Current lease liabilities	31.45	20.60
Non- current lease liabilities	111.66	64.42
<b>Total</b>	<b>143.11</b>	<b>85.02</b>
<b>(ii) The following is the movement of lease liabilities during the year</b>		
Balance at the beginning	181.08	100.33
Deletions	(6.27)	-
Finance cost accrued during the year	14.69	7.57
Payment of lease liabilities (including finance cost)	(46.40)	(22.88)
<b>Balance at the end</b>	<b>143.11</b>	<b>85.02</b>
<b>(iii) Maturity analysis of lease liabilities</b>		
Less than one year	43.25	20.60
One to five years	118.63	64.42
More than five years	14.37	-
<b>Total lease liabilities</b>	<b>176.25</b>	<b>85.02</b>

#### Note 38 - Intangible assets - Trademarks

Trademarks represent the purchase consideration paid for brand "Sundrop". Sundrop brand has been assessed to have an indefinite useful life and therefore measured at cost and not subject to amortisation, but tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. On the Balance Sheet date, the Management reassesses the value of brand through an independent valuer to ensure that the recoverable amount of the asset is not lower than its carrying amount. Valuation of the brand Sundrop ("Sundrop" or the "Brand") for Impairment Testing Purpose under IND AS 36 carried out under Multi-Period Excess Earnings Method. Key assumptions used in the estimation of the recoverable amount are set out below:

Particulars	As at March 31, 2025	As at March 31, 2024
Annual average growth rate	13.00%	15.00%
Pre tax discount rate	17.70%	18.00%
Terminal growth rate	4.00%	4.00%

The Management believes that any reasonable possible change in the key assumptions that would not cause the carrying amount to exceed the recoverable amount of the asset.

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### Note 39 - Exceptional Items

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Provision for Impairment (refer note 4 )	1,360.45	-
Acquisition related costs (refer note a below)	51.59	-
Allowances for duty paid under protest for Customs Duty related litigation (refer note 9)	55.50	-
Income tax refunds (refer note b below)	-	26.81
<b>Total</b>	<b>1,467.54</b>	<b>26.81</b>

- a. The Parent Company has incurred acquisition-related costs of ₹ 51.59 on legal, professional, due diligence costs and other fees for acquisition of Del Monte Foods Private Limited.
- b. During the previous year, the Parent Company received income tax refund orders relating to earlier years which includes interest income of ₹ 26.81, such interest income has been disclosed as exceptional item in the consolidated financial statements for the year ended March 31, 2024.

#### Note 40 - Auditor's remuneration (excluding GST) :

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
To Statutory auditor		
Statutory audit fee	7.54	3.28
Tax audit fee	0.35	0.35
Limited review fee	1.05	1.05
Fees for certifications	0.55	0.67
Others	0.76	0.40
Reimbursement of expenses	0.58	0.52
<b>Total</b>	<b>10.83</b>	<b>6.27</b>

Above fees includes remuneration paid/payable to BSR Affiliates firm, auditors of Del Monte Foods Private Limited and its Subsidiary for two months period ended 31 March 2025.

#### Note 41 - Earnings per equity share ("EPS")

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
(a) (i) Net profit/(loss) attributable to the equity shareholders (₹ in Million)	(1,099.01)	104.10
(ii) Weighted average number of equity shares outstanding during the year (No's)		
Basic outstanding shares	26,341,017	24,369,264
Less: Weighted average number of treasury shares	-	130,577
(b) Weighted average number of shares used for computing basic EPS (No's)	26,341,017	24,238,687
Add: Dilutive effect of stock options	-	-
(c) Weighted average number of shares used for computing diluted EPS (No's)	26,341,017	24,238,687
(d) Basic earnings per share (₹) (a/b)	(41.72)	4.29
(e) Diluted earnings per share (₹) (a/c)	(41.72)	4.29

**Sundrop Brands Limited***(Formerly Known as Agro Tech Foods Limited)***NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

**Note 42 - Segmental information**

The Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on analysis of various performance indicators by industry classes. The operating segment of the Group has been identified as "Foods" as the CODM reviews the business performance at an overall Group level as one segment.

**Information about major customers**

Revenue from specific customers exceeding 10% of total revenue

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>One customer</b>		
Revenue from top customer	<b>1,239.96</b>	1,263.90
Percentage of total revenue	<b>12.83%</b>	15.46%

**Note 43A - Related parties**

Relationships	Name of related parties
1. Ultimate Holding Company	Zest Holding Investments Limited (w.e.f. August 28 , 2024) Conagra Brands Inc.(Upto August 27, 2024)
2. Holding Company	CAG Tech (Mauritius) Limited
3. Fellow Subsidiary Company	Conagra Foods RDM LLC (Upto August 27, 2024) (formerly known as Conagra Foods RDM, Inc.)
4. Key Management Personnel (KMP)	
(i) Group Managing Director	Mr. Nitish Bajaj (w.e.f. November 25, 2024)
(ii) Executive Director & Chief Executive Officer	Mr. Asheesh Kumar Sharma (w.e.f. November 25, 2024)# # He was a Managing Director ( w.e.f. April 25, 2024 to November 24, 2024) Mr. Sachin Gopal, Managing Director (Upto April 24, 2024)
(iii) Chief Financial Officer	Mr. K P N Srinivas
(iv) Company Secretary	Ms. Jyoti Chawla
(v) Independent Directors	Mr. Rajesh Jain ( w.e.f. July 17, 2024) Mr. Satish Premanand Rao ( w.e.f. July 17, 2024) Ms. Richa Arora ( w.e.f. July 17, 2024) Dr. Om Prakash Manchanda ( w.e.f. November 15, 2024) Mr. Karamendra Daulat Singh ( w.e.f. February 6, 2025) Lt. Gen. D.B. Singh (Upto July 16, 2024) Mr. Sanjaya Kulkarni (Upto July 16, 2024) Mr. Arun Bewoor (Upto July 16, 2024) Mr. Narendra Ambwani (Upto July 16, 2024) Ms. Veena Vishindas Gidwani (Upto July 16, 2024)
5. Post-employment benefit trusts	Agro Tech Foods Management Staff Gratuity Fund Agro Tech Foods Non-Management Staff Gratuity Fund Agro Tech Foods Provident Fund Agro Tech Foods Superannuation Fund

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### (a) Related party transactions during the year

Particulars	Relationship	For the year ended March 31, 2025	For the year ended March 31, 2024
<b>Conagra Foods RDM LLC</b> (formerly known as Conagra Foods RDM, Inc)	Fellow Subsidiary Company		
Royalty*		38.02	83.97
<b>Conagra Brands Inc.</b>	Ultimate Holding Company		
Reimbursement of expenses (up to August 27, 2024)		128.14	-
Recovery of expenses		0.06	0.10
<b>CAG Tech (Mauritius) Limited</b>	Holding Company (Upto February 6, 2025)		
Dividend paid		37.85	37.85
<b>Zest Holding Investments Limited</b>	Ultimate Holding Company	0.00	-
Dividend paid (amount below ₹ thousand) (w.e.f August 28, 2024)			
<b>Key Managerial Personnel Compensation</b>	Key Management Personnel		
Short-term employee benefits**		49.14	31.08
Post-employment defined benefits**		2.00	2.06
Sitting fees and commission to independent directors		5.53	6.89
Dividend paid		0.05	0.25
Gratuity		20.06	12.42
Compensated absences		2.70	1.25
<b>Agro Tech Foods Management Staff Gratuity Fund</b>	Post-employment benefit trusts		
Contribution during the year		9.42	8.76
<b>Agro Tech Foods Provident Fund</b>	Post-employment benefit trusts		
Contribution during the year		36.05	38.63
<b>Agro Tech Foods Superannuation Fund</b>	Post-employment benefit trusts		
Contribution during the year		5.15	5.50

\*Conagra Foods RDM LLC has authorised Conagra Brands Inc. to collect the amount of royalty on its behalf.

\*\*It includes gratuity of ₹ 9.64, leave encashment of ₹ 0.69 to one of the KMPs who resigned during the period.

The Parent Company has received amount of ₹ 128.14 from Conagra Brands Inc. (erstwhile Ultimate Holding Company) as reimbursement towards one time retention incentive/ severance payment to certain employees, KMPs and to erstwhile CEO which is excluded above.

In previous year exercise of stock options aggregating ₹ 21.90 by key managerial personnel has not been included in the remuneration disclosed above.

On 6 February 2025, the Company acquired 100% equity shares of Del Monte Foods Private Limited as detailed in Note 54. Accordingly, transactions of the Company with the entities which became Company's related party as a result of acquisition of Del Monte Foods Private Limited have been disclosed as related party transaction post Company acquired control in Del Monte Foods Private Limited.

The Company deducted and paid TDS on the capital gain earned by DMPL India Limited which was reimbursed by the said entity to the Company. This transaction has not been disclosed above as DMPL India Limited was not a related party of the Company as at the date of the transaction under the applicable Ind AS.

## Sundrop Brands Limited

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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### (b) Balances receivable from/payable to related parties

Particulars	Relationship	As at March 31, 2025	As at March 31, 2024
<b>Receivable from related parties</b>			
Agro Tech Foods Provident Fund	Other Advances	-	23.94
Conagra Brands Inc.	Other Advances	-	0.10
<b>Payable to related parties</b>			
Agro Tech Foods Management Staff Gratuity Fund	Provision for employee benefits	13.76	9.42
Agro Tech Foods Provident Fund	Employee benefits payable	3.23	-
Agro Tech Foods Superannuation Fund	Employee benefits payable	0.43	0.43
Conagra Foods RDM LLC (formerly known as Conagra Foods RDM, Inc.)	Trade payable	-	10.47
Key Managerial Personnel Compensation	Employee benefits payable	4.73	0.18
Key Managerial Personnel Compensation	Provision for employee benefits	20.06	12.42
Key Managerial Personnel Compensation	Employee benefits payable	2.70	1.25
Independent Directors	Trade payable	1.98	2.92

**Note 43B :** The Holding Company paid ₹ 2.5 to Mediaedge Cia India Private Limited towards rebranding related services. The relative of one of the director is holding senior position in this company. While this is not a related party under applicable Ind AS, however, the Holding Company has taken necessary audit committee approval on good governance basis.

**Note:** The above information has been determined to the extent of such parties have been identified on the basis of information available with the Group and relied upon by the auditors.

#### Note 44 - Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Accordingly, the gross amount required to be spent during the year is ₹ 4.45 (March 31, 2024: ₹ 6.72). The Parent Company has before the year end, contributed the entire amount of its current year obligation of ₹ 4.45 to the Prime Minister's National Relief Fund, which is a fund prescribed under Schedule VII of the Act.

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
a. Amount required to be spent by Company during the year	4.45	6.72
b. Amount approved by the Board to be spent during the year	4.45	6.72
c. Amount spent during the year		
i. Construction/ acquisition of any asset		
ii. On purposes other than (i) above	4.45	6.72
d. Details of related party transactions		
e. Shortfall /(excess) at the end of the year		
f. Movements in provision of liability created		
Nature of activities	Contributed to Prime Minister's National Relief Fund	



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(All amounts are in ₹ millions, except share data and where otherwise stated)

#### Note 45 - Research and development expenses

Revenue expenditure on research and development is expensed as incurred. Capital expenditure incurred on research and development ('R&D') is capitalised as property, plant and equipment and depreciated in accordance with the depreciation policy of the Group. The details are as below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Capital expenditure	10.09	4.13
Revenue expenditure	16.94	19.00
<b>Total</b>	<b>27.03</b>	<b>23.13</b>

#### Note 46 - Capital management

The Group's policy is to maintain a stable and strong capital structure with focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the group monitors the return on capital, as well as the level of dividends of equity share holders. The Group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. The Group's monitors capital using a gearing ratio, which is net debt divided by adjusted equity. Group's capital includes issued capital and all other equity reserves and debt includes long-term borrowings and short-term working capital demand loan excluding lease liabilities.

The group monitors capital on the basis of the following gearing ratio

Particulars	As at March 31, 2025	As at March 31, 2024
Total Debt (excluding lease liabilities) (refer note 20)	-	335.00
Total Equity	14,383.80	5,002.52
Debt to equity ratio	-	0.07

#### Note 47 - Employee Benefits

##### a) The employee benefit schemes are as under:

##### i. Provident fund :

All employees of the Parent Company receive benefits under the Provident Fund which is a defined benefit plan wherein the Parent Company provides the guarantee of a specified return on contribution. The contribution is made both by the employee and the Parent Company equal to 12% of the employees' salary. These contributions are made to the fund administered and managed by the Parent Company's own Trust. (Refer Note 43A). Amount of contribution charged to statement of profit and loss ₹ 33.76 (Previous year ₹ 29.25).

##### ii. Superannuation fund:

The Parent Company has a defined contribution scheme to provide pension to its eligible employees. The Parent Company makes monthly contributions equal to a specified percentage of the covered employees' salary. These contributions are administered by Parent Company's own Trust which has subscribed to "Group Superannuation Policy" of ICICI Prudential Life Insurance Company Limited. The Parent Company's monthly contributions are charged to the Consolidated Statement of Profit and Loss. (Refer Note 43A). Amount of contribution charged to statement of profit and loss ₹ 5.15 (Previous year ₹ 5.50).

##### iii. Compensated absences :

The accrual for unutilised leave is determined for the entire available leave balance standing to the credit of the employees at the year end. The value of such leave balances that are eligible for carry forward, is determined by an actuarial valuation as at the end of the year and is charged to the Consolidated Statement of Profit and Loss. Amount of contribution charged to statement of profit and loss ₹ 9.84 (Previous year ₹ 6.77)

##### iv. Gratuity :

In accordance with the 'The Payment of Gratuity Act, 1972' of India, the Group provides for Gratuity, a defined

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retirement benefit scheme (the Gratuity Plan), covering eligible employees. Liabilities with regard to such gratuity plan are determined by an actuarial valuation as at the end of the year. The gratuity plan is a funded plan administered by Group's own Trust which has subscribed to "Group Gratuity Scheme" of ICICI Prudential Life Insurance Company Limited. Amount of contribution charged to statement of profit and loss ₹ 14.50 (Previous year ₹ 8.72).

#### Risk Management :

**Investment risk** - The probability or likelihood of occurrence of losses related to the expected return on any particular investment.

**Interest rate risk** - The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**Longevity risk** - The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk** - The present value of the defined benefit plan is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

**b) The following table sets out the particulars of the employee benefits as required under the Ind AS 19, "Employee Benefits".**

i) The amounts recognised in the Balance Sheet and the movement in the defined benefit obligation for Gratuity is as follows :

Particulars	March 31, 2025			March 31, 2024		
	Present value of obligation	Fair value of plan assets	Net Liability/ (asset)	Present value of obligation	Fair value of plan assets	Net Liability/ (asset)
<b>Opening balance (A)</b>	<b>117.68</b>	<b>105.27</b>	<b>12.41</b>	<b>117.87</b>	<b>106.93</b>	<b>10.94</b>
Acquisition on account of Business Combintion (B)	<b>44.51</b>	-	<b>44.51</b>	-	-	-
Current service cost	<b>13.40</b>	-	<b>13.40</b>	9.42	-	9.42
Interest cost	<b>7.72</b>	-	<b>7.72</b>	7.20	-	7.20
Expected returns	-	<b>6.62</b>	<b>(6.62)</b>	-	6.81	(6.81)
<b>Total amount recognised in the statement of profit and loss (C)</b>	<b>21.12</b>	<b>6.62</b>	<b>14.50</b>	<b>16.62</b>	<b>6.81</b>	<b>9.81</b>
Remeasurements						
Loss/ (gain) from change in financial assumptions	<b>4.50</b>	-	<b>4.50</b>	1.97	-	1.97
Experience (gains)/ losses - experience	<b>(0.05)</b>	-	<b>(0.05)</b>	4.32	-	4.32
Return on plan assets, greater/ less than discount rate	-	<b>2.29</b>	<b>(2.29)</b>	-	4.75	(4.75)
<b>Total amount recognised in other comprehensive income (D)</b>	<b>4.45</b>	<b>2.29</b>	<b>2.16</b>	<b>6.29</b>	<b>4.75</b>	<b>1.54</b>
Contributions (E)	-	<b>10.83</b>	<b>(10.83)</b>	-	9.88	(9.88)
Benefit paid (F)	<b>(22.03)</b>	<b>(20.05)</b>	<b>(1.98)</b>	(23.10)	(23.10)	-
<b>Closing Balance (A+B+C+D+E+F)</b>	<b>165.73</b>	<b>104.96</b>	<b>60.77</b>	<b>117.68</b>	<b>105.27</b>	<b>12.41</b>

#### Expected contributions to the plan for the next annual reporting period

The Parent Company expects to contribute a sum of ₹ 29.79 to the plan for the next annual reporting period (31 March 2024: ₹ 13.93)

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- ii) The amounts recognised in the Balance Sheet and the movement in the defined benefit obligation for Provident Fund is as follows:

Particulars	March 31, 2025			March 31, 2024		
	Present value of obligation	Fair value of plan assets	Net Liability/ (asset)	Present value of obligation	Fair value of plan assets	Net Liability/ (asset)
<b>Opening balance (A)</b>	<b>425.48</b>	<b>441.95</b>	<b>(16.47)</b>	427.78	448.44	(20.66)
Current service cost	11.07	-	11.07	11.10	-	11.10
Interest cost	31.22	-	31.22	30.77	-	30.77
Expected returns	-	34.27	(34.27)	-	33.83	(33.83)
<b>Total amount to be recognised in statement of profit and loss (B)</b>	<b>42.29</b>	<b>34.27</b>	<b>8.02</b>	41.87	33.83	8.04
Remeasurements						
Actuarial (gain)/ loss	(23.01)	-	(23.01)	31.58	-	31.58
Return on plan assets	-	(27.36)	27.36	1.87	26.20	(24.33)
<b>Total amount recognised in other comprehensive income (C)</b>	<b>(23.01)</b>	<b>(27.36)</b>	<b>4.35</b>	33.45	26.20	7.25
Contributions (D)	24.97	36.05	(11.08)	27.53	38.63	(11.10)
Transfer in (E)	1.52	1.52	-	1.82	1.82	-
Interest allocations (F)	-	-	-	-	-	-
Benefits paid (G)	(90.79)	(90.79)	-	(106.97)	(106.97)	-
<b>Closing Balance (A+B+C+D+E+F+G)*</b>	<b>380.46</b>	<b>395.64</b>	<b>(15.18)</b>	425.48	441.95	(16.47)

\* The Parent Company has not recognised an asset amounting to ₹ 15.18 (March 31, 2024: ₹ 16.47) as there are no future economic benefits available to the Parent Company in the form of reduction in future contribution or a cash refund.

#### ii) Significant estimates : Actuarial assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

Particulars	Provident fund		Gratuity	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Discount rate	6.78%	7.21%	6.78%	7.21%
Expected rate of return on plan assets	8.25%	8.25%	7.21%	7.21%
Salary escalation rate	7.00%	7.00%	7.00% - 8.50%	7.00%

**Discount rate :** The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

**Expected rate of return on plan assets :** This is based on the expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

**Salary escalation rate :** The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

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#### iii) Details of plan assets

Particulars	Provident fund		Gratuity	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Government of India securities	56.50%	55.11%	-	-
Public Sector Undertakings and Private Companies	32.24%	35.71%	-	-
Mutual Funds	11.26%	9.18%	-	-
Fund managed by ICICI Prudential Life Insurance Company Limited*	-	-	100.00%	100.00%
Total	100.00%	100.00%	100.00%	100.00%

\*The Group makes annual contribution to the ICICI Prudential Life Insurance Company Limited.

#### iv) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

Particulars	Provident fund		Gratuity	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
<b>A. Discount rate</b>				
a. Discount rate - 100 basis points	408.67	451.89	126.92	124.33
b. Discount rate + 100 basis points	363.53	410.24	115.37	107.50
<b>B. Salary increase rate</b>				
a. Rate - 100 basis points	363.90	410.50	115.03	107.25
b. Rate + 100 basis points	406.08	449.61	127.00	124.44

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions maybe correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected units credit method at the end of the reporting period) has been applied when calculating the defined benefit liability regrouped in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

#### v) Maturity profile of defined benefit obligation:

Particulars	Provident fund		Gratuity	
	As at March 31, 2025	As at March 31, 2024	As at March 31, 2025	As at March 31, 2024
Year 1	51.91	47.81	24.83	27.26
Year 2	77.03	71.24	9.03	11.61
Year 3	41.87	38.74	17.36	8.24
Year 4	34.68	32.04	12.21	13.56
Year 5	87.67	81.17	6.07	10.34
Year 6 to 10	231.79	214.42	60.44	21.04

#### Note 48 - Financial instruments

The Group's principal financial liabilities comprise borrowings, trade payables and other liabilities. The Group's principal financial assets include loans, investments, trade and other receivables, and cash and cash equivalents that are derived directly from its operations. The Group's activities expose it to a variety of financial risks viz. market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Group is

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foreign exchange risk. The Group uses forward contracts and derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree policies for managing each of these risks, which are summarised below :

#### Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2025, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets										
Non current financial assets	8	-	-	49.91	-	49.91	-	-	-	-
Trade receivables	11	-	-	979.83	-	979.83	-	-	-	-
Cash and cash equivalents	12	-	-	470.65	-	470.65	-	-	-	-
Bank balances (other than cash and cash equivalents)	13	-	-	12.54	-	12.54	-	-	-	-
Other financial assets	14	-	-	20.95	-	20.95	-	-	-	-
		-	-	1,533.88	-	1,533.88	-	-	-	-
Financial liabilities										
Borrowings	20	-	-	-	-	-	-	-	-	-
Trade payables	21	-	-	-	1,780.62	1,780.62	-	-	-	-
Other financial liabilities	23	-	-	-	327.56	327.56	-	-	-	-
Lease liabilities	18, 22	-	-	-	143.11	143.11	-	-	-	-
		-	-	-	2,251.29	2,251.29	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2024, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets										
Non current financial assets	8	-	-	35.69	-	35.69	-	-	-	-
Trade receivables	11	-	-	670.04	-	670.04	-	-	-	-
Cash and cash equivalents	12	-	-	129.77	-	129.77	-	-	-	-
Bank balances (other than cash and cash equivalents)	13	-	-	11.39	-	11.39	-	-	-	-
Other financial assets	14	-	-	31.60	-	31.60	-	-	-	-
		-	-	878.49	-	878.49	-	-	-	-
Financial liabilities										
Borrowings	20	-	-	-	335.00	335.00	-	-	-	-
Trade payables	21	-	-	-	592.65	592.65	-	-	-	-
Other financial liabilities	23	-	-	-	98.16	98.16	-	-	-	-
Lease liabilities	18, 22	-	-	-	85.02	85.02	-	-	-	-
		-	-	-	1,110.83	1,110.83	-	-	-	-



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### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### Fair value hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements)

The following levels have been used for classification :

- Level 1: Quoted prices (unadjusted) for identical instruments in active market
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs
- Level 3: Inputs which are not based on observable market data.

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing model based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, cash and cash equivalents, Bank balances (other than cash and cash equivalents), borrowings, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. With respect to non current financial assets and lease liabilities discount rate for fair valuation is not "significantly different from discount rate at lease inception. Hence fair value approximates the carrying value. For all other amortised cost instruments, carrying value represents the best estimate of fair value. There were no transfers between Level 1 and Level 2 during the year.

#### Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Liquidity Risk
- Market Risk
- Credit Risk

#### Risk Management framework:

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's risk management policy is set by the Risk Management Committee. The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. A summary of the risks have been given below:

#### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or any other financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk of damage to the Group's reputation.

The Group monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2025 and March 31, 2024:

Particulars	As at March 31, 2025			
	Carrying value	Less than 1 year	1-2 years	2 years and above
<b>Non-derivative financial liabilities</b>				
Borrowings	-	-	-	-
Trade payables	1,780.62	1,780.62	-	-
Other financial liabilities	327.56	327.56	-	-
Lease liabilities	143.11	43.25	100.66	32.33
	2,251.29	2,151.43	100.66	32.33

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Particulars	As at March 31, 2024			
	Carrying value	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities				
Borrowings	335.00	335.00	-	-
Trade payables	592.65	592.65	-	-
Other financial liabilities	98.16	98.16	-	-
Lease liabilities	85.02	20.60	22.44	41.98
	<b>1,110.83</b>	<b>1,046.41</b>	<b>22.44</b>	<b>41.98</b>

#### Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Group has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Group has not used any interest rate derivatives.

#### Currency risk

The Group is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Group. The functional currency of the Group is INR and maximum sales transactions are denominated in INR itself. Foreign currency transactions are mainly denominated in USD.

#### Exposure to currency risk

The Group uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The use of this foreign exchange forward contracts reduces the risk or cost to the group and the Group does not use the foreign exchange forward contracts for trading or speculation purposes.

Currency	As at March 31, 2025		As at March 31, 2024	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
United States Dollar (USD)	75.85	85.92	3.34	29.99
Singapore Dollar (SGD)	1.63	-	-	-
Euro (EUR)	0.22	57.22	-	-
Australian Dollar (AUD)	2.39	4.55	-	-
<b>Total</b>	<b>80.09</b>	<b>147.69</b>	<b>3.34</b>	<b>29.99</b>
Less: Forward contracts				
United States Dollar (USD)	34.19	-	-	28.71
Euro (EUR)	-	57.22	-	-
Australian Dollar (AUD)	-	4.55	-	-
<b>Net exposure</b>	<b>45.90</b>	<b>85.91</b>	<b>3.34</b>	<b>1.28</b>

#### Sensitivity Analysis:

The profit or loss is sensitive to foreign exchange gain/ (loss) as a result of changes in foreign exchange rates.

Particulars	Impact on profit for the year ended	
	March 31, 2025	March 31, 2024
Foreign exchange rate - Increases by 5%	(2.00)	0.10
Foreign exchange rate - Decreases by 5%	2.00	(0.10)

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#### Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

#### Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale, retail or institutional customers, their industry, trading history with the Group and existence of previous financial difficulties. The default in collection as a percentage to total receivable is low.

An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses. The following table provides information about the exposure to credit risk and expected credit loss (ECL) for trade receivables.

#### As at 31 March 2025

Particulars	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
In respect of Sundrop Brands Limited (formerly known as Agro Tech Foods Limited)				
Less than 90 days	0.05%	615.60	0.31	No
90 - 180 days	0.74%	12.93	0.10	No
180 - 270 days	3.09%	7.08	0.46	No
270 - 360 days	9.52%	2.35	0.22	No
360 - 450 days	25.30%	0.37	0.09	No
450 - 540 days	36.10%	0.10	0.04	No
540 - 630 days	40.88%	0.01	0.00	No
More than 630 days	100.00%	45.39	45.39	Yes

#### In respect of Del Monte Foods Private Limited and Del Monte Foods India (North) Private Limited

##### Ageing

< 6 months	1.42%	343.05	0.83	No
6 months to 1 Year	99.05%	1.26	1.25	No
1-2 Years	100.00%	1.11	1.11	Yes
2-3 Years	100.00%	2.81	2.82	Yes
> 3 Years	100.00%	-	-	Yes

#### As at 31 March 2024

Particulars	Weighted average loss rate	Gross carrying amount	Impairment loss allowance	Credit impaired
In respect of Sundrop Brands Limited (formerly known as Agro Tech Foods Limited)				
Less than 90 days	0.02%	641.68	0.15	No
90 - 180 days	0.34%	22.52	0.08	No
180 - 270 days	1.57%	4.08	0.83	No
270 - 360 days	4.90%	2.78	1.15	No
360 - 450 days	12.49%	0.92	0.12	No
450 - 540 days	19.63%	0.18	0.04	No
540 - 630 days	24.97%	0.10	0.03	No
More than 630 days	100.00%	77.41	77.41	Yes

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

The Parent Company uses an allowance matrix to measure the ECL of trade receivables from individual customers, which comprise a very large number of small balances. Based on the industry practice and the business environment in which the entity operates, Management considers that the trade receivables are significant increase in credit risk, if the payments are pending for more than 180 days for all customers other than Government related Customers. In the case of Government related customers, if the payments are pending for more than 365 days.

Loss rates are based on actual credit loss experience over the past 3 years.

#### **Security deposits**

Security deposits are primarily given to electricity authorities of states across India and rental deposits. Recoverability of these deposits is probable and no risk is expected.

#### **Loans**

Loan are interest free loans which are primarily given to employees and recovered from their monthly salary.

#### **Cash and cash equivalents and other bank balances**

The cash and cash equivalents and other bank balances are held with banks. Credit risk on cash and cash equivalents and deposits with banks and financial institutions are generally low as the said deposits have been made with the banks and financial institutions who have been assigned high credit rating by international and domestic credit rating agencies.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

**Note 49 - Additional information as required by paragraph 2 of general instructions for the preparation of consolidated financial statements to Schedule III to the Companies Act, 2013 :**

(All amounts are in ₹ millions, except share data and where otherwise stated)

**As at March 31, 2025**

Name of the Entity	Net Assets		Share in profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consoli- dated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consoli- dated Other comprehensive income	Amount	As % of consoli- dated total comprehensive income	Amount
<b>Parent</b>	99.93%	14,374.20	100.74%	(1,107.16)	19.81%	(2.30)	99.90%	(1,109.46)
<b>Indian Subsidiaries</b>	0.71%	102.01	(0.72%)	7.95	(6.46%)	0.75	(0.78%)	8.70
Sundrop Foods India Private Limited	13.44%	1,932.48	0.00%	(0.02)	0.86%	(0.10)	0.01%	(0.12)
Del Monte Foods Private Limited								
<b>Step-down subsidiary:</b>								
Del Monte Foods India (North) Private Limited	4.60%	661.07	(0.93%)	10.27	(0.34%)	0.04	(0.93%)	10.31
<b>Foreign Subsidiaries</b>	0.89%	128.21	0.42%	(4.59)	-	-	0.41%	(4.59)
Agro Tech Foods (Bangladesh) Pvt. Ltd.	0.02%	3.48	0.17%	(1.86)	-	-	0.17%	(1.86)
Sundrop Foods Lanka (Private) Limited	(19.59%)	(2,817.63)	0.33%	(3.60)	86.13%	(10.00)	1.22%	(13.60)
Adjustments arising out of consolidation								
<b>Total</b>	100.00%	14,383.80	100.00%	(1,099.01)	100.00%	(11.61)	100.00%	(1,110.62)

**As at March 31, 2024**

Name of the Entity	Net Assets		Share in profit or (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of consoli- dated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated Other comprehensive income	Amount	As % of consoli- dated total comprehensive income	Amount
<b>Parent</b>	99.78%	4,991.76	92.62%	96.42	91.94%	(1.94)	92.64%	94.48
<b>Indian Subsidiary</b>	1.87%	93.32	7.21%	7.51	(36.97%)	0.78	8.13%	8.29
Sundrop Foods India Private Limited								
<b>Foreign Subsidiaries</b>	2.85%	142.81	0.02%	0.02	-	-	0.02%	0.02
Agro Tech Foods (Bangladesh) Pvt. Ltd.	0.11%	5.33	(0.03%)	(0.03)	-	-	(0.03%)	(0.03)
Sundrop Foods Lanka (Private) Limited	(4.61%)	(230.70)	0.18%	0.18	45.03%	(0.95)	(0.76%)	(0.77)
Adjustments arising out of consolidation								
<b>Total</b>	100.00%	5,002.52	100.00%	104.10	100%	(2.11)	100.00%	101.99

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)



## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

**Note 50** - During the year ended March 31, 2025 and March 31, 2024 no material foreseeable loss was incurred for any long-term contract including derivative contracts.

**Note 51** - The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been enacted. However, the date on which the Code will come into effect has not been notified. The Management will assess the impact of the Code and will give appropriate impact in the consolidated financial statements in the period in which, the Code becomes effective.

#### **Note 52- Change in Ultimate Holding Company**

Pursuant to previously submitted Public Announcement of Open Offer made on the February 29, 2024 and a copy of Detailed Public Statement made on March 7, 2024, the change in control of Sundrop Brands Limited (formerly known as Agro Tech Foods Limited) ("the Company") has occurred through the indirect acquisition of the Company by Zest Holding Investments Limited by way of acquisition of shares of CAG-Tech (Mauritius) Limited (Holding Company/ Promoter of the Company). Post this transaction Zest Holding Investments Limited holds 100% of the issued and paid-up share capital of CAG-Tech (Mauritius) Limited, i.e. w.e.f August 28, 2024.

Subsequently, on February 6, 2025, the Company acquired 100% equity shares of Del Monte Foods Private Limited as detailed in Note 3 above. This resulted in reduction of shareholding by CAG-Tech (Mauritius) Limited. As per Article of Association of the Company, CAG-Tech (Mauritius) Limited has right to appoint upto 50% of directors in the Board of the Company and is largest shareholder of the Company. Considering this CAG-Tech (Mauritius) Limited has continued to be disclosed as Holding Company of the Company.

**Note 53** - As per the proviso to Rule 3(1) of Companies (Accounts) Rules, 2014, for the financial year commencing on or after the 1st day of April 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

#### **In respect of Parent Company and Sundrop Foods India Private Limited:**

The Parent Company and one subsidiary company used Oracle E-Business as its primary accounting software for recording all the accounting transactions viz., sales, purchases, production/costing, fixed assets, other expenses, cash and bank transactions, journal entries and all other general ledger accounting transactions for the year ended March 31, 2025. Oracle E-Business has a feature of recording audit trail (edit log) facility which log was enabled throughout the period for all relevant transactions recorded in the software except for one table at application level. At the core database level, log was not enabled for Oracle E-Business for the period 01 April 2024 to 10 August 2024.

In respect of accounting software used by the Parent Company for maintaining the books of account relating to payroll processing records, which is operated by a third-party software service provider, has a feature of recording audit trail (edit log) facility which log was enabled for the period from 01 April 2024 to 30 September 2024. In the absence of an independent service auditor's report from 01 October 2024 to 31 March 2025 in relation to controls at a service organisation, the Parent Company is unable to comment whether audit trail feature for the said software was enabled and operated from 01 October 2024 to 31 March 2025 for all relevant transactions recorded in the software.

In respect of accounting software used by the Parent Company for maintaining the books of account relating to payroll masters, which is operated by a third-party software service provider, in the absence of an independent service auditor's report in relation to controls at a service organisation, the Company is unable to comment whether audit trail feature for the said software was enabled and operated during the year for all relevant transactions recorded in the software.

Further, where audit trail (edit log) facility was enabled and operated throughout the year, there was no instances of audit trail feature being tampered with. Additionally, the audit trail in relation to previous year has been preserved by the Company as per the statutory requirements for record retention to the extent applicable.

Additionally, except where audit trail was not enabled in the previous year, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### Note 54 Business combination

Acquisition during the year ended 31 March 2025

Acquisition of Del Monte Foods Private Limited

During the current year, the Parent Company had entered into Share Purchase Agreements and Share Subscription Agreements on 11 November 2024 with the shareholders of Del Monte Foods Private Limited (DMFPL) for acquisition of 100% equity shares of DMFPL.

Post obtaining relevant regulatory approvals, the Parent Company acquired 100% equity shares and voting interest of DMFPL on 06 February 2025, being acquisition date. The Company allotted its 13,327,589 equity shares to the shareholder of DMFPL towards purchase consideration.

DMFPL is also primarily engaged in the business of manufacturing and trading of food products. The acquisition is expected to achieve synergy by integrating acquired assets into the Parent Company's existing business and help in exploring untapped geographies and product categories in food business. The Parent Company also expects to reduce costs through economies of scale.

For the two months ended 31 March 2025, DMFPL contributed revenue of ₹ 1,044.97 and profit of ₹ 7.30 to the Company's results. If the acquisition had occurred on 1 April 2024, management estimates that consolidated revenue would have been increased by ₹ 5,116.08, and consolidated profit/loss for the year would have been increased by ₹ 54.75. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 April 2024.

#### Purchase Consideration transferred

The total consideration paid was ₹ 10,565.45 which comprised of equity shares of the Company, valued based on the share price of the Company on the acquisition date. Refer to details below:

Total number of DMFPL shares outstanding	511,029,382
Total number of parent company's shares issued to DMFPL shareholders	13,327,589
Value of the Parent Company share (closing price of the Company on NSE share as on 06 February 2025)	792.75
<b>Total consideration paid to acquire DMFPL (₹ in million)</b>	<b>10,565.45</b>

- a) The preferential price per equity share, as per SEBI (Substantial Acquisition of Shares and Takeovers) regulations, 2011 issued by Security Exchange Board of India, was ₹ 975.5 per equity share. However, for the purpose of accounting of business combination, the Parent Company has considered fair value ₹ 792.75 per equity share at the date of the acquisition i.e. 6 Feb 2025, in compliance with the applicable Ind AS.
- b) The Parent Company has incurred acquisition-related-costs of ₹ 51.59 on legal and professional, due diligence costs and other fees. Considering these are non-recurring and material expenses, there are included under exceptional items in the consolidated Statement of Profit and Loss.

#### Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date

Particulars	Amount
Property, plant and equipment (including CWIP and intangibles under development)	1,913.30
Right to use asset (ROU)	152.90
Intangibles assets- Customer Relationships/ Brand	3,016.20
Deferred tax asset	491.10
Other net assets	41.98
Lease liability	(80.10)
Deferred tax liability on acquisition	(952.40)
Cash and cash equivalents	162.60
<b>Total</b>	<b>4,745.58</b>
Goodwill	5,819.87
<b>Total purchase price</b>	<b>10,565.45</b>

## **Sundrop Brands Limited**

*(Formerly Known as Agro Tech Foods Limited)*

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)**

(All amounts are in ₹ millions, except share data and where otherwise stated)

As per Ind AS 103, purchase consideration has been allocated basis the fair value of the acquired assets and liabilities carried out by an independent valuation expert. Accordingly, the Company has recognised goodwill of ₹ 5,819.87 primarily due to the expected synergies from the combined operations. The amount of goodwill and identified intangible assets are not expected to be deductible for tax purposes.

#### **I. Measurement of fair values**

##### **Assets Acquired and Valuation Technique**

##### **Property, plant and equipment:**

Market comparison technique and cost technique: The valuation model considers quoted market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciated replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.

##### **Inventories :**

Market comparison technique: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

##### **Intangible Assets:**

Relief-from-royalty method and multi-period excess earnings method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the patents being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

#### **II. Acquired receivables**

Fair value of the acquired trade receivables at the date of acquisition is ₹ 303.87. The trade receivables comprise gross contractual amounts due of ₹ 311.54, of which ₹ 7.67 was expected to be uncollectable at the date of acquisition.

#### **Note 55 Other Legal and Regulatory Matters**

- a) There are no proceeding initiated or pending against the Group as at 31 March 2025 and 31 March 2024, under Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016).
- b) The Group is not declared a wilful defaulter by any bank or financial Institution or other lender.
- c) The Group has no such transaction which is not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other provisions of the Income Tax Act, 1961).
- d) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- e) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
  - i. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- f) There are no loans or advances in the nature of loans are granted to promoters, directors, KMP's and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person, that are :
  - i. repayable on demand; or
  - ii. without specifying any terms or period of repayment

## Sundrop Brands Limited

(Formerly Known as Agro Tech Foods Limited)

### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

- g) The Group has complied with number of layers of companies prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- h) The Group has not entered into any transactions with the companies struck-off as per Section 248 or Section 560 of the companies act 2013.
- i) The Group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- j) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- k) All quarterly returns or statements of current assets are filed by the Group with banks or financial institutions and are in agreement with the books of accounts.

#### Note 56 Satisfaction of Charges

The Parent Company is in the process of filing satisfaction of the charges listed below with the Registrar of Companies. However, due to the long-standing nature of these charges, the Company is still in the process of retrieving the necessary documents, which is causing a delay. There is no change in list compared to previous year. Additionally, as of 31 March 2025, the Parent Company has no outstanding loans.

Sr. No	SRN	Charge Id	Charge Holder Name	Date of Creation	Date of Modification	Amount
1	Y10211538	90118733	State Bank of Hyderabad	14-Oct-97	09-Dec-02	360.00
2	Y10207998	90115193	The Industrial Finance Corporation	01-Sep-95	-	126.50
3	Y10209751	90116946	American Express Bank Limited	12-May-94	06-Mar-96	10.00
4	Y10211251	90118446	State Bank of Hyderabad	07-Apr-93	09-Dec-95	3.70
5	Y10207774	90114969	Common Wealth Development Corporation	14-Sep-92	-	1.00
6	Y10209586	90116781	State Bank of India	11-Jun-90	23-Jul-90	4.10
7	Y10211118	90118313	State Bank of Hyderabad	02-May-90	21-Oct-98	360.00
8	Y10211111	90118306	State Bank of India	24-Mar-90	24-Sep-96	48.00
9	Y10212337	90119532	State Bank of India	31-Aug-89	-	1.04

**Note 57** - The consolidated financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on May 19, 2025.

As per our Report of even date attached  
**For BSR and Co**  
Chartered Accountants  
ICAI Firm Registration Number: 128510W

**Arpan Jain**  
Partner  
Membership No.125710

Place: Gurugram  
Date: May 19, 2025

**For and on behalf of the Board of Directors of  
Sundrop Brands Limited**  
(Formerly Known as Agro Tech Foods Limited)

**Nitish Bajaj**  
Group Managing Director  
DIN 10835891

**K P N Srinivas**  
Chief Financial Officer

Place: Gurugram  
Date: May 19, 2025

**Asheesh Kumar Sharma**  
Executive Director & CEO  
DIN 10602319

**Jyoti Chawla**  
Company Secretary