

## **ZR2 BIOENERGY LIMITED**

### **POLICY ON DETERMINING MATERIAL SUBSIDIARIES**

## 1. Preamble

This Policy on Determining Material Subsidiaries (“Policy”) has been formulated as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Regulations”).

## 2. Introduction

The Board of Directors (the “Board”) of ZR2 Bioenergy Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time, taking into consideration the recommendations, if any, of the Audit Committee.

## 3. Policy Objective

This Policy has been formulated in compliance with the requirements of the Explanation to clause (c) of sub-regulation (1) of Regulation 16 of the Regulations. The objective of this Policy is to determine the Material Subsidiaries of the Company in compliance with the aforesaid regulatory requirements.

## 4. Definitions

- 4.1 “Accounting Year”** means the financial year of the Company as prevailing from time to time. The financial year of the Company presently commences from 1<sup>st</sup> April every year and concludes on 31<sup>st</sup> March of the immediately succeeding year.
- 4.2 “Act”** means the Companies Act, 2013 as prevailing from time to time.
- 4.3 “Audit Committee”** means the Audit Committee of the Company constituted by the Board of the Company under applicable provisions of the Act and the Regulations.
- 4.4 “Board of Directors” or “Board”** means the Board of Directors of the Company, as constituted from time to time.
- 4.5 “Company”** means ZR2 Bioenergy Limited.
- 4.6 “Independent Director”** means a director of the Company, not being a whole-time director and who satisfies other criteria for independence under the Act and the Regulations.
- 4.7 “Policy”** means this Policy for Determining Material Subsidiaries.
- 4.8 “Material Subsidiary”** shall have the meaning as defined in Regulation 16(1)(c) of the Regulations, as per which, it means a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- 4.9 “Significant Transaction or Arrangement”** shall mean any individual transaction or

arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

**4.10 “Subsidiary”** shall be as defined under Section 2(87) of the Act and the Rules made thereunder.

**4.11 “Unlisted Subsidiary Company”** shall mean any subsidiary of the Company which is not listed on the Stock Exchanges in India PROVIDED THAT where this term is defined (whether by way of definition, clarification or explanation) under the Regulations, it shall have the meaning as per such definition.

## **5. Disposal of Shares Assets of a Material Subsidiary**

The Company shall seek prior approval of the shareholders by special resolution for the following:

- a) Disposing of shares of the Company’s Material Subsidiary, which would reduce the Company’s shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent or which would cease the exercise of control over the subsidiary;
- b) Selling, disposing and leasing of assets amounting to more than twenty per cent of the assets of the Material Subsidiary on an aggregate basis during a financial year;

PROVIDED THAT the requirement of seeking such approval of shareholders shall not apply where any of the actions under (a) or (b) above are taken or made under a Scheme of Arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

## **6. Annual Review to Determine Materiality of Subsidiaries**

For the purpose of complying with the requirements of this Policy, the Audit Committee shall review on an annual basis, the criteria of materiality as per this Policy, applicable to the Company’s subsidiaries.

## **7. Disclosures**

The Company shall comply with such disclosure requirements relating to this Policy as may be stipulated under the Regulations, as per which, this Policy shall be uploaded on the website of the Company and a web link thereto shall be provided in the Company’s Annual Report.

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**DOCUMENT HISTORY:**

<b>Version</b>	<b>Version Date</b>	<b>Approved by</b>	<b>Brief Description</b>
1.0	13-08-2025	Board of Directors	Re drafted whole policy pursuant to change in the management and Change of Company Name