

November 14, 2025

To,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.
Dear Sir / Madam,

Scrip Code : 506640
Sub : Monitoring Agency Report for the quarter ended September 30, 2025
Ref: : Funds raised by issuance of Convertible Warrants and Compulsory Convertible Debentures on a Preferential Basis

Pursuant to Regulation 32 of the Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) read with Regulation 173A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, we have enclosed herewith Monitoring Agency Report for the quarter ended September 30, 2025, issued by **Crisil Rating Limited (“Monitoring Agency”)**, in respect of the utilization of proceeds raised through Preferential Issue by the Company duly reviewed by the Audit Committee and taken on record by the Board of Directors at its meeting held on November 14, 2025 is enclosed herewith as Annexure.

We request you to kindly take these submissions on your record and disseminate the same.

For ZR2 Bioenergy Limited
(Formerly known as Gujchem Distillers India Limited)

Shital Gurav
Company Secretary and Compliance Officer
Membership No.: A73942

ZR2 Bioenergy Ltd

(Formerly known as Gujchem Distillers India Limited)

Registered Office: 307 Ashirwad Paras – 1, S.G. Highway, Makarba, Ahmedabad 380 051

Corporate Office: 1102 Lodha Supremus, Senapati Bapat Marg, Mumbai, 400 013

Tel: +91 83560 34700 | Email: info@zr2group.com | Website: gujchemdistillers.in | CIN No: L32909GJ1939PLC002480

Monitoring Agency Report
for
ZR2 BIOENERGY LIMITED
(formerly known as Gujchem Distillers
India Limited)
for the quarter ended
September 30, 2025

CRL/MAR/GDS6823/2025-26/1601

November 14, 2025

To

ZR2 Bioenergy Limited (Formerly known as Gujchem Distillers India Limited)

307, Third Floor, Ashirwad Paras-1, Kanti Bharwad PMT,

Opposite Andaz Party Plot, Makarba,

Ahmedabad, Gujarat, 380051

Dear Sir,

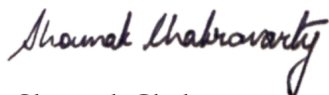
Sub: Monitoring Agency Report for the quarter ended September 30, 2025 – in relation to the Preferential Issue of ZR2 Bioenergy Limited (Formerly known as Gujchem Distillers India Limited) (“the Company”)

Pursuant to Regulation 162A of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”) and Monitoring Agency Agreement dated October 25, 2024, entered with the Company, we enclose the Monitoring Agency Report, issued by Crisil Ratings Limited, as per Schedule XI of the SEBI ICDR Regulations towards utilization of proceeds of Preferential Issue for the quarter ended September 30, 2025.

Request you to kindly take the same on records.

Thanking you,

For and on behalf of Crisil Ratings Limited



Shounak Chakravarty
Director, Ratings (LCG)

Report of the Monitoring Agency (MA)

Name of the issuer: ZR2 BIOENERGY LIMITED (formerly known as Gujchem Distillers India Limited)

For quarter ended: September 30, 2025

Name of the Monitoring Agency: Crisil Ratings Limited

(a) Deviation from the objects: Not applicable. Refer qualification/observations mentioned below.

(b) Range of Deviation: Not applicable

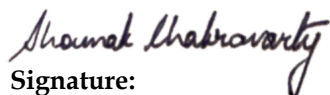
Qualification: The Monitoring Agency has observed that during the quarter ended December 31, 2024, the Company had extended deposit to Sukhmehar Finance Private Limited, which is a Non deposit taking Non-Banking Finance Company ('NBFC') as per list of registered NBFCs dated September 30, 2024, issued by Reserve Bank of India. The Company has deployed unutilized issue proceeds amounting to Rs 18.50 crore, by entering into a short-term deposit arrangement with the afore mentioned non-deposit taking NBFC. Also, the notice to shareholder dated 16th May 2024 filed by the Company did not disclose the mode for the deployment of unutilised proceeds as required by BSE Notice No: 20221213-47 dated 13th December 2022. Nevertheless, this is in variation from the industry practice of deploying unutilized proceeds in low-risk liquid instruments like fixed deposits of scheduled commercial banks or low risk mutual funds etc. During the quarter ended September 30, 2025, the company is still into a short-term deposit arrangement of Rs 18.50 crore with Sukhmehar Finance Private Limited. we bring this variation to the attention of the stakeholders, as it may have an implication on availability of proceeds in future for utilisation towards objects of the issue. Refer details shown under the head "deployment of unutilized issue proceeds" on page no. 8 of the MA report.

Declaration:

We declare that this report provides an objective view of the utilization of the issue proceeds in relation to the objects of the issue based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The MA does not perform an audit and undertakes no independent verification of any information/ certifications/ statements it receives. This Report is not intended to create any legally binding obligations on the MA which accepts no responsibility, whatsoever, for loss or damage from the use of the said information. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever. Nothing mentioned in this report is intended to or should be construed as creating a fiduciary relationship between the MA and any issuer or between the agency and any user of this report. The MA and its affiliates also do not act as an expert as defined under Section 2(38) of the Companies Act, 2013.

The MA or its affiliates may have credit rating or other commercial transactions with the entity to which the report pertains and may receive separate compensation for its ratings and certain credit-related analyses. We confirm that we do not perceive any conflict of interest in such relationship/interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

We have submitted the report herewith in line with the format prescribed by SEBI, capturing our comments, where applicable. There are certain sections of the report under the title "Comments of the Board of Directors", that shall be captured by the Issuer's Management / Audit Committee of the Board of Directors subsequent to the MA submitting their report to the issuer and before dissemination of the report through stock exchanges. These sections have not been reviewed by the MA, and the MA takes no responsibility for such comments of the issuer's Management/Board.



Signature:

Name and designation of the Authorized Signatory: Shounak Chakravarty

Designation of Authorized person/Signing Authority: Director, Ratings (LCG)

Crisil Ratings Limited

Corporate Identity Number: U67100MH2019PLC326247

Registered Office: Lightbridge IT Park, Saki Vihar Road, Andheri East, Mumbai- 400 072. India

Phone: +91 22 6137 3000 | www.crisilratings.com

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1) Issuer Details:

Name of the issuer: ZR2 BIOENERGY LIMITED

Names of the promoter: ZR2 Group Holdings Limited

Industry/sector to which it belongs: Commodity Chemicals

2) Issue Details

Issue Period: 13 August 2024

Type of issue: Preferential Issue

Type of specified securities: Compulsory Convertible Debentures (hereon referred as "CCDs") & Convertible warrants

Issue Grading, if any: NA

Issue size: Total issue proceeds* amounting to Rs. 248.77 crore (Refer Note 2 given in page no. 8)

**Crisil Ratings shall be monitoring the total issue proceeds as per the notice to shareholder dated May 16, 2024*

3) Details of the arrangement made to ensure the monitoring of issue proceeds:

Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all utilization is as per the disclosures in the offer document?	Yes	Bank Statement, Notice to shareholder, Management Undertaking, Statutory Auditor's Certificate^	Utilisation is towards the object of Working Capital & General Corporate Purposes (GCP) as disclosed in Notice to shareholder dated May 16, 2024	No Comments
Whether shareholder approval has been obtained in case of material deviations# from expenditures disclosed in the offer document?	NA	Management Undertaking, Statutory Auditor's Certificate^	No Comments	No Comments
Whether the means of Finance for the disclosed objects of the issue has changed?	No		No Comments	No Comments
Is there any major deviation observed over the earlier monitoring agency reports?	No		No Comments	No Comments

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Particulars	Reply	Source of information / certifications considered by Monitoring Agency for preparation of report	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all Government/statutory approvals related to the object(s) have been obtained?	Yes		Refer Note 1	No Comments
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes	Management Undertaking, Statutory Auditor’s Certificate^	Current skilled labor workforce at the acquired plant will also be integrated to ensure a seamless transition of operations	No Comments
Are there any favourable events improving the viability of these object(s)?	No		No Comments	No Comments
Are there any unfavourable events affecting the viability of these object(s)?	No		No Comments	No Comments
Is there any other relevant information that may materially affect the decision making of the investors?	No		No Comments	No Comments
# Where material deviation may be defined to mean: - (a) Deviation in the objects or purposes for which the funds have been raised. (b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.				

NA represents Not Applicable

^Certificate dated November 12, 2025, issued by M/s Bagaria & Co. LLP, Chartered Accountants (Firm Registration Number: 113447W/V-100019), Statutory Auditors of the Company

Note 1: The Company has received approval from department of cooperation, Marketing and Textile, Government of Maharashtra vide a Resolution dated July 21, 2025, approving the construction of various projects on a Build-Own-Operate-Transfer basis, including an arrangement for warrant subscription by PVSCL.

4) Details of object(s) to be monitored:
i. Cost of the object(s):

Sr. No.	Item Head	Source of information/certification considered by MA for preparation of report	Original cost (as per the Offer Document) RS. In crore)	Revised Cost	Comment of the Monitoring Agency	Comments of the Board of Directors		
						Reason of Cost revision	Proposed financing option	Particulars of firm arrangements made
1	Repayment of existing Un-Secured Loan	Management undertaking, Statutory Auditor's Certificate^, Notice to shareholders & Bank Statements	22.00	NA	No revision	No revision		
2	Acquiring a running biorefinery asset that is currently producing ethanol and biogas located in Maharashtra State and Expansion of the biorefinery to produce additional ethanol, biogas with addition of solar and Hydrogen		180.00	NA	No revision	No revision		
3	Working Capital & General Corporate Purposes (GCP)		46.77	NA	No revision	No revision		
Total		-	248.77	-	-	-		

NA represents Not Applicable

^ Certificate dated November 12, 2025, issued by M/s Bagaria & Co. LLP, Chartered Accountants (Firm Registration Number: 113447W/W-100019), Statutory Auditors of the Company

ii. Progress in the object(s):

Sr. No.	Item Head	Source of information / certifications considered by Monitoring Agency for preparation of report	Amount as proposed or revised in the Offer Document (Rs. in crore) (Refer Note 2)	Amount utilized (Rs. in crore)			Total unutilized amount (Rs. in crores) (Refer Note 2)	Comments of the Monitoring Agency	Comments of the Board of Directors	
				As at beginning of the quarter	During the quarter	At the end of the quarter			Reasons for idle funds	Proposed course of action
1	Repayment of existing Un-Secured Loan	Management undertaking, Statutory Auditor's Certificate^, Notice to shareholders, Bank Statements	22.00	22.00	0.00	22.00	0.00	Fully utilised in the Dec-24 quarter	Funds are fully utilized	
2	Acquiring a running biorefinery asset that is currently producing ethanol and biogas located in Maharashtra State and Expansion of the biorefinery to produce additional ethanol, biogas with addition of solar and Hydrogen		180.00	79.35	0.00	79.35	100.65	Nil Utilisation during the reported quarter	No comments	
3	Working Capital and GCP		46.77	2.51	0.04	2.55	44.22	Utilisation towards rent, consultation fees, professional fees, and Employee statutory expenses	Funds utilized for GCP	
		Total	248.77	103.86	0.04	103.90	144.87	-	-	

^Certificate dated November 12, 2025, issued by M/s Bagaria & Co. LLP, Chartered Accountants (Firm Registration Number: 113447W/W-100019), Statutory Auditors of the Company

Note 2: Out of total issue proceeds of Rs 248.77 crores, the Company has received Rs 122.40 crore, out of which Rs 80.27 crore has been received from the issue of Compulsorily Convertible Debentures and the remaining of Rs. 42.12 crore received against upfront payment towards allotment of warrants during the quarter ended September 2024. The remaining amount of Rs. 126.37 crores are yet to be received from the warrant holders. As per the notice to shareholders dated May 16, 2024, the warrant holders have the option to convert the warrants into equity shares within 18 months from the date of allotment of the share warrants.

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iii. Deployment of unutilised proceeds^:

Sr. No:	Type of instrument and name of the entity invested in	Amount invested (Rs in crore)	Maturity date	Earnings (Rs in crore)	Return on investment (%)	Market Value as at end of quarter (Rs in crore)
1.	Short term Deposit with Sukhmehar Finance Pvt Ltd (Refer to the Qualification of the MA & Note 3)	18.50	31-Dec-25	1.28	9.00	19.78
2	Balance in HSBC Bank A/c No-006-567945-001 (Refer Note 5)	0.00	-	-	-	0.00
3	Balance in HSBC Bank A/c no.- 006-567945-002 (Refer Note 4)	0.00	-	-	-	0.00
	Total	18.50	-	0.00	-	19.78

Note 3: The company had initially planned to recall the short-term deposit on September 30, 2025. However, as there has been no immediate requirement for the funds, the management has decided to defer the recall and revised the maturity of the deposit by December 31, 2025.

Note 4: HSBC Bank account(s) are capital markets accounts maintained by the company for receiving the issue proceeds from international subscribers in account no. 006-567945-001 which is regulated by FDI and FEMA regulations and issue proceeds domestic subscribers is collected in account no 006-567945-002. Furthermore, the preferential issue proceeds could not be utilized through HSBC bank accounts due to regulatory provisions the result of which the issue proceeds were transferred to the company's current account maintained with SBI for deployment towards the objects of the issue.

^Based on management undertaking and certificate dated November 12, 2025, issued by M/s Bagaria & Co. LLP, Chartered Accountants (Firm Registration Number: 113447W/W-100019), Statutory Auditors of the Company

iv. Delay in implementation of the object(s)

Based on management undertaking and certificate dated November 12, 2025, issued by M/s Bagaria & Co. LLP, Chartered Accountants (Firm Registration Number: 113447W/W-100019), Statutory Auditors of the Company

Object(s)	Completion Date		Delay (no. of days/ months)	Comments of the Board of Directors	
	As per the Offer Document	Actual (Rs in Crore)		Reason of delay	Proposed course of action
Not applicable					

5. Details of utilization of proceeds stated as General Corporate Purpose (GCP) amount in the offer document:

Based on management undertaking and certificate dated November 12, 2025, issued by M/s Bagaria & Co. LLP, Chartered Accountants (Firm Registration Number: 113447W/W-100019), Statutory Auditors of the Company:

Sr. No.	Item head	Utilisation (Rs. in Crore)	Remarks
1	Administrative & GCP expense	0.04	<p>All the payments made during the reported quarter include expenses regarding rent, consultation fees, professional fees, and Employee statutory expenses etc</p> <p>The Board of Directors of the Company vide resolution dated November 14, 2025, has approved the quantum of utilization of GCP towards Administrative & GCP expense</p>

Disclaimers:

- a) This Report is prepared by Crisil Ratings Limited (*hereinafter referred to as "Monitoring Agency" / "MA" / "CRL"*). The MA has taken utmost care to ensure accuracy and objectivity while developing this Report based on the information provided by the Issuer and information obtained from sources believed by it to be accurate and reliable. The views and opinions expressed herein do not constitute the opinion of MA to deal in any security of the Issuer in any manner whatsoever.
- b) This Report has to be seen in its entirety; the selective review of portions of the Report may lead to inaccurate assessments. For the purpose of this Report, MA has relied upon the information provided by the management /officials/ consultants of the Issuer and third-party sources like statutory auditors (or from peer reviewed CA firms) appointed by the Issuer believed by it to be accurate and reliable.
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