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Date: 8th October, 2024.

To,

**The Manager,
Department of Corporate Services,
BSE Limited
P. J. Towers, Dalal Street,
Mumbai – 400 001.**

Subject: General Disclosure pertaining to proposed acquisition of Avatar Petrochemicals Private Limited and associated companies.

Ref: Disclosures under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations").

BSE Scrip Code: 543805

Script ID: RESGEN

With reference to the above-captioned subject, we wish to inform you that, in a strategic move aimed at enhancing inorganic growth, Resgen Limited has entered into a non-binding term sheet which broadly defines the terms and conditions of acquisition of Avatar Petrochemicals Private Limited, KSR Techno Pvt. Ltd. and Aghnitherm Engineers Pvt. Ltd. (the "Target Entities"). The target entities are into sustainable waste oil treatment and recycling, with a diversified portfolio that includes furnace oil production, lubricant manufacturing, and high-value solvent distillation. Serving major industrial clients, the companies are known for their advanced hazardous waste disposal solutions, tank farm operations, and energy-efficient systems.

It is further brought to the notice of all that the Term Sheet has been entered to facilitate negotiations for the Proposed Transaction and is an expression of intention only and does not constitute a binding offer, agreement, agreement in principle, agreement to agree or commitment to provide financing. The acquisition will be made along with the share subscription Agreement & shareholding agreement along with other relevant ancillary agreements ("Definitive Agreements").

The Company proposes to acquire 51% of the equity shareholding of the Target Entities and further proposes to acquire the balance 49% of equity shareholding of the Target Entities in future in exchange of shares of the Company by way of share swap arrangement, as may be agreed between the parties in the Definitive Agreements.

Please note that the promoter/promoter group/ group companies do not have any interest in Avatar Petrochemicals Private Limited, KSR Techno Pvt. Ltd. and Aghnitherm Engineers Pvt. Ltd. and the transaction does not fall under the category of a related party transaction.

The additional disclosures pertaining to total considerations, trenches of the payment, objects and effects etc. pursuant to SEBI Circular CIR/CFD/CMD/4/2015 dated 9th September, 2015 in due course of time.





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We request you to kindly take the above information on record as part of our disclosure under Regulation 30 of the SEBI Listing Regulations, 2015.

Thank you for your attention to this matter.

Yours Sincerely,

For Resgen Limited

KARAN Digitally signed
by KARAN BORA
Date:
BORA 2024.10.08
12:57:55 +05'30'

Karan Atul Bora

Managing Director

Din No. 08244316





ResGen Limited to Acquire 51% Stake in Avatar Petrochemicals Private Limited (APPL), KSR Techno Pvt Ltd, & Aghnitherm Engineers Pvt Ltd, Strengthening Sustainable Waste Oil Treatment and Recycling Capabilities in India

Mumbai, 07th October 2024 – ResGen Limited (BSE - 543805), a pioneer in innovative technologies that transform waste into valuable resources, today announced the signing of a **term sheet** to acquire a **51% stake** in **APPL, KSR Techno Private Limited, and Aghnitherm Engineers Private Limited**. This strategic acquisition positions ResGen as a key player in India's growing **sustainable waste oil treatment and recycling sector**.

Highlights:

- **ResGen Limited** signs a term sheet to acquire **51% stake** in **Avatar Petrochemicals Private Limited (APPL), KSR Techno Private Limited, and Aghnitherm Engineers Private Limited**.
- Strategic acquisition aims to strengthen ResGen's leadership in **India's sustainable waste oil treatment and recycling sector**.
- The acquisition will be conducted in **two phases**, starting with an investment of **INR 18 crores** for a **51% stake**, followed by a **future share swap** for the remaining 49%.
- ResGen will integrate its operations to expand product lines, including **greases, lubricants, and other end-user specific products**.
- APPL, KSR Techno, and Aghnitherm are leaders in **waste oil recycling and hazardous waste management**, operating in key verticals like **furnace oil manufacturing, lubricant recycling, solvent distillation, bunker fuel supply, and tank farm operations**.

- **APPL's key assets** include **two refineries**, a **tank farm with 2500 KL of storage**, and a **dedicated barge**, which give them an operational edge in **water-based logistics and storage**.
- APPL has recycled over **21 million liters of waste oil**, preventing soil and water contamination.
- The global **waste oil market** is projected to grow from **USD 47.2 billion (2022)** to **USD 67.1 billion by 2030** at a CAGR of **4.5%**.
- ResGen expects **revenue growth** of **INR 100-120 crores** in the foreseeable future, and further **EPS accretive** benefits to shareholders.
- The **Indian waste oil recycling market** is expected to reach **INR 1,800 crores (USD 216 million)** by 2026, with ResGen positioned to capitalize on this growth.

This acquisition will be conducted in **two phases**, starting with ResGen's **investment of INR 18 crores** to secure a **51% stake**. The second phase will involve acquiring the remaining **49%** through a **future share swap arrangement**. This strategic move allows ResGen to broaden its **capabilities, product offerings**, and **customer base** while driving **synergies in operations, research, and development**.

Strategic Acquisition to Strengthen Leadership in Sustainable Waste Oil Management

ResGen, which currently specializes in **waste-to-oil (chemical recycling)**, is taking a significant step forward with this acquisition. By acquiring **APPL, KSR Techno Private Limited**, and **Aghnitherm Engineers Private Limited**, which operate in **waste oil recycling** and **hazardous waste management**, ResGen will integrate its operations to expand its **product lines**. The acquisition enables the production of **greases, lubricants**, and other **end-user specific products** with **higher margins** and **steady demand** from **industrial, automotive, and marine sectors**, allowing ResGen to boost **profit margins** in its core business while capitalizing on the **revenue streams** of the acquired companies.

APPL, KSR Techno Private Limited, and **Aghnitherm Engineers Private Limited** are industry leaders in **waste oil recycling** and **hazardous waste management**. They operate in several key verticals, including:

1. **Furnace Oil Manufacturing:** Converting **waste oil, slop, and tank bottom sludge** into furnace oil.
2. **Lubricant Manufacturing:** Recycling **used engine oil** from automotive, industrial, and marine industries.
3. **High-Value Solvent Distillation:** Processing **spent solvents** from the **pharmaceutical industry** into **Toluene, Xylene, and IPA**.
4. **MTO and Thinner Distillation:** Recycling **paint solvents** for the **automobile industry**.
5. **Petroproduct Distillation:** Processing **mixed off-spec crude** to extract multiple petrochemical products.
6. **Bunker Fuel Supply:** Offering **fuel supply** through a **dedicated barge**.
7. **Tank Farm Operations:** Providing **2500 KL of storage capacity** at ports with direct **vessel connectivity**.
8. **BPCL Dealership:** Operating across **15 districts in South Tamil Nadu**.
9. **Thermax Sales and Service:** Maintaining **240 clients** with service contracts across Tamil Nadu, including **system and energy auditing**.

Avatar Petrochemicals owns **two refineries, a tank farm with 2500 KL of storage, and a dedicated barge**. These assets enable efficient **waste oil processing, bulk logistics, and maritime fuel supply**, giving APPL a strong operational and market advantage.

This acquisition brings a wealth of expertise and infrastructure to ResGen, enabling the company to significantly enhance its **waste oil treatment capabilities** and expand its **product offerings**.

Sustainability at the Core

The group's **environmental initiatives** align with ResGen's commitment to **sustainable practices**. APPL's operations have **recycled over 21 million liters of used and waste oil**, reducing the demand for new fuel and lubricant imports and preventing **soil and water contamination**. Their proven track record in **zero liquid discharge**, coupled with extensive **hazardous waste management services** across **five major Indian states**, reinforces their role as **ecological leaders** in the industry.

Market Size and Growth Potential

The global **waste oil market**, valued at **USD 47.2 billion in 2022**, is expected to grow to **USD 67.1 billion by 2030**, at a **CAGR of 4.5%**. In India, the **waste oil recycling market** is projected to reach **INR 1,800 crores (USD 216 million)** by 2026. As pioneers in the **waste-to-oil** space, ResGen is ideally positioned to capitalize on this market growth. By expanding into **end-user specific products** such as **greases** and **lubricants**, ResGen will not only increase **turnover** but also capture significant **market share**.

Revenue Growth Target and Industry Potential

In the foreseeable future, ResGen's **consolidated revenue** is expected to increase by **INR 100-120 crores (USD 12-14.4 million)**, driven by the addition of these companies' existing business lines in **waste oil recycling, fuel supply, and hazardous waste management**. The acquisition will not only enhance revenue but also improve **operating margins**, thus making it an **EPS accretive**, which benefits the shareholders.

Additionally, the forward integration of these businesses will help ResGen capture a larger share of **India's growing waste oil recycling market**, which is projected to reach **INR 1,800 crores (USD 216 million)** by 2026. ResGen's pioneering position in **waste-to-oil chemical recycling** will enable the company to tap into this rapidly expanding market and secure a leading position.

Leadership Comments

Mr. Karan Bora, Managing Director of ResGen Limited, commented on the strategic acquisition: *"This acquisition is a strategic step for ResGen, aligning with our vision of turning waste into valuable resources. APPL's expertise complements our technology, enabling us to expand our presence in the rapidly growing waste oil treatment and recycling industry. Together, we will accelerate growth and strengthen our position as a leader in sustainable waste management."*

Mr. Sathesh Raja Karuppiyah, Director of Avatar Petrochemicals Private Limited, shared his thoughts on the merger: *"Partnering with ResGen will allow us to expand our operations and leverage their innovative technologies to enhance our waste oil processing capabilities. This collaboration is a significant milestone in our journey toward greater sustainability and business growth"*

About APPL, KSR Techno Pvt Ltd, and Agnitherm Engineers Pvt Ltd

These companies focus on **sustainable waste oil treatment and recycling**, with a diversified portfolio that includes **furnace oil production, lubricant manufacturing, and high-value solvent distillation**. Serving major industrial clients, the companies are known for their **advanced hazardous waste disposal solutions, tank farm operations, and energy-efficient systems**.

About ResGen Limited

ResGen Limited is a leader in transforming waste into valuable resources, focusing on **sustainable and innovative technologies** in the **waste oil recycling and treatment industry**. The company is committed to **environmental protection** and is at the forefront of the **circular economy** movement in India.

Disclaimer

This document contains forward-looking statements, which are not historical facts and are subject to risks and uncertainties such as government actions, local developments, and technological risks. The Company is not responsible for any actions taken based on these statements and does not commit to publicly updating them to reflect future events or circumstances.

For Further Information Please Contact



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