



Concord Enviro Systems Limited

(Formerly known as "Concord Enviro Systems Private Limited)

101, HDIL Towers, Anant Kanekar Marg, Bandra East, Mumbai 400051, India.

Tel: +91 22-6704 9000

Fax: +91 22-6704 9010

Email: cs@concordenviro.in

Website: www.concordenviro.in

CIN: U45209MH1999PLC120599

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE AUDIT COMMITTEE OF CONCORD ENVIRO SYSTEMS LIMITED ON 14th DECEMBER 2024 AT 01:00 P.M AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT HDIL TOWERS, ANANT KANEKAR MARG, BANDRA(EAST), MUMBAI, MAHARASHTRA

TO CONSIDER AND APPROVE THE KEY PERFORMANCE INDICATORS OF THE COMPANY DISCLOSED IN THE OFFER DOCUMENTS FOR THE INITIAL PUBLIC OFFERING OF THE COMPANY

“RESOLVED THAT in accordance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 (**“SEBI ICDR Regulations”**) and other applicable laws, the Audit Committee hereby approves the KPIs disclosed in the RHP to be filed with SEBI and the Stock Exchanges in respect of the proposed initial public offering of the Equity Shares of the Company, as placed before the Audit Committee and as annexed to this resolution as **Annexure C**. The Audit Committee also confirms that KPIs pertaining to the Company that have been disclosed to the board of directors of Concord Enviro Systems Limited, as also annexed to this resolution as **Annexure C**, will be disclosed in the *“Basis for Offer Price”* section of the RHP and further confirms that the details for all such KPIs disclosed under *“Basis for Offer Price”* section have been verified and audited, in accordance with applicable laws and auditing procedures. The members of the Audit Committee also noted that no other KPIs pertaining to the Company other than those disclosed in the *“Basis for Offer Price”* section of the RHP and annexed as Annexure A, have been disclosed to shareholders of the Company since incorporation of the Company and until the date of filing of the RHP.

RESOLVED FURTHER THAT in accordance with the SEBI ICDR Regulations and other applicable laws, the KPIs as disclosed in Annexure B which have been used historically by the Company to understand and analyse the business performance, which in result, help it in analysing the growth of various verticals in comparison to its peers, and other relevant and material KPIs of the business of the Company that have a bearing for arriving at the basis for Offer price, along with explanation for KPI metrics as disclosed in Annexure B, are hereby approved.

RESOLVED FURTHER THAT the management of the Company shall revisit the list of KPIs based on any feedback received from the regulators (including SEBI and Stock Exchanges) and based on queries received from prospective investors (including through market intermediaries) and based on evolving market practice and competitive landscape and update the list of the KPIs as appropriate and present the same before this Audit Committee for further review.

RESOLVED FURTHER THAT it is hereby confirmed that the details for all KPIs, as set out in Annexure C, which will be disclosed in the RHP, and any other documents including any amendments, addenda, or



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corrigenda issued thereto, press releases or advertisements in relation to the Offer, (collectively, the “**Offer Documents**”), have been verified and audited, in accordance with applicable laws and auditing procedures. The Audit Committee also takes note of the draft certificate issued by Vishnu Daya & Co LLP, the independent Chartered Accountants, in relation to the KPIs (“**KPI Certificate**”), as set out as **Annexure D** and confirms that the KPIs which are required to be disclosed in the “Basis for Offer Price” section in accordance with SEBI ICDR Regulations or other applicable laws, have been disclosed or are proposed to be disclosed, as applicable, in the RHP.

RESOLVED FURTHER THAT the Audit Committee notes that the KPIs as set out in the section titled “*Basis for Offer Price*” in the Offer Documents shall be disclosed, post listing, in accordance with Paragraph (9)(K)(3)(i) under Part A, Schedule VI and other applicable provisions of the SEBI ICDR Regulations.”

RESOLVED FURTHER THAT the Audit Committee notes that the certificate on KPIs shall be disclosed in the ‘*Material Contracts and Documents for Inspection*’ section of the RHP under the applicable provisions of the SEBI ICDR Regulations.

RESOLVED FURTHER THAT the Chief Financial Officer of the Company be and is hereby authorised to do all such acts, deeds, matters and things to negotiate, discuss and finalise the draft of the “*Basis for Offer Price*” section of the RHP, in their absolute discretion, deem necessary or desirable to implement the above resolution and to settle or give instructions and directions for settling any questions, difficulties or doubts that may arise in this regard and to give effect to such modifications, changes, variations, alterations, deletions or additions, as may be deemed fit and proper in the best interest of the Company.

RESOLVED FURTHER THAT a copy of the above resolution, certified to be true by any Director or the Company Secretary and Compliance Officer of the Company, be forwarded to the concerned authorities for necessary action.”

//CERTIFIED TRUE COPY//

For CONCORD ENVIRO SYSTEMS LIMITED

Priyanka Aggarwal
Company Secretary & Compliance Officer
Membership No: A38180



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ANNEXURE I

LIST OF KEY PERFORMANCE INDICATORS

Annexure A

Part I: Details of the Company's KPIs (refer the method of computation given below)

Particulars	Unit	August' 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
<i>Financial KPIs</i>					
Total Income	₹ million	2080.24	5,122.74	3,504.97	3,375.70
Revenue from operations	₹ million	2061.71	4,968.59	3,432.19	3,293.66
Growth in Revenue from operations (y-o-y)	%	-58.51%	44.76%	4.21%	-5.25%
Gross Profit ⁽¹⁾	₹ million	971.46	2,340.10	1,979.60	1911.45
Gross Profit Margin ⁽²⁾	%	47.12%	47.10%	57.68%	58.03%
Earnings before interest, tax and depreciation and amortisation ("EBITDA") ⁽³⁾	₹ million	151.12	811.47	495.84	614.27
EBITDA Margin ⁽⁴⁾	%	7.33%	16.33%	14.45%	18.65%
Profit before taxes ("PBT")	₹ million	8.25	439.97	75.53	185.31
Profit for the year ("PAT")	₹ million	5.16	414.39	54.87	164.77
PAT Margin ⁽⁵⁾	%	0.25%	8.34%	1.60%	5.00%
Return on Equity ("RoE") ⁽⁶⁾	%	0.16%	13.73%	2.00%	12.78%
Return on Capital Employed ("RoCE") ⁽⁷⁾	%	2.08%	14.07%	6.96%	10.23%
Debtor Days ⁽⁸⁾	Days	87	126	113	142
Inventory Days ⁽⁹⁾	Days	116	113	159	149
Creditor Days ⁽¹⁰⁾	Days	138	85	92	82
Net Working Capital Days ⁽¹¹⁾	Days	65	154	180	209
Debt/Equity Ratio ⁽¹²⁾	Times	0.52	0.47	0.47	0.47
<i>Operational KPIs</i>					
<i>Revenue from Operations by Geography</i>					
Global	₹ million	915.28	2,075.16	825.22	740.44
Domestic	₹ million	1146.43	2,893.43	2,606.97	2,553.22



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Particulars	Unit	August' 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Total Revenue from Operations	₹ million	2061.71	4,968.59	3,432.19	3,293.66
Overall order book					
Global	₹ million	1148.94	1,640.00	2,293.68	-
Domestic	₹ million	3868.52	2,991.92	1,523.44	1,579.37
Total Order Book	₹ million	5017.46	4,631.92	3,817.12	1,579.37
Revenue from operations split by product / service (₹ million & %)					
Plant	₹ million	989.88	2,961.81	1,608.69	1,631.45
O&M	₹ million	661.67	973.18	947.11	797.95
Spares	₹ million	410.16	1,033.60	876.39	864.26
Total	₹ million	2061.70	4,968.59	3,432.19	3,293.66
Plant	%	48.01%	59.61%	46.88%	49.53%
O&M	%	32.09%	19.59%	27.59%	24.23%
Spares	%	19.89%	20.80%	25.53%	26.24%
Total	%	100.00%	100.00%	100.00%	100.00%

- (1) Gross Profit is calculated as the difference between Revenue from Operations and the cost of finished goods produced (i.e. sum of: (i) cost of materials consumed; (ii) purchase of stock-in-trade; and (iii) changes in inventories
- (2) Gross Profit Margin is calculated as Gross Profit divided by Revenue from Operations
- (3) EBITDA is calculated as the sum of (i) profit/(loss) for the period/year, (ii) tax expense, (iii) finance costs, and (iv) depreciation and amortisation expenses less interest income
- (4) EBITDA Margin is calculated as EBITDA divided by revenue from operations
- (5) PAT Margin is calculated as profit for the year divided by revenue from operations
- (6) Return on Equity is calculated as profit/ (loss) for the year divided by average shareholder's equity
- (7) Return on Capital Employed is calculated as earnings before interest and tax (EBIT) divided by Capital Employed. Further, capital employed is aggregate of tangible net worth (i.e. total asset excluding deferred tax asset and intangible assets, but including right-of-use assets, reduced by total liabilities) and total borrowings
- (8) Debtor days are calculated as total trade receivables divided by revenue from operations multiplied by 365
- (9) Inventory days are calculated as total inventory divided by revenue from operations multiplied by 365
- (10) Creditor days are calculated as total trade payables divided by revenue from operations multiplied by 365
- (11) Working capital days is calculated as the sum of Trade Receivables and Inventories reduced by Trade Payables divided by revenue from operations multiplied by 365
- (12) Debt-Equity Ratio is calculated as total borrowings divided by total equity

The method of computation of above KPIs is set out below:

Metric	Formula (as defined by the Company)
Financial KPIs	
Total Income	Total income is taken as is from the Restated Consolidated Financial Information



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Metric	Formula (as defined by the Company)
Revenue from operations	Revenue from operations is taken as is from the Restated Consolidated Financial Information
Growth in Revenue from Operations	Growth in Revenue from Operations is calculated as revenue from operations for the respective year less revenue from operations for the previous year and then divided by the revenue from operations for the previous year
Gross Profit	Gross Profit is calculated as the difference between Revenue from Operations and the cost of finished goods produced (i.e. sum of: (i) cost of materials consumed; (ii) purchase of stock-in-trade; and (iii) changes in inventories
Gross Profit Margin	Calculated as Gross Profit divided by Revenue from Operations
EBITDA	EBITDA is calculated as the sum of (i) profit/(loss) for the period/year, (ii) tax expense, (iii) finance costs, and (iv) depreciation and amortisation expenses less interest income
EBITDA Margin	EBITDA Margin is calculated as EBITDA divided by revenue from operations
Profit before taxes (PBT)	Profit / (loss) before tax refers to the profit generated before accounting for taxes and is taken as is from the Restated Consolidated Financial Information
Profit for the year (PAT)	Profit after tax for the year ("PAT") as appearing is taken as is from the Restated Consolidated Financial Information
PAT Margin %	PAT Margin is calculated as profit/(loss) for the period/year divided by revenue from operations
Return on Equity (RoE)	Return on Equity is calculated as profit/(loss) for the period / year divided by average shareholder's equity.
Return on Capital Employed (RoCE)	Return on Capital Employed is calculated as earnings before interest and tax (EBIT) divided by capital employed. Further, capital employed is aggregate of tangible net worth (i.e. total asset excluding deferred tax asset and intangible assets, but including right-of-use assets, reduced by total liabilities) and total borrowings.
Debtor Days	Debtor days are calculated as total trade receivables divided by revenue from operations multiplied by 365
Inventory Days	Inventory days are calculated as total inventory divided by revenue from operations multiplied by 365
Creditor Days	Creditor days are calculated as total trade payables divided by revenue from operations multiplied by 365



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Metric	Formula (as defined by the Company)
Net Working Capital Days	Working capital days is calculated as the sum of Trade Receivables and Inventories reduced by Trade Payables divided by revenue from operations multiplied by 365
Debt Equity Ratio	Debt-Equity Ratio is calculated as total borrowings divided by total equity
Operational KPIs	
Revenue from Operations by Geography	Revenue from Operations of the business as shown in the Restated Consolidated Financial Information, split for its share within India and outside India
Order Book	Order book represents the estimated contract value of ongoing projects as of such date reduced by the value of the work executed by until such date
Revenue from operations split by product / service (₹ million & %)	Revenue from Operations of the business as shown in the Restated Consolidated Financial Information, split for its share within plant, O&M and spares

Brief explanation of the relevance of the KPIs for the Company's business operations is set forth below (as stated by the management).

Metric	Explanation by the management of the Company
Financial KPIs	
Total Income	Total income comprises of revenue from operations & other income.
Revenue from operations	Revenue from Operations is used by the Company to track the revenue profile of the business and in turn helps assess the overall financial performance of the Company and size of the business
Growth in Revenue from Operations	Growth in Revenue from Operations provides information regarding the growth of the business over the respective years.
Gross Profit	Gross Profit provides information regarding the profits earned by reducing the Cost of Goods Sold from Revenue from operations.
Gross Profit Margin	Gross Profit Margin is an indicator of the profitability on Revenue from Operations.
EBITDA	EBITDA provides information regarding the operational efficiency of the business.



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Metric	Explanation by the management of the Company
EBITDA Margin	EBITDA Margin is an indicator of the operational profitability and financial performance of the business.
Profit before taxes (PBT)	Profit before tax is a measure of a company's profitability that looks at the profits made before the impact of income tax (including deferred tax).
Profit / (Loss) for the year (PAT)	Profit after tax provides information regarding the overall profitability of the business
PAT Margin %	PAT Margin is an indicator of the overall profitability and financial performance of the business
Return on Equity (RoE)	RoE provides how efficiently the Company generates profits from shareholders' funds.
Return on Capital Employed (RoCE)	ROCE provides how efficiently the Company generates earnings from the capital employed in the business.
Debtor Days	Debtor days indicates the number of days it takes to collect payments from customers
Inventory Days	Inventory days indicates the number of days the company holds its inventory before selling it
Creditor Days	Creditor days indicates the number of days it takes to pay to suppliers
Net Working Capital Days	Net working capital days indicates the working capital requirements of the Company in relation to revenue generated from operations.
Debt Equity Ratio	The debt-to-equity ratio (D/E ratio) is a financial metric that shows how much debt the Company has compared to its equity.
Operational KPIs	
Revenue from Operations by Geography	Revenue from Operations of the business split for its share within India and outside India enables the Company to track the progress of the revenues in the domestic and export markets
Order Book	Order book enables the Company to track the value of the future contracted business and hence visibility of growth as well as to plan the operations accordingly
Revenue from operations split by product / service (₹ million & %)	Revenue from Operations of the business split for its share within plant, O&M and spares enables the Company to track the growth of the product and service lines



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Part II: Details of KPIs disclosed to any investors at any point of time during the three years period prior to the date of this certificate

Particulars	Unit	August' 2024	Fiscal 2024	Fiscal 2023	Fiscal 2022
Financial KPIs					
Total Income	₹ million	2080.24	5,122.74	3,504.97	3,375.70
Revenue from operations	₹ million	2061.71	4,968.59	3,432.19	3,293.66
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Plant	₹ million	989.88	2,961.81	1,608.69	1,631.45
O&M	₹ million	661.67	973.18	947.11	797.95
Spares	₹ million	410.16	1,033.60	876.39	864.26
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Plant	%	48.01%	59.61%	46.88%	49.53%
O&M	%	32.09%	19.59%	27.59%	24.23%
Spares	%	19.89%	20.80%	25.53%	26.24%
Total	%	100.00%	100.00%	100.00%	100.00%

- (1) Gross Profit is calculated as the difference between Revenue from Operations and the cost of finished goods produced (i.e. sum of: (i) cost of materials consumed; (ii) purchase of stock-in-trade; and (iii) changes in inventories
- (2) Gross Profit Margin is calculated as Gross Profit divided by Revenue from Operations
- (3) EBITDA is calculated as the sum of (i) profit/(loss) for the period/year, (ii) tax expense, (iii) finance costs, and (iv) depreciation and amortisation expenses less interest income
- (4) EBITDA Margin is calculated as EBITDA divided by revenue from operations
- (5) PAT Margin is calculated as profit for the year divided by revenue from operations
- (6) Return on Equity is calculated as profit/ (loss) for the year divided by average shareholder's equity
- (7) Return on Capital Employed is calculated as earnings before interest and tax (EBIT) divided by Capital Employed. Further, capital employed is aggregate of tangible net worth (i.e. total asset excluding deferred tax asset and intangible assets, but including right-of-use assets, reduced by total liabilities) and total borrowings
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- (12) Debt-Equity Ratio is calculated as total borrowings divided by total equity



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ANNEXURE I-A

List of KPI to be excluded from the “Basis of Offer Price” Section along with the Rationale for Exclusion

S.No	Particulars
1	Revenue split by End-use Industry
2	Product-wise assembling capacity of assembly unit
3	-Membrane Elements
4	-WHE Modules
5	-Containerised Plants
6	Annual Installed Capacity (Nos.) by modules/systems at each respective mfg. facility
7	Annual Actual Production (Nos.) by modules/systems at each respective mfg. facility
8	Capacity Utilization (%) by modules/systems at each respective mfg. facility
9	Manufacturing facilities #
10	Manufacturing facilities (Area of each sq. ft.)
11	Manufacturing facilities (Headcount at each facility)
12	Revenue % from top 10 customers
13	Revenue % from top 20 customers
14	% of revenue from customers who billed the previous year / has billed before (repeat customer)
15	% revenue from government customers, overall & product/service revenue
16	Domestic customers #
17	International customers #
18	% of clients to whom O&M services were provided
19	No of customers with O&M Contracts
20	R&D Employees #
21	# of employees across departments
22	Attrition Rates %
23	# of FTE females
24	Growth in revenue from operations
25	ROE %
26	ROCE %
27	Fixed Asset Turnover Ratio



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28	Debt/Equity Ratio
29	Net Debt/EBITDA
30	Exports as a Percentage of Overall Revenue
31	Export countries #
32	Consol Revenue within/outside India as a % of Total Revenue from Operations (₹ million & %)
33	Patents awarded & filed #
34	Trademarks registered & filed #
35	Quantity of water recycled across our installations
36	Any other measure of ESG impact that we can quantify
37	Order Book split across product & services
38	Order book by end-use / application
39	Average length of O&M contract