



**Concord Enviro Systems Limited**

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**CIN** L45209MH1999PLC120599

Date: 16<sup>th</sup> September 2025

To,

The Manager – Compliance Department <b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (E), Mumbai – 400 051.	The Manager – Compliance Department <b>BSE Limited</b> Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001.
Symbol: CEWATER	Scrip Code: 544315

**Sub: Clarification on recommendations issued by various proxy advisory agencies on Agenda Items of 26<sup>th</sup> Annual General Meeting of Concord Enviro Systems Limited (“the Company”).**

Dear Sir/Madam,

We wish to inform that the 26<sup>th</sup> Annual General Meeting (“AGM”) of the Company is scheduled to be held on 19<sup>th</sup> September 2025 at 11:00 A.M. IST through Video Conferencing (VC)/ Other Audio – Visual Means (OAVM). The Notice of the AGM along with the Annual Report, has been duly circulated to shareholders within the stipulated timeframe. The agenda includes the proposal of three ordinary resolutions and three special resolutions. The Company has reviewed the reports from various proxy advisory firms recommending their clients to vote “Against” on few resolutions mentioned in the Notice of AGM.

Following is the summary of resolutions proposed by the Company for the AGM and the corresponding voting recommendations issued by various proxy advisory firms:

Sr. No.	Resolution Proposed by the Company	Voting Recommendations by Proxy Advisory Firms	
		Institutional Investor Advisory Services ('IIAS')	Stakeholders Empowerment Services ('SES')
1.	To receive, consider and adopt: a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025, the reports of the Board of Directors and Auditors thereon; and b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2025 together with the report of the Auditors thereon.	For	For
2.	To appoint a Director in place of Mr. Prayas Goel (DIN: 00348519), who retires by rotation and being eligible, offers himself for re-appointment.	Against	Against
3.	To appoint M/s. Martinho Ferrao & Associates, Practicing Company Secretaries as Secretarial Auditor of the Company.	For	For
4.	To amend the Concord Enviro Employee Stock Option Plan 2022.	Against	For
5.	To approve the remuneration of Mr. Prayas Goel, Chairman & Managing Director for the financial years 2025-26 and 2026-27.	Against	Against
6.	To approve the remuneration of Mr. Prerak Goel, Executive Director for the financial years 2025-26 and 2026-27.	Against	Against

**In this regard, the Company would like to put forward the following responses pertaining to resolutions 2, 4, 5 and 6:**

- 1. Agenda No. 2: To appoint a Director in place of Mr. Prayas Goel (DIN: 00348519), who retires by rotation and being eligible, offers himself for re-appointment.**

**Concern of Proxy Firms:**

- a. Mr. Prayas Goel attended only 60% of Board meetings in FY2024-25 (6 out of 10 meetings) – below the 75% attendance benchmark. Over the past three years, his cumulative attendance was ~61%, which was cited as a governance concern. Regular meeting attendance is rightly considered important for effective oversight.
- b. The CMD holds a combined role as Chairman and Managing Director – reflects concentration of power.

**Company's Explanation:**

- a. The lower attendance in early FY2024-25 was an exceptional situation. Mr. Goel was leading a critical overseas project in Mexico during that period. The project's operational exigencies and a time-zone difference unavoidably conflicted with some board meeting schedules. This was not a case of negligence, but rather Mr. Goel fulfilling his duties to drive a major international initiative for the company's growth. Importantly, once that project phase concluded, his attendance normalized.
- b. Improved Attendance: Mr. Goel attended the last four consecutive Board meetings. His presence and participation in board deliberations have been full and proactive since then. The Board and Company are confident that this level of commitment will continue going forward.
- c. The Company has robust governance checks to mitigate power concentration. The Board is composed of 50% independent directors, exceeding the minimum one-third requirement and meeting the higher threshold since the Chairman is executive. Independent directors also chair key committees i.e. Audit Committee, Nomination and Remuneration Committee & Stakeholders Relationship Committee ensuring balanced oversight. This structure provides effective counterweight to a combined MD-Chairman role. Several peer companies of similar scale maintain combined leadership roles while still upholding governance via

independent boards.

- d. Further, the Company's current combined role structure is a product of its entrepreneurial origins and Mr. Goel has been its driving force. His deep technical expertise and industry experience have been the pillars of Concord's growth. As a relatively mid-sized company, having the founder as both Chair and MD provide unified leadership and quick strategic decision-making, which has been invaluable, especially during phases of rapid expansion and international projects.
- e. Concord will continue to periodically review its leadership structure in line with evolving best practices, but at present the combined role is deemed beneficial for unified leadership and industry expertise, with sufficient oversight in place.

**2. Agenda No. 4: To amend the Concord Enviro Employee Stock Option Plan 2022.**

**Concern of Proxy Firms:**

Questions have been raised on material terms of ESOP 2022 are not clearly outlined in the notice to shareholders.

**Company's Explanation:**

The resolution seeks shareholder approval to amend the Concord Enviro Employee Stock Option Plan 2022 ("ESOP 2022/Plan") by inserting a clause empowering the Board to amend, alter, or terminate the Plan. The amendment aligns with applicable provisions under the Companies Act, SEBI (LODR) Regulations, and SEBI (SBEB & Sweat Equity) Regulations, 2021. Further, as mentioned in the Notice of Annual General Meeting "the Plan has not yet been implemented" and accordingly, the Company has not granted any options under the existing ESOP Scheme.

The Company intends to introduce a new ESOP Scheme in future and necessary disclosures will be made available to shareholders in due course.

- 3. Agenda No. 5: To approve the remuneration of Mr. Prayas Goel, Chairman & Managing Director for the financial years 2025-26 and 2026-27.**
- 4. Agenda No. 6: To approve the remuneration of Mr. Prerak Goel, Executive Director for the financial years 2025-26 and 2026-27.**

### Concern of Proxy Firms:

- Questions have been raised on whether the proposed fixed and variable remuneration for the CMD and ED are in line with market standards, especially given changes in the variable pay structure.
- liAS highlighted that both Mr. Prayas Goel and Mr. Prerak Goel have been drawing remuneration from our wholly-owned subsidiary, Rochem Separation Systems (India) Pvt. Ltd. (RSSPL), in addition to their salary from the listed company.

### Company's Explanation:

- The remuneration proposed is in line with industry peers and well within the sector norms and commensurate with the Company's size and growth trajectory. The fixed pay is nominal, and the variable pay is entirely contingent on exceptional performance. The remuneration structure ties rewards to Company performance.
- The CMD's employment terms for FY2025-27 include a significant variable component tied to consolidated Profit After Tax (PAT) targets. The FY24 resolution that was passed, it was noted that if the Company exceeds its FY2024-25 PAT budget by over 10%, a bonus up to ₹6 Mn is earned, and for exceeding by 15%, up to ₹7.5 Mn is earned. These thresholds ensure that additional reward is unlocked only for outperformance, directly benefitting shareholders.

VARIABLE COMPONENT				
(Rs. In million)				
If FY25 actual PAT exceeds budgeted PAT by	Actual Achieved	PAT	Variable	Salary
10%	715.0		6.0	
15%	747.5		7.5	

Budgeted Consolidated PAT for FY25 – Rs.650 million

- Even with the improved profits, Concord's remuneration-to-profit ratio for its executives remains reasonable. For instance, at maximum payout, the CMD's FY2024-25 compensation (~₹30.5 Mn) would have been roughly 7.6% of FY2024 PAT. Given the critical role of the founder-CMD in a mid-cap engineering company, this percentage is not atypical (and it is lower in subsequent years if profits grow further).

- d. We clarify that the CMD's remuneration from RSSPL for FY2024-25 was ₹28 million, which, under his original terms of engagement, was subject to an annual escalation of 5%. However, for FY2025-26, no escalation has been implemented, and the remuneration remains unchanged at ₹28 million.
- e. CMD's remuneration across Concord Enviro and RSSPL will be consolidated within the parent-level cap already placed before shareholders (₹12.2 million from the parent company), ensuring there is no duplication or unintended increase in compensation. Going forward, all subsidiary-level remuneration (if any) will be transparently disclosed in the Company's annual reports and factored into the aggregate limit approved by shareholders.'
- f. RSSPL is a 100% wholly-owned subsidiary of Concord Enviro. The two executive directors have been entrusted with roles in RSSPL to oversee its operations and integration into the group's strategic objectives. This arrangement was put in place to drive synergies between the parent and subsidiary and ensure that key projects at the subsidiary (many of which ultimately benefit the consolidated entity) receive appropriate leadership attention.
- g. The law allows such dual remuneration in a holding-subsidary scenario provided that the fact is disclosed in the Board's report. Concord Enviro has complied with this requirement – the details of managerial remuneration from RSSPL have been disclosed in our annual reports/Board's report for transparency. We emphasize that each company (Concord Enviro and RSSPL) compensates the directors for the distinct executive duties performed for that entity. From a consolidated perspective, the total remuneration is fully reported in our financial statements.

Yours Faithfully,  
**For Concord Enviro Systems Limited**

**Prerak Goel**  
**Executive Director**  
**DIN: 00348563**

Place: Mumbai