JKLC: SECTL:SE:26
24th July 2026

1 **BSE Ltd.**
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Through: BSE Listing Centre
Security Code No. 500380

2 **National Stock Exchange of India Ltd.**
"Exchange Plaza"
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051
Through: NEAPS
Symbol: JKLAKSHMI, Series: EQ

Dear Sir/ Madam,

Subject: Company's Clarification / Representation to the Proxy Advisory Report issued by Stakeholders Empowerment Services (SES)

Kindly refer to our letter of even no. dated 6th July 2026 vide which we have filed the Notice dated 2nd July 2026 of the 86th AGM to be held on 30th July 2026, with the Stock Exchanges seeking approval of the Shareholders on the Items/ Resolutions mentioned in the said Notice.

In this reference, the Company has received Proxy Advisory Report dated 23rd July 2026 from SES containing the voting recommendations on the above Items / Resolutions. The Company has submitted its clarification / representation to the aforesaid Report vide its attached email dated 24th July 2026.

Based on the representation made by the Company to SES, the necessary Addendum may be released by SES to its Report.

You are requested to take note of the representation made by the Company to SES.

Thanking You.

For JK Lakshmi Cement Ltd.
Amit Chaurasia
Digitally signed by Amit Chaurasia
Date: 2026.07.24 18:55:42 +05'30'
(Amit Chaurasia)
Company Secretary

Encl: a.a.

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E-Mail: jklc.customercare@jkmail.com | Website: jklakshmicement.com | CIN L74999RJ1938PLC019511
Regd. & Works Office: Jaykaypuram, Dist. Sirohi, Rajasthan | Phone: 02971-244409/ 244410 | Fax: 02971-244417
E-Mail: lakshmi_cement@lc.jkmail.com

Subject: Response of the Company - SES - Proxy Advisory Report - JK Lakshmi Cement Limited

From: Amit Chaurasia <amit.chaurasia@jkmail.com>
Sent: 24 July 2026 14:41
To: SES Info <info@sesgovernance.com>
Cc: Sudhir Bidkar <bidkar@jkmail.com>; Prawat <prawat@jkmail.com>; JKLC Secretarial <JKLCSecretarial@jkmail.com>; SES Governance <sesresearch@sesgovernance.com>
Subject: Response of the Company - SES - Proxy Advisory Report - JK Lakshmi Cement Limited

Dear SES Team

We thank you for your trail mail giving us an opportunity to give our comments/ feedback on the voting recommendations on the shareholder resolutions presented by JK Lakshmi Cement Ltd.

At the outset, please be advised that JK Lakshmi Cement Ltd. (Company) is a responsible corporate citizen and it has been our endeavour to make adequate and timely disclosures in compliance with all relevant provisions of the law, benchmarking with the best corporate practices. For good order sake, our comments/ feedback on your attached Report, are as under:

A. Factual Errors:

(i) For the year 2026, the Ratio of Remuneration of Smt. Vinita Singhania to the lowest paid ED works out **4.19** instead of **4.52** as mentioned at page no. 18 of your report and consequential changes to be made in other sections of the Report.
(ii) At Page 6 of the Report, remuneration (excluding sitting fee) of Amb. Bhaswati Mukherjee is **₹ 12 Lakh** instead of **₹ 8 Lakh** mentioned in the Report.
(iii) There is no discrepancy in the past remuneration of Executive Directors between F.Y 2023-24 and 2024-25 disclosed in Annual Return/Report as mentioned on Page 17 of your Report.

B. Voting Recommendations:

(1) SES observation on Item 5 of the AGM Notice: Approval not sought for continuation beyond 70 years of age; Remuneration skewed in favor of proposed director; NRC member and remuneration practice is skewed in favour of Promoter EDs; Absence of absolute cap on the variable pay; Combined position of Chairman and MD. Accordingly, SES has recommended AGAINST voting.

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Company's Response to the parawise concerns of SES:

1. The Remuneration paid to Smt. Vinita Singhania and Shri Shrivats Singhania (Promoter EDs) for the F.Y 2025-26 is as per the terms of their appointment & remuneration duly approved by Shareholders at the time of their last re-appointment and appointment in AGMs held in the year 2021 and 2025 respectively. Similarly, remuneration paid to Dr. Arun Kumar Shukla for the F.Y 2025-26 is as per the terms of his re-appointment & remuneration duly approved by Shareholders in their AGM held in 2025. The Variable Pay (Commission) payable to Shri Shrivats Singhania and Dr. Arun Kumar Shukla is as per their respective terms of appointment/ re-appointment & remuneration already approved by the Shareholders in their AGM held in the year 2025 as explained above. Please note that Shri Shrivats Singhania is entitled to commission at the rate of 2% or more of the Net Profits as computed u/s 198 of the Companies Act, 2013 while Dr. Arun Kumar Shukla is entitled to commission upto 1% Net Profits computed under Section 198 of the Companies Act, 2013, subject to ceiling of 100% of annual salary. In view of the above, **since the remuneration (including variable pay payable) has been paid to the Promoter Directors as well as to Dr. Arun Kumar Shukla is as per their terms of appointment/re-appointment & remuneration approved by the Shareholders which is well within the permitted limit of 10% of Net Profits allowed for all managerial personnel under Section 197 of the Companies Act, 2013, remuneration is not skewed in favour of the Promoters EDs and therefore the question of disclosure in support of such alleged skewed remuneration does not arise all.**

2. The Remuneration proposed to be paid to Smt. Vinita Singhania **has been recommended by the Nomination & Remuneration Committee ("NRC") and has been approved & recommended by the Board of Directors** of the Company.

   The total remuneration proposed to be paid to Smt. Vinita Singhania together with total remuneration (Fixed and Variable) of other managerial personnel i.e. Dy. Managing Director (Shri Shrivats Singhania) and President & Director (Dr. Arun Kumar Shukla) shall be **within the permitted limit of 10% of Net Profits allowed for all managerial personnel under Section 197 of the Companies Act, 2013**.

   The payment of Commission to Smt. Vinita Singhania will be decided by the Board such that her total remuneration including Commission shall not exceed the aforesaid limit of managerial remuneration specified under Section 197 of the Companies Act, 2013. Thus, payment of Commission is restricted within the overall limit of managerial remuneration allowed for all managerial personnel. **Further, the payment of Commission is always linked to the Net Profits of the Company and the actual payment of Commission for a particular year will depend on the Profits earned by the Company as well as the percentage of Commission as may be decided by the Board. Since it is difficult to project the Profits for the future years, neither the Commission nor the absolute cap on the variable pay can be quantified at this stage.**

   The Remuneration structure proposed for Smt. Vinita Singhania is well within the limits prescribed by the Companies Act, 2013 & there is no logic of putting an absolute cap on the variable pay so as long as the total remuneration payable including Fixed & Variable is within the overall limit prescribed by the Companies Act, 2013. Needless, to mention that **neither the Companies Act, 2013 nor SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates the Company to cap either the variable pay or Remuneration in absolute terms and therefore, the Remuneration proposed is on the lines of the well-established practice of Industry Standards.**

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It is worthwhile to mention that **there is no absolute cap on the remuneration payable to the employees** & as such, **there is no logic for putting an absolute cap on remuneration payable to the Promoter Directors as well.**

Similarly, **there is no absolute cap on the dividend payout to the Shareholders & as such, there is no logic for putting any absolute cap on variable pay of the Promoter Directors as well.**

The very purpose of the existence of the Company is Profit maximization & wealth maximization for all its stakeholders. **Putting an absolute cap on the variable pay is not in the spirit of the profit maximization for the Company & wealth maximation for all the stakeholders.**

3. In the AGM held on 26th August 2021, item at Sr. No. 5 of the Notice of the said AGM contains the Shareholders' Resolution passed through Special Resolution for re-appointment (including continuation of employment on attaining age of 70 years) and payment of remuneration to Smt. Vinita Singhania. The Special Resolution was passed through requisite majority under various provisions of the Companies Act, 2013 **including under Section 196 of the Companies Act, 2013. The said Notice also contains justification for re-appointment of Smt. Vinita Singhania as envisaged under Section 196 of the Companies Act, 2013. Therefore, it is incorrectly mentioned in your current report that Company has failed to obtain shareholders' approval for the proposed re-appointment/ continuation of Smt. Vinita Singhania beyond the age of 70 years, as required under the applicable legal provisions. The Company has passed the Special Resolution under Section 196 of the Companies Act, 2013, <u>which includes Section 196(3) of the Companies Act, 2013 as well,</u> therefore the resolution is legally compliant.**

It is interesting to note that this observation of 'non-compliance' with respect to resolution passed in AGM held in the year 2021 was not raised by SES in its Report issued in 2021 and it was confirmed in the said Report that "Resolution is compliant with law" which was valid for 5 years during which Smt. Vinita Singhania will attain the age of 70 years. It is not clear why at this stage this observation of 'non-compliance' is raised? Please clarify and remove the observation of 'non-compliance' from your report.

4. As per Para D of Part E of Schedule II to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, **holding separate post of Chairperson and Managing Director is a discretionary requirement and in many reputed and leading listed corporates, the office of Chairperson and Managing Director (CMD) is held by single person only**. As explained at Sr. No. 1 above, the ED remuneration is neither disproportionately structured nor skewed in favour of promoters and therefore, the governance concern with respect to combined position of CMD is ill-founded.

5. The Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 allows a Company to appoint Chairperson of the Company (whether executive or non-executive) as Member of NRC but shall not chair the NRC. **In this case also, Smt. Vinita Singhania abstained when the matter regarding her remuneration & re-appointment was discussed in NRC (chaired by an ID) which was approved by all the Independent Directors forming part of the NRC to ensure that there is no conflict of interest.** Considering this material fact and as already explained at Sr. No. 1 above that remuneration is not skewed in favour of the Promoters EDs, therefore **members of NRC (Independent Directors only) who approved the appointment and remuneration of Smt. Vinita Singhania as CMD should not be held accountable for any skewness or unfairness in remuneration practice of the Company and any governance concern on this matter is also ill-founded.**

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In view of the above explanation/justification, considering the fact that the remuneration proposed for Smt. Vinita Singhania is well within the limits prescribed by the law, the remuneration paid to Promoter EDs and Non-Promoter ED is strictly as approved by the Shareholders, the Company has duly obtained the Shareholders' approval under Section 196(3) of the Companies Act, 2013 at the time of re-appointment (including for continuation of employment beyond the age of 70 years) of Smt. Vinita Singhania in the AGM held in the year 2021, holding single post of Chairperson & Managing Director is duly permitted by SEBI and there is no-conflict of interest merely because Smt. Vinita Singhania is a Member of NRC, Proxy Advisor should recommend a **Positive** voting for the resolution rather than highlighting **ill-founded governance concerns** and creating a wrong & incorrect impression amongst the investors for the remuneration proposed by the Company for Smt. Singhania as if it is beyond the limits prescribed by law. Any **Negative** recommendation of the Proxy Advisor only delays the appointment of the Promoter Director.

You are requested to acknowledge the receipt of this mail, change your voting recommendations from **AGAINST** to **FOR** on Item No. 5 of the Company's Notice dated 2nd July 2026 in light of the above explanation/justification and issue the requisite Addendum incorporating our above reply in your voting recommendations to the Shareholders and oblige.

Do let us know in case you require any further information / clarification on the above matter, and we shall be happy to provide the same on hearing from your side.

Thanks & Regards

JK LAKSHMI CEMENT LTD.

Amit Chaurasia
Company Secretary
JK Lakshmi Cement Limited
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6A, Bahadur Shah Zafar Marg, New Delhi 110 002
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From: SES Governance <sesresearch@sesgovernance.com>
Sent: 23 July 2026 18:07
To: JKLC INVESTORS <jklc.investors@jkmail.com>
Cc: info@sesgovernance.com <info@sesgovernance.com>
Subject: SES - Proxy Advisory Report - JK Lakshmi Cement Limited

Dear Sir/Madam,

SES has released its Proxy Advisory (PA) Report for the upcoming shareholders Annual General Meeting of your Company / Entity to its Clients who may be investors in your company. As a Policy, a copy of the said Report is being emailed simultaneously to you as well. Accordingly, please find attached PA Report for the upcoming shareholders Annual General Meeting of your company.

As per SES policy, our PA Reports are based on information available in public domain through authentic sources only. At SES, we rely only on information in official documents released by the concerned company in its communication to shareholders, regulators, stock exchanges and website of the Company. SES as a policy, believes that all the requisite information that is material and would enable a discerning investor to take an informed decision must be made available in official communication from Company to its shareholders. As a result, we do not seek any additional information from the company apart from what is otherwise available in public domain, as we do not wish to benefit from such additional information and information asymmetry, and want to place ourselves in the position of discerning investor(s) and experience challenges, if any, while taking a decision based on information available in the public domain alone. As a sense of duty, in our reports, we also indicate, wherever required, the gaps in information and why shareholders would not be able to make an informed decision.

Further, we wish to emphasize that while legal framework is important, at SES, good governance is what matters the most. Needless to mention, good governance is much beyond compliance.

SES, since its inception, as a practice, releases its Report to its Clients as well as the concerned Company at the same time. This practice is in line with the SEBI Circular on 'Procedural Guidelines for Proxy Advisors' dated 3rd August 2020.

However, should you have a point of view that is different despite our explanation, or wish to highlight any factual error(s) in the Report, you may email us within 48 hours of the receipt of the Report. Any comments or clarification ('response of the Company') provided by you shall be analysed by SES with due consideration and if required, we will issue an addendum providing your comment / clarification and explanation(s) by SES, if so required.

Further, SES may still respond at its option, to any comment or clarification provided by the Company to its Report post elapse of 48 hours deadline after the release, on a case to case basis taking into account the exigency of work and at the sole discretion of SES.

Additionally, if you notice any factual error (other than non-material typographical error), please inform SES immediately. As a policy SES will circulate your response so received, without any addition/ deletion and without any comments to all its clients for their attention. An addendum may also be issued for correcting errors if SES feels that same may be warranted.

You may provide your response either in form of text in the e-mail body or in a separate word or PDF document along with page numbers of SES Report. However, please avoid marking comments on the PDF of PA Report itself.

We further affirm that SES policies regarding disseminating its reports to clients and companies/ Entities adhere to the SEBI Circular.

JK LAKSHMI CEMENT LTD.

Please feel free to write back to us at info@sesgovernance.com for further queries or suggestions. In case you wish to add/ change your E Mail address, please let us know.

About SES

Stakeholders Empowerment Services (SES) is a not-for-profit Research and Proxy Advisory Firm, primarily focused on providing independent and objective research on the corporate governance practices of the listed Indian companies / Entities. Our vision is to achieve a state of Corporate Governance where all stakeholders are treated in just and fair manner. We feel that this vision can be achieved only if the stakeholders participate actively in the affairs of the company and exercise their valuable rights. We at SES, aim to play our role through our services, which enable stakeholders to effectively participate in corporate meetings and exercise their rights.

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