Proxy Advisory Report | Addendum

JK Lakshmi Cement Ltd

ABOUT SES

Stakeholders Empowerment Services (SES) is a Proxy Advisory and Corporate Governance Research Company. SES assists investors to analyze compliance and governance practices including matters relating to sustainability, prevalent at listed entities and empower investors to undertake meaningful engagement with Investee entities.

COMPANY INFORMATION	MEETING DETAILS
BSE CODE: 500380	**Meeting Type:** AGM
NSE SYMBOL: JKLAKSHMI	**Meeting mode:** Video Conference (VC) or Other Audio-Visual Means (OAVM)
ISIN: INE786A01032	**Meeting Date :** 30th July, 2026 at 02:30 PM
Industry: Cement & Cement Products	**Notice Date:** 2nd July, 2026
Email: jklc.investors@jkmail.com	**Notice :** Click here
Phone: +91 -011 6820 1862	**Annual Report :** FY 2025-26
Registered Office: Jaykaypuram, Distt. Sirohi, Rajasthan- 307 019	**SES PA Report (Last AGM):** Report
Website: https://www.jklakshmicement.com	

E-VOTING DETAILS	ADDENDUM REPORT RELEASE DATE: 27th July, 2026
e-Voting Platform: CDSL	**Research Analyst:** Shaista Gazia
Cut-off Date: 23rd July, 2026	**Conflict Disclosure:** SES - No | Analyst - No
Remote E-voting:	
• **Start**: 25th July, 2026	
• **Ends**: 29th July, 2026	

ADDENDUM

There is a change in the SES rationale on **Resolution #5** based on the Company's clarification. Shareholders may please note that there is no change in SES recommendation.

EXISTING RECOMMENDATIONS					
S. No	**Resolution**	**Type**	**SES Observation#**	**SES Rec.**	**Rationale**
5.	Re-appointment of Ms. Vinita Singhania as Chairperson and Managing Director of the Company, including remuneration.	S	~~NC~~ | GC	~~AGAINST~~	*~~Approval not sought for continuation beyond 70 years of age; Remuneration skewed in favour 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.~~*
REVISED RECOMMENDATIONS					
5.	Re-appointment of Ms. Vinita Singhania as Chairperson and Managing Director of the Company, including remuneration.	S	LC | GC	AGAINST	*Remuneration skewed in favour 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 & MD.*

S - Special Resolution; Rec. - Recommendation
 # LC - Legally Compliant, NC - Legally Non-Compliant, TC - Disclosures & Transparency Concern, GC - Governance Concern.

BACKGROUND			
Original PA report Link	Click Here	**PA Report Release Date**	23rd July, 2026
Email date received from the Company	24th and 25th July, 2026	**Company Email forwarded as SEBI Circular**	Yes

Guide to read addendum: Company's Views: (in Blue colour) & SES Reply: (in Black colour)

SES COMMENTS TO COMPANY'S RESPONSE (RELEVANT EXCERPTS)

Company's Views:

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.*

SES Reply:

With reference to Point (i) and (ii), shareholders may note that the original PA report contained above-mentioned typographical errors. Accordingly, the ratio of remuneration of Smt. Vinita Singhania to the lowest-paid Executive Director has been revised from 4.52x to 4.19x, and the sitting fee paid to Amb. Bhaswati Mukherjee has been revised from ₹ 8 Lakh to ₹ 12 Lakh.

However, w.r.t Point (iii)- SES wishes to clarify that the observation related to discrepancy in remuneration disclosure is based on the disclosures contained in the Company's Annual Reports and Annual Returns for FY 2024-25 and FY 2023-24.

As already discussed on page #8 of PA Report, the Corporate Governance Report forming part of the Annual Report does not contain a bifurcation of the sitting fees paid to each NEDs. Further, in the absence of the Annual Return disclosure, it is not possible to ascertain the sitting fees paid to each NED. Hence in order to maintain consistency in remuneration across of directors on the Board, SES had considered disclosure as per Annual Return. A similar observation was made for FY 2023-24 as well.

Shareholders may further note that, at the time of making of PA Report for AGM 2026, Annual Return for FY 2025-26 was not uploaded on the website of the Company. However, the same is now available at: weblink.

B. *Voting Recommendations:*

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.*

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 up to 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.***

SES Reply:

SES has observed past practice of skewed remuneration in the Company's remuneration structure and has also raised concern in this regard in its Report for the previous AGM – PA Report Link.

As discussed in the report that the difference of **~4.19x times** in remuneration between Mr. Arun Kumar Shukla, Professional ED and Mrs. Vinita Singhania, Promoter ED, is not justified, when their experience and expertise are taken into consideration. Refer page #19 of PA Report for detailed analysis in this regard.

Further, as per above clarification, Mr. Shrivats Singhania, Promoter ED aged 42 years is entitled to commission **at the rate of 2% or more** of the Net Profits while Dr. Arun Kumar Shukla, Professional ED aged 56 years, is entitled to commission **up to 1% Net Profits** computed under Section 198 of the Companies Act, 2013, subject to ceiling of 100% of annual salary.

Notably, during FY 2025-26, Mr. Shrivats Singhania was paid commission of ₹ 7.00 crores i.e. 1.63% of PAT for the year and Mr. Shukla was paid a commission of ₹ 0.50 crores. Clearly, while Mr. Shukla's commission is subject to certain performance indicators, which has not been disclosed for shareholders' perusal, whereas the Promoter ED Mr. Shrivats Singhania is being paid commission directly linked to the net profits of the Company.

The Company, via its email, has not provided any clarification which addresses the concern raised by SES in its report. Therefore, concern raised in this regard stands unaddressed.

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****.*

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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.***

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 pay-out 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.***

SES Reply:

The resolution seeks shareholder's approval for payment of remuneration *within the permitted limit of 10% of Net Profits allowed for all managerial personnel under Section 197 of the Companies Act, 2013*. Although the proposed limit is within the statutory framework, SES is of the view that such open-ended remuneration proposals are not reflective of good governance practices, as they make it difficult for shareholders to assess the potential pay-out in view of the uncertain nature of future profits. Further, the commission directly linked to net profits of the Company, without any absolute cap, may result in substantial remuneration with improved profitability, thereby aggravating the disparity in remuneration within the executive directors, which has been observed in the Company's remuneration practice among EDs.

Further, shareholders may refer page #18 of PA Report, which indicates that considering the peers remuneration and industry benchmark, the remuneration paid to Ms. Vinita Singhania, CMD appears to be on the higher side.

Moreover, while the primary objective of a company is value creation and profit maximization; such value should accrue equitably to all stakeholders and should not disproportionately benefit the promoters of the Company.

Hence, SES is maintaining its original stance in the matter.

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, which includes Section 196(3) of the Companies Act, 2013 as well, 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.

SES Reply:

In the AGM held for FY 2020–21, the Company had sought shareholder's approval by way of a Special Resolution for the re-appointment of Smt. Vinita Singhania. However, the Notice did not explicitly state that the Special Resolution was being sought on account of her attaining the age of 70 years. Further, a mere reference to Section 196 of the Companies Act, 2013 is not sufficient, as the section comprises multiple sub-sections governing different aspects of the appointment of a Managing Director, Whole-time Director or Manager. Accordingly, a bare reference to the relevant provision, without specific mention of what is being approved by the shareholders, does not satisfy the statutory requirement.

Furthermore, respect of the 2021 Proxy advisory report, SES did not raise any non-compliance observation as at time of shareholders' approval (AGM dated 26th August, 2021), Ms. Vinita Singhania was **69** years of age. Hence at the time of re-appointment, **the requirement to obtain shareholder's approval** via Special Resolution under Section 196(3) of the Companies Act, 2013 had not triggered, hence no concern was raised by SES.

With regard to the proposed resolution, since as on the ensuing AGM, Ms. Vinita has already attained 70 years of age and no specific approval via Special resolution, along with justification for **continuation** had been sought by the Company, SES had raised compliance concern on the proposed resolution.

However, the Company has now clarified in its response that the Special Resolution passed at the AGM for FY 2020- 21 was intended to obtain shareholder's approval in respect of the age-related requirement under Section 196(3) of the Companies Act, 2013. Considering that the Company has disclosed their intension of seeking appropriate approval as required under the Companies Act and the clarification provided above has also been uploaded on the Stock exchanges - link, **the compliance concern raised in this regard stands addressed.**

Nevertheless, the Company should ensure that for future approvals, when law requires shareholder approval under specific provision, along with requisite disclosure, the same should clearly form part of the Notice presented before the shareholders for their informed decision making.

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.*

SES Reply:

SES has analysed the Company's financial performance, remuneration structure and distribution, and overall governance practices. Based on its analysis, SES observed that the remuneration is skewed in favour of the Promoter Executive Directors. Accordingly, the separation of the roles of Chairperson and Managing Director assumes greater significance from a governance perspective.

In view of the above, SES does not propose any revision to the governance concern raised w.r.t the combined position of Chairperson and Managing Director.

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***.

SES Reply:

SES, in accordance with its policy, holds the Nomination and Remuneration Committee accountable for ensuring that the Company's Board remuneration framework is fair.

In the present case, SES observed that the remuneration structure is skewed in favour of the Promoter Executive Directors. As Smt. Vinita Singhania is a member of the Nomination and Remuneration Committee, the Committee bears responsibility for overseeing and recommending the remuneration framework.

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Accordingly, although Ms. Vinita abstained from NRC meeting when her remuneration was considered, SES is maintaining its original stance on her re-appointment due to her failure to ensure fair remuneration practice as NRC member.

Company's Email dated 25th July, 2026:

In continuation of our trail mail and regarding your observation that skewed remuneration practice towards Promoters, we invite your attention to the following data of reputed and well-established listed entities extracted from their Annual Reports where the ratio of highest paid Promoter Executive Director (PD) vis-à-vis lowest paid Non-PD (Professional) is much higher compared to JK Lakshmi Cement Ltd:

DATA OF MANAGERIAL REMUNERATION OF OTHER COMPANIES - F.Y 2025-26 - PROMOTER DIRECTORS (PD)/PROFESSIONAL DIRECTORS (NPD)

Sr. No.	Company Name	Name of Executive Directors	Category	Total	Ratio of remuneration of PDs to NPDs (A/B)	Ratio of remuneration of Highest Paid PD to Lowest Paid ED
1	DCM Shriram Ltd.	Mr. Ajay S. Shriram (Chairman & Senior MD)	PD	17.79	29.88	9.41
		Mr. Vikram S. Shriram (MD)	PD	17.76		
		Mr. Ajit S. Shriram (MD)	PD	16.21		
		Mr. Aditya A. Shriram (MD)	PD	4.72		
		Sub Total (A)		56.48		
		Mr. Krishan Kumar Sharma (ED)	NPD	1.89		
		Sub Total (B)		1.89		
2	Raymond Limited	Mr. Gautam Hari Singhania, ED (Chairman & MD)	PD	3.86	13.31	13.31
		Sub Total (A)		3.86		
		Mr. Harmohan Sahni (MD)	NPD	0.29		
		Sub Total (B)		0.29		
3	SRF Limited	Mr. Ashish Bharat Ram, Chairperson & MD	PD	22.37	153.03	72.16
		Mr. Kartik Bharat Ram, MD	PD	22.37		
		Sub- Total (A)		47.44		
		Mr. Pramod Gopaldas Gujarathi, ED	NPD	0.31		
		Sub-Total (B)		0.31		
4	Hero Motocorp Limited	Dr. Pawan Munjal, Chairperson & MD	PD	122.31	7.00	7.00
		Sub-Total (A)		122.31		
		Mr. Vikram Sitaram Kasbekar, ED	NPD	17.47		
		Sub-Total (B)		17.47		

In our case, the payment of remuneration to Smt. Vinita Singhania, Chairperson & Managing Director (CMD), Mr. Shrivats Singhania, Dy. Managing Director (DMD) and Dr. Arun Kumar Shukla, President & Director (P&D) has been done strictly in accordance with the terms of their appointment already approved by the Shareholders in the AGMs held in 2021 and 2025. Generally, higher difference in payment of remuneration between PD vis-à-vis Non-PD who is a Professional is attributable to the following reasons:

1. *P&L Responsibility vs Operational Execution: PD leads enterprise-wide capital allocation, overall corporate strategy, brand vision, ESG goals, and stakeholder relations whereas a Non-PD/Professional ED leads functional execution and business performance.*
2. *Variable / Profit-Linked Component: Difference in rates of Profits based Commission which directly aligns executive compensation with company earnings and shareholder wealth creation.*

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3. *Strategic Leadership vs. Operational Scope: PD carries total strategic ownership, overarching leadership, capital deployment responsibility, and strategic direction across the company and its subsidiaries whereas Non-PD/Professional ED focuses primarily on operational execution, business unit growth, plant operations, and immediate operational strategy. The differentiation reflects the contrast between ultimate corporate oversight vs. functional management.*

4. *Strategic Legacy, Experience, and Brand Value: PDs with multiple decades of industry leadership experience like our CMD, steered the Company through multiple economic cycles, undertake major expansion programs, have vision for strategic acquisitions, and sustainability transitions. Under her leadership, the company consistently delivered sustainable growth, expanded production capacities, and enhanced long-term equity value for all stakeholders.*

All the above factors justify payment of remuneration to CMD ~ 4.52 times of Dr. Arun Kumar Shukla and it is once again reiterated that there is no skewed remuneration practice towards Promoters. Further, in any case, the overall managerial remuneration paid to all managerial personnel remains well within the statutory ceilings prescribed under Section 197 of the Companies Act, 2013. A comparative analysis as mentioned above indicates that in case of JK Lakshmi Cement Ltd., ratio of CMD's remuneration vis-à-vis P&D remuneration is well below the industry benchmarks for leadership of reputed listed entities.

SES Reply:

Taking into consideration the points stated by the Company, SES wishes to clarify that its approach with regard to remuneration analysis has remained consistent across all companies. In every instance where a material disparity in director's remuneration has been observed, including in the companies cited by the Company, SES has raised governance concerns and encouraged shareholders to seek appropriate justification for such remuneration practices and the concern raised by SES get addressed.

Accordingly, SES does not propose any revision to the governance concern regarding the skewed remuneration structure in favour of the Promoter Executive Directors.

Conclusion: In view of the above, there is **no change is SES recommendation** on **resolution #5**.

NONETHELESS, SHAREHOLDERS MAY TAKE NOTE OF THE COMPANY'S CLARIFICATION, SES COMMENTS THEREON AND TAKE A VOTING DECISION ACCORDINGLY.

COMPANY RESPONSE (FULL VERBATIM)

EMAIL DATED: 24TH JULY, 2026

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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.

Company's Response to the parawise concerns of SES:

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, <u>remuneration is not skewed in favour of the Promoters EDs</u> and therefore the question of disclosure in support of such alleged skewed remuneration does not arise all.

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 <u>within the permitted limit of 10% of Net Profits allowed for all managerial personnel under Section 197 of the Companies Act, 2013</u>.

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 <u>is restricted</u> 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.

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.

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.

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.

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.

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.

*****

EMAIL DATED: 25TH JULY, 2026

Dear SES Team,

In continuation of our trail mail and regarding your observation that skewed remuneration practice towards Promoters, we invite your attention to the following data of reputed and well-established listed entities extracted from their Annual Reports where the ratio of highest paid Promoter Executive Director (PD) vis-à-vis lowest paid Non-PD (Professional) is much higher compared to JK Lakshmi Cement Ltd:

DATA OF MANAGERIAL REMUNERATION OF OTHER COMPANIES - F.Y 2025-26 - PROMOTER DIRECTORS (PD)/PROFESSIONAL DIRECTORS (NPD)

Sr. No.	Company Name	Name of Executive Directors	Category	Total	Ratio of remuneration of PDs to NPDs (A/B)	Ratio of remuneration of Highest Paid PD to Lowest Paid ED
1	DCM Shriram Ltd.	Mr. Ajay S. Shriram (Chairman & Senior MD)	PD	17.79	29.88	9.41
		Mr. Vikram S. Shriram (MD)	PD	17.76		
		Mr. Ajit S. Shriram (MD)	PD	16.21		
		Mr. Aditya A. Shriram (MD)	PD	4.72		
		Sub Total (A)		56.48		
		Mr. Krishan Kumar Sharma (ED)	NPD	1.89		
		Sub Total (B)		1.89		
2	Raymond Limited	Mr. Gautam Hari Singhania, ED (Chairman & MD)	PD	3.86	13.31	13.31
		Sub Total (A)		3.86		
		Mr. Harmohan Sahni (MD)	NPD	0.29		
		Sub Total (B)		0.29		
3	SRF Limited	Mr. Ashish Bharat Ram, Chairperson & MD	PD	22.37	153.03	72.16
		Mr. Kartik Bharat Ram, MD	PD	22.37		
		Sub- Total (A)		47.44		
		Mr. Pramod Gopaldas Gujarathi, ED	NPD	0.31		
		Sub-Total (B)		0.31		
4	Hero Motocorp Limited	Dr. Pawan Munjal, Chairperson & MD	PD	122.31	7.00	7.00
		Sub-Total (A)		122.31		
		Mr. Vikram Sitaram Kasbekar, ED	NPD	17.47		
		Sub-Total (B)		17.47		

In our case, the payment of remuneration to Smt. Vinita Singhania, Chairperson & Managing Director (CMD), Mr. Shrivats Singhania, Dy. Managing Director (DMD) and Dr. Arun Kumar Shukla, President & Director (P&D) has been done strictly in accordance with the terms of their appointment already approved by the Shareholders in the AGMs held in 2021 and 2025. Generally, higher difference in payment of remuneration between PD vis-à-vis Non-PD who is a Professional is attributable to the following reasons:

5. *P&L Responsibility vs Operational Execution: PD leads enterprise-wide capital allocation, overall corporate strategy, brand vision, ESG goals, and stakeholder relations whereas a Non-PD/Professional ED leads functional execution and business performance.*
6. *Variable / Profit-Linked Component: Difference in rates of Profits based Commission which directly aligns executive compensation with company earnings and shareholder wealth creation.*
7. *Strategic Leadership vs. Operational Scope: PD carries total strategic ownership, overarching leadership, capital deployment responsibility, and strategic direction across the company and its subsidiaries whereas Non-PD/Professional ED focuses primarily on operational execution, business unit growth, plant operations, and immediate operational strategy. The differentiation reflects the contrast between ultimate corporate oversight vs. functional management.*
8. *Strategic Legacy, Experience, and Brand Value: PDs with multiple decades of industry leadership experience like our CMD, steered the Company through multiple economic cycles, undertake major expansion programs, have vision for strategic acquisitions, and sustainability transitions. Under her leadership, the company consistently delivered sustainable growth, expanded production capacities, and enhanced long-term equity value for all stakeholders.*

All the above factors justify payment of remuneration to CMD ~ 4.52 times of Dr. Arun Kumar Shukla and it is once again reiterated that <u>there is no skewed remuneration practice towards Promoters</u>. <u>Further, in any case, the overall managerial remuneration paid to all managerial personnel remains well within the statutory ceilings prescribed under Section 197 of the Companies Act, 2013</u>. A comparative analysis as mentioned above indicates that in case of JK Lakshmi Cement Ltd., ratio of CMD's remuneration vis-à-vis P&D remuneration is <u>well below the industry benchmarks for leadership of reputed listed entities</u>.

Please incorporate our above representation/justification in your Addendum to be issued to your Report and revise the voting recommendation from AGAINST to FOR and oblige.

Best Regards,

Disclaimer

Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its website. The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

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All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: *The Company has not met statutory compliance requirements*

FC – Fairness Concern: *The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders*

GC – Governance Concern: *SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.*

TC - Disclosures & Transparency Concern: *The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.*

Company Information

Stakeholders Empowerment Services

SEBI Reg. No. INH000000016
CIN No. - U74120MH2012NPL232154

Contact Information

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Warning

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.