



(CIN : L74999RJ1938PLC019511)

Regd. Office: Jaykaypuram - 307 019, District Sirohi, Rajasthan

Administrative Office: Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi -110 002

Phone: 91-11-30179860-861

E-mail : jklc.investors@jkmil.com, Website : www.jklakshmicement.com

Postal Ballot Notice

(Pursuant to Section 110 of the Companies Act, 2013)

Dear Member(s),

Notice is hereby given that pursuant to the provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration Rules), 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and any other applicable laws and regulations, the Resolutions appended below are proposed to be passed by the Members as Special Resolutions by way of postal ballot / electronic voting (e-voting). The Statement pertaining to these Resolutions setting out the material facts thereof is annexed hereto along with a Postal Ballot Form for your consideration and voting.

The Members are requested to carefully read the instructions printed in the Notice and on the Postal Ballot Form and follow the same for voting.

Special Business

1. To consider and if thought fit to pass, the following as a **Special Resolution**:

“**RESOLVED** that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) read with Schedule V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the recommendation of Board and Nomination and Remuneration Committee of Directors of the Company and in pursuance of the Special Resolution no. 11 passed by the Members at the 76th Annual General Meeting of the Company held on 7th September 2016 (“**76th AGM**”), consent of the Members of the Company be and is hereby accorded to ratify and confirm the waiver of the recovery of ₹1.99 Crore being a part of the Minimum Remuneration paid to **Shri Bharat Hari Singhania (DIN: 00041156)**, Chairman & Managing Director of the Company during the Financial Year 2017-18, as per the terms of his appointment and remuneration approved by the Members by means of Special Resolution at the 76th AGM which is within the overall limits approved by them but which exceeded the limits specified under Section 197 read with Schedule V of the Act to the extent as aforesaid, due to inadequacy of profits in the said Financial Year; and to the consequential retention thereof by him.

RESOLVED FURTHER that the Board of Directors of the Company or a Committee thereof be and are hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution.”

2. To consider and if thought fit to pass, the following as a **Special Resolution**:

“**RESOLVED** that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) read with Schedule V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and

Remuneration of Managerial Personnel) Rules 2014, the recommendations of Board and Nomination and Remuneration Committee of Directors of the Company and in pursuance of the Special Resolution no. 12 passed by the Members at the 76th Annual General Meeting of the Company held on 7th September 2016 (“76th AGM”), consent of the Members of the Company be and is hereby accorded to ratify and confirm the waiver of the recovery of ₹ 2.12 Crore being a part of the Minimum Remuneration paid to **Smt. Vinita Singhania (DIN: 00042983)**, Vice Chairman & Managing Director of the Company during the Financial Year 2016-17, as per the terms of her appointment and remuneration approved by the Members by means of Special Resolution at the 76th AGM which is within the overall limits approved by them, but which exceeded the limits specified under Section 197 read with Schedule V of the Act to the extent as aforesaid, due to inadequacy of profits in the said Financial Year; and to the consequential retention thereof by her.

RESOLVED FURTHER that the Board of Directors of the Company or a Committee thereof be and are hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution.”

3. To consider and if thought fit to pass, the following as a **Special Resolution**:

“**RESOLVED** that pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) read with Schedule V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the recommendations of Board and Nomination and Remuneration Committee of Directors of the Company and in pursuance of the Special Resolution no. 12 passed by the Members at the 76th Annual General Meeting of the Company held on 7th September 2016 (“76th AGM”), consent of the Members of the Company be and is hereby accorded to ratify and confirm the waiver of the recovery of ₹ 2.11 Crore being a part of the Minimum Remuneration paid to **Smt. Vinita Singhania (DIN: 00042983)**, Vice Chairman & Managing Director of the Company during the Financial Year 2017-18, as per the terms of her appointment and remuneration approved by the Members by means of Special Resolution at the 76th AGM which is within the overall limits approved by them, but which exceeded the limits specified under Section 197 read with Schedule V of the Act to the extent as aforesaid, due to inadequacy of profits in the said Financial Year; and to the consequential retention thereof by her.

RESOLVED FURTHER that the Board of Directors of the Company or a Committee thereof be and are hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the aforesaid Resolution.”

4. To consider and if thought fit to pass, the following as a **Special Resolution**:

“**RESOLVED** that pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) and Schedule V thereto and the Rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and in furtherance of the Special Resolution no. 11 passed in the 76th Annual General Meeting held on 7th September 2016 (“76th AGM”) and pursuant to the recommendations of Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded by way of renewal to payment of remuneration to **Shri Bharat Hari Singhania (DIN: 00041156)**, Chairman & Managing Director of the Company during the period commencing on 1st April 2018 and ending on 30th September 2021, on the terms of his appointment and remuneration approved by the Members by means of Special Resolution at the 76th AGM and as set out in the Statement annexed hereto; which is within the remuneration structure and overall limits approved by them at the above AGM and which in any financial year(s) may exceed 5% of

the net profits of the Company subject to the overall limits for all managerial persons specified in Section 197(1) read with other relevant provisions of the said Act, and in the event of inadequacy or absence of profits in any financial year during the above period(s), the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits, as already approved by the Members at above AGM, be paid as minimum remuneration to the said Managing Director, subject to approval, if any, required under the said Act.

RESOLVED FURTHER that the Board of Directors of the Company or a Committee thereof be and is hereby authorised to vary and/or revise the remuneration of the said Managing Director within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto.”

5. To consider and if thought fit to pass, the following as a **Special Resolution**:

“**RESOLVED** that pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”) and Schedule V thereto and the Rules made thereunder and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and in furtherance of the Special Resolution no. 12 passed in the 76th Annual General Meeting held on 7th September 2016 (“**76th AGM**”) and pursuant to the recommendations of Nomination and Remuneration Committee of Directors and the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded by way of renewal to payment of remuneration to **Smt. Vinita Singhania (DIN: 00042983)**, Vice Chairman & Managing Director of the Company during the period commencing on 1st April 2018 and ending on 31st July 2021, on the terms of her appointment and remuneration approved by the Members by means of Special Resolution at the 76th AGM and as set out in the Statement annexed hereto; which is within the remuneration structure and overall limits approved by them at the above AGM and which in any financial year(s) may exceed 5% of the net profits of the Company subject to the overall limits for all managerial persons specified in Section 197(1) read with other relevant provisions of the said Act, and in the event of inadequacy or absence of profits in any financial year during the above period(s), the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits, as already approved by the Members at above AGM, be paid as minimum remuneration to the said Managing Director, subject to approval, if any, required under the said Act.

RESOLVED FURTHER that the Board of Directors of the Company or a Committee thereof be and is hereby authorised to vary and/or revise the remuneration of the said Managing Director within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto.”

By Order of the Board

B.K. Daga

Sr. Vice President &
Company Secretary

Date: 14th November 2018

Place: New Delhi

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 (Act) setting out material facts concerning Item Nos. 1 to 5 of the Notice, is annexed hereto.
2. The Company has appointed Shri Ronak Jhuthawat (Certificate of Practice No. - 12094) of M/s. Ronak Jhuthawat & Co., (Company Secretary in practice), as the Scrutinizer for conducting the Postal Ballot / E-voting in a fair and transparent manner.
3. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be available for inspection at the Registered Office/Administrative

Office of the Company during normal business hours (between 11.00 A.M. to 1.00 P.M.) on all working days upto and including the date of declaration of the results of Postal Ballot.

4. The Postal Ballot Notice is being sent to all the Members/ Beneficiaries, whose names appear in the Register of Members/ List of Beneficial Owners received from the Depositories as on Friday, 9th November 2018 ("Cut-off Date"). Voting rights of the Members shall be in proportion to their Shares of the paid up Equity Share Capital of the Company as on that Date and any person who is not a Member as on that date should treat this Notice for information purposes only.
5. In furtherance of the Go Green Initiative of the Government, Postal Ballot Notice is being sent electronically to all the Members whose email addresses are registered/ available with the Company/Depository Participants and to all other Members through other permitted mode. The said Notice will also be available on the website of the Company i.e. www.jklakshmicement.com, on the website of Stock Exchanges where shares of the Company are listed i.e., www.bseindia.com and www.nseindia.com and on the website of Central Depository Services (India) Limited (CDSL) i.e. www.evotingindia.com. Physical copies will be sent on request by any such Member.
6. In compliance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company is pleased to offer Members, facility to exercise their right to vote on the matters included in this Postal Ballot Notice by electronic means i.e. through remote e-voting service provided by CDSL (e-voting), instead of dispatching postal ballot forms. E-voting is optional for Members.
7. Please note that Members cannot vote both by post and e-voting and in case of voting by both the modes, voting through postal ballot form shall be treated as invalid. Once the vote on a Resolution is cast by the Members, they shall not be allowed to change it subsequently.
8. Members who have been sent this Notice electronically and who do not wish to avail e-voting facility or Member holding shares as on the said Cut-off date and who have not received Postal Ballot Notice and Form may send a request to MCS Share Transfer Agent Ltd., the Registrar & Share Transfer Agent of the Company, at the email id- admin@mcsregistrars.com, for obtaining the Postal Ballot Notice and Postal Ballot Form in Physical Form.
9. There will be one Postal Ballot Form/E-voting for every Folio/Client ID irrespective of the number of joint holders.
10. Voting Rights in the Postal Ballot cannot be exercised by a proxy.
11. The Scrutinizer will submit his Report as soon as possible after the last date of receipt of postal ballot forms/e-voting i.e. Tuesday, 15th January 2019 but not later than Thursday, 17th January 2019.
12. The Scrutinizer's decision on the validity of a Postal Ballot/E-voting will be final.
13. The Chairman/ any other person authorized by him will declare/announce the result of the postal ballot/e-voting at the Administrative Office of the Company on or before Thursday, 17th January 2019, before close of business hours. The Resolution(s) of postal ballot shall be deemed to have been passed on Tuesday, 15th January 2019, being the last date for receipt of duly completed postal ballot forms and e-voting.
14. The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company at www.jklakshmicement.com and on the evoting website of CDSL at www.evotingindia.com and communicated to the Stock Exchanges where shares of the Company

are listed i.e., www.bseindia.com and www.nseindia.com. The results of the voting of postal ballot will also be displayed on the Notice Board at the Registered Office and the Administrative Office of the Company.

15. Procedure for Members opting for voting through Electronic Mode

The instructions for Members voting through Electronic Mode are as under:

- (I) The voting period begins on 17th December 2018 from 10.00 A.M. and ends on 15th January 2019 at 5.00 P.M. During this period Members of the Company, holding Equity Shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, 9th November 2018 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members should log on to the e-voting website www.evotingindia.com.
- (iii) Click on “Shareholders/Members tab”.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the character displayed on the image verification and click on Login.
- (vi) Member holding shares in demat form and had logged on to www.evotingindia.com and voted earlier for any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Members holding shares in Demat Form and Physical Form)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in Capital Letters followed by 8 digits of the sequence number in the PAN field. The sequence number is printed on the Address Slip on the envelope or email text as the case may be. • In case the sequence number is less than 8 digits, enter the applicable number of 0's before the sequence number and after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar and sequence number is 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's records in order to login.</p> <p>If both the details are not recorded with the depository or Company, please enter the Member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- (viii) After entering these details appropriately, click on “SUBMIT” tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (xi) Click on the EVSN relevant for JK Lakshmi Cement Limited.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Members can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note for Non - Individual Members and Custodians**
- * Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - * A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - * After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - * The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

* A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section. The contact details of official responsible to address grievances connected with remote e-voting are Shri Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compound, N M Joshi Marg, Lower Parel (E), Mumbai – 400013; Phone No. 1800225533 or write an e-mail to helpdesk.evoting@cdslindia.com.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 1 to 5

- (1) As the Members are aware, Shri Bharat Hari Singhania, Chairman & Managing Director and Smt. Vinita Singhania, Vice Chairman & Managing Director were re-appointed as Managing Directors of the Company for a period of five years each with effect from 1st October 2016 & 1st August 2016 respectively, by means of Special Resolutions passed by the Members at the 76th Annual General Meeting of the Company held on 7th September 2016 (76th AGM).
- (2) The Terms of their remuneration approved by the Members at the 76th AGM *inter alia* included payment of “Minimum Remuneration” to the said Managing Directors in the event of inadequacy or absence of profits, in any financial year or years during the currency of their tenure, comprising basic salary, performance linked incentive, contribution to Provident and other funds, perquisites, allowances and benefits etc., as under, subject to requisite approvals under the Act :

Shri Bharat Hari Singhania, Chairman & Managing Director

Remuneration :

A. Salary :

₹ 32 lacs per month with such increments as may be decided by the Board from time to time in the salary range of ₹ 25 lacs to ₹ 55 lacs per month.

B. Perquisites, allowances and benefits : Free furnished residential accommodation or house rent allowance in lieu thereto together with furnishings, with gas, electricity, water and other amenities, car(s) with driver(s), reimbursement of medical expenses incurred in India or abroad including hospitalization and surgical charges for self and family and travel relating thereto; and other perquisites, allowances and benefits including but not restricted to reimbursement of expenses on servants, telephones, leave travel including foreign travel for self and family, fees of clubs, personal accident insurance, etc. and any other perquisites, allowances and benefits as may be sanctioned by the Board from time to time. The perquisites shall be evaluated as per actual cost or the Income-tax Rules, as applicable.

C. Performance linked incentive, as may be decided by the Board from time to time.

D. Commission : 2% of the net profits computed under Section 198 of the Companies Act, 2013 or more as may be decided by the Board from time to time.

The term “Board” as mentioned above shall include any Committee of Directors authorised by the Board.

- E. Contribution to Provident Fund or any other Funds as per rules of the Company.
- F. Gratuity at the rate of 15 days salary for each completed year of service.
- G. Encashment of unavailed leave.
- H. The Board may, from time to time, increase, modify, vary or alter the salary (including salary range), perquisites, allowances, Performance Linked Incentive and other benefits subject to the overall ceiling prescribed under the Companies Act, 2013, or any statutory modifications thereto or re-enactments thereof.
- I. In the event of inadequacy or absence of profits under Sections 197, 198 and other applicable provisions of the Companies Act, 2013 in any Financial Year or years, the Managing Director shall be entitled to such remuneration as he may be then drawing, as specified in paras A, B & C above, as minimum remuneration and be also entitled to perquisites mentioned in paras E, F and G above which shall not be included in the computation of the ceiling on minimum remuneration in terms of provisions of Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modifications thereto or re-enactments thereof.

Shri Bharat Hari Singhania, Chairman & Managing Director of the Company is also Managing Director of JK Tyre and Industries Limited (JKTIL). In terms of Section V of Part II of Schedule V to the Companies Act, 2013, Shri Bharat Hari Singhania is entitled to and may draw remuneration from the Company or JKTIL or both the companies, provided that the total remuneration drawn from the companies does not exceed the higher maximum limit admissible from any one of the said companies.

Smt. Vinita Singhania, Vice Chairman & Managing Director

Remuneration :

A. Salary :

₹ 31 lacs per month with such increments as may be decided by the Board from time to time in the salary range of ₹ 25 lacs to ₹ 55 lacs per month.

- B. Perquisites, allowances and benefits : Free furnished residential accommodation or house rent allowance in lieu thereto together with furnishings, with gas, electricity, water and other amenities, car(s) with driver(s), reimbursement of medical expenses incurred in India or abroad including hospitalization and surgical charges for self and family and travel relating thereto; and other perquisites, allowances and benefits including but not restricted to reimbursement of expenses on servants, telephones, leave travel including foreign travel for self and family, fees of clubs, personal accident insurance, etc. and any other perquisites, allowances and benefits as may be sanctioned by the Board from time to time. The perquisites shall be evaluated as per actual cost or the Income-tax Rules, as applicable.
- C. Performance linked incentive, as may be decided by the Board from time to time.
- D. Commission : 2% of the net profits computed under Section 198 of the Companies Act, 2013 or more as may be decided by the Board from time to time.

The term "Board" as mentioned above shall include any Committee of Directors authorised by the Board.

- E. Contribution to Provident Fund and Superannuation Fund or Annuity Fund as per rules of the Company.
- F. Gratuity at the rate of 15 days salary for each completed year of service.
- G. Encashment of unavailed leave.
- H. The Board may, from time to time, increase, modify, vary or alter the salary (including salary range), perquisites, allowances, Performance Linked Incentive and other benefits subject to the overall ceiling prescribed under the Companies Act, 2013, or any statutory modifications thereto or re-enactments thereof.
- I. In the event of inadequacy or absence of profits under Sections 197, 198 and other applicable provisions of the Companies Act, 2013 in any Financial Year or years, the Managing Director shall be entitled to such remuneration as she may be then drawing, as specified in paras A, B & C above, as minimum remuneration and be also entitled to perquisites mentioned in paras E, F and G above which shall not be included in the computation of the ceiling on minimum remuneration in terms of provisions of Section II of Part II of Schedule V to the Companies Act, 2013 or any statutory modifications thereto or re-enactments thereof.

(3) As the Members are aware, the Company had been making consistent and adequate profits upto the Financial Year 2014-15. However, there was a drop in the profitability in subsequent years for reasons beyond the control of the Company as explained hereinafter. As a result, the Company had inadequate profits for the Financial Years 2016-17 and 2017-18 for the purpose of payment of Managerial Remuneration to the Managing Directors. While the Company continued to make payment of dividends to the Members, no increments were given to the Managing Directors subsequent to their re-appointments in the year 2016. The Company had to therefore pay Minimum Remuneration to them, within the limits as approved by the Members at the 76th AGM, which exceeded the limits specified under Section 197 of the Companies Act, 2013 (Act) read with Schedule V thereto. Further, the Company sought requisite approval of the Central Government, Ministry of Corporate Affairs (MCA) to such payment of Minimum Remuneration to the Managing Directors for above Financial Years. The Company's Applications to MCA in respect of Smt. Vinita Singhania (for the Financial Years 2016-17 & 2017-18) and Shri Bharat Hari Singhania (for the Financial Year 2017-18) remained pending MCA approval as on 12th September 2018.

Meanwhile, MCA vide its Notification dated 12th September 2018, notified the relevant provisions of the Companies (Amendment) Act, 2017 and Schedule V thereto. Pursuant to Section 197(17) of the said Act, as so amended, the Company's aforesaid Applications pending with MCA, stands abated and the Company is required to obtain the approval of the Members by means of Special Resolution for waiver of recovery of the excess Remuneration paid to the Managing Directors as mentioned in the Resolutions at S. Nos. 1 to 3 of the Notice.

(4) Pursuant to the amended provisions of Section 197 (3) of the Act read with Schedule V thereto, if in any Financial Year, the Company has no profits or its profits are inadequate, it can pay remuneration to its Managing Directors in accordance with the provisions of Schedule V to the Act i.e. not exceeding the limits specified under Item (A) of Section II of Part II of the said Schedule: provided that the remuneration in excess of above limits may be paid if the resolution passed by the Members is a Special Resolution.

Based on Financial Results of the Company as on the half-year ended 30th September 2018 and other relevant factors including prevailing market conditions, the Company may not have adequacy of Profits in the Financial Year 2018-19 ending 31st March 2019, to pay (Minimum)

Remuneration to Managing Directors, as was approved by the Members at the time of their respective appointments at the 76th AGM. It is therefore considered desirable to obtain fresh approval of Members by way of Special Resolutions for payment of minimum remuneration to the said Managing Directors for FY 2018-19, in case the Company has inadequacy of Profits for that year.

Further, the Special Resolutions earlier passed by the Members at the 76th AGM for re-appointments of the Managing Directors, for a period of five years each, specified that “in the event of inadequacy or absence of profits under Sections 197 and 198 of the said Act in any financial year or years, the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits, as approved herein be paid as minimum remuneration to the said Managing Director for a period not exceeding three years in the aggregate subject to requisite approvals under the said Act.”

In view of the above, it is also proposed to obtain fresh approval of the Members by way of renewal through Special Resolutions as mentioned at serial nos. 4 & 5 of the Notice to the terms of remuneration payable to Shri Bharat Hari Singhania and Smt. Vinita Singhania for the Financial Year 2018-19 commencing 1st April 2018 and ending on 31st March 2019 and for the remaining period of their respective tenures i.e., up to 30th September 2021 and 31st July 2021 respectively, which shall be in accordance with and within the remuneration structure and overall limits of managerial remuneration already approved by the Members at the aforesaid 76th AGM as mentioned in the Para 2 hereinabove.

(5) The Nomination and Remuneration Committee and Board of Directors of the Company at their respective Meetings held on 14th November 2018 have *inter alia* recommended above Resolutions for approval of the Members by means of Special Resolutions.

(6) In terms of Schedule V to the Companies Act, 2013, the relevant details are as under:

I. General Information:

1. Nature of Industry: Cement.
2. Date or expected date of commencement of commercial production: The JK Lakshmi Cement plant of the Company was commissioned in the year 1982.
3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.
4. Financial Performance based on given indicators:

Particulars for the Financial Year ended 31 st March 2018	₹ in Crore
Net Sales and Other Income	3582.29
Operating Profit (Before Interest, Depreciation and Tax) (PBIDT)	479.46
Profit Before Depreciation & Tax (PBDT)	281.98
Profit Before Tax (PBT)	102.71
Profit After Tax (PAT)	83.96

5. Foreign investments or collaborations, if any: Not Applicable

II. Information about the Appointees:

(1) Background details

- (a) Shri Bharat Hari Singhania, aged 80 years is President of J K Organisation, an Industrial Group founded over 100 years ago. He is an industrialist with over 61 years of experience in managing various industries including Cement, Automotive Tyres, Paper, Jute, Synthetics, high yielding Hybrid Seeds etc. Shri Singhania one of the Promoters, has been Managing Director of the Company since 1994 and elevated to the position of Chairman in 2013. Shri Singhania has also been Chairman/Director of several Industrial and other Companies. He is the past President of the Indian Chamber of Commerce and Chairman of Indian Jute Mills Association. He also headed the Indian Jute Industries Research Association and has served on various government committees and participated on various overseas delegations. He is simultaneously Managing Director of JK Tyre & Industries Limited.

He attended all the four Board Meetings of the Company held during the Financial Year ended 31st March 2018. He holds 1,27,970 Equity Shares of ₹ 5/- each of the Company.

His other Directorships are- (A) Listed Companies- He is the Chairman of JK Paper Limited, JK Agri Genetics Limited, Bengal & Assam Company Limited and Managing Director of JK Tyre & Industries Limited (B) Unlisted Companies - Dhanlakshmi Building Development Private Limited, Henry F. Cockill & Sons Limited, Rockwood Properties Private Limited, Tanvi Commercial Private Limited, Hari Shankar Singhania Holdings Private Limited, HSS Stock Holdings Private Limited. He is Member of Managing Committee of Pushpawati Singhania Hospital & Research Institute and Chancellor of JK Lakshmi Pat University, Jaipur.

Shri Bharat Hari Singhania, is also a Member of the Company's Stakeholders Relationship Committee and Nomination & Remuneration Committee. He does not hold any Committee position in other companies.

- (b) Smt. Vinita Singhania, a businesswoman and an industrialist, aged 66 years, has diversified and rich business experience. She has long experience of managing cement business. Vested with substantial powers of management under the superintendence, control and direction of the Board of Directors and the Chairman of the Company, Smt. Singhania, Vice-Chairman & Managing Director, looks after planning, coordination and overall operations of the Company, interaction with associations of the cement industry and HRD function of the Company. She has been instrumental in shaping the HR culture of the Company.

Smt. Vinita Singhania, has been the Managing Director of the Company since 2001 and was elevated to the position of Vice Chairman & Managing Director in 2013. She attended all the four Board Meetings of the Company held during the Financial Year ended 31st March 2018. She holds 88,758 Equity Shares of ₹ 5/- each of the Company.

Her other Directorships are- (A) Listed Companies- JK Paper Limited, HEG Limited, Bengal & Assam Company Limited and she is the Chairperson of Udaipur Cement Works Limited. (B) Unlisted Companies - Dhanlakshmi Building Development Private Limited, JKLC Employees Welfare Association Limited, Niyojit Properties Private Limited, Vinita Stock Holdings Private Limited and Hari Shankar Singhania Holdings Private Limited.

Smt. Vinita Singhania is also the Chairperson of Company's CSR Committee and Member of CSR Committee of HEG Limited and Nomination & Remuneration Committee of Udaipur Cement Works Limited.

Smt. Vinita Singhania has the distinction of being the first woman President of Cement Manufacturers Association (CMA) as well as National Council for Cement and Building

Materials (NCBM). She was elected unanimously as the President CMA in October 2009. Contributions made by Smt. Vinita Singhania, have also been recognized by various awards: She has been conferred with 'Woman of the Year' by Uday India; Construction Woman of the year 2016 by Construction Times and Most Powerful Woman of the Year by India Today. She was also honored with ET NOW CSR Leadership 'Lifetime Achievement Award.'

- (2) Past Remuneration : Details given at Para 2 hereinabove.
- (3) Recognition or awards : The Company has won several prestigious awards in the fields of Environment, Safety and Energy etc. during the Current Year including: One of India's Top 10 Best Workplace in Manufacturing, 2018 from Great Place to Work Institute, India; International Safety Award-2017 for Demonstrating a strong commitment to good health and safety Management during 2016; IEI Safety Innovation Award - 2017 for Implementing Innovative Safety Management System; CCQC - 2017 Gold Medal for Quality Circle from Rajsamand Chapter Convention on Quality Circle, Udaipur; IBM 5 Star Rating Award 2017 for Sustainable Mining; National Safety Award - 2016 for Safety Performance; QCFI - National Energy Excellence Award- 2018 - 2nd Prize for Energy Excellence; QCFI - National Water Excellence Award - 2018 - 2nd Prize for Water Excellence; QCFI - National Safety Excellence Award - 2018 for Safety Excellence; CII "Energy Efficient Unit" Award- 2018 for Energy Excellence; CII "Energy Efficient Unit" Award - 2017 for Excellence in Energy Management; National Safety Award - 2016 (Runner-Up) for Safety from Directorate General Factory Advice Services and Labour Institute (Ministry of Labour and Employment - Govt. of India); The Safety Innovation Award - 2018 for Safety from The Institution of Engineers (India); Rajasthan Government CSR Excellence Award 2018 in the Health Care Category for CSR Excellence.
- (4) Job Profile and their suitability :

Shri Bharat Hari Singhania, Chairman & Managing Director of the Company is entrusted with substantial powers of management of the affairs of the Company under the superintendence, control and direction of the Board of Directors. He has been responsible for policy planning, vision and strategy and also involved in long term development activities of the Company, besides Corporate Governance and Board co-ordination. He has long experience of managing industrial and other companies.

Smt. Vinita Singhania, Vice Chairman & Managing Director of the Company is entrusted with substantial powers of management of the affairs of the Company under the superintendence, control and direction of the Board of Directors. She has a very good and rich experience of managing cement business and looks after planning, coordination and control of production, sales & developmental activities and overall operations of the Company. She has been instrumental in shaping the HR culture of the Company.

The Managing Directors are committed to ensuring good governance and statutory compliances both in letter and spirit while pursuing long term interest of all Stakeholders. The responsibilities of the managerial personnel have increased substantially over the years with the growth of the Company. The Managing Directors have held the business strong in the midst of slow down and intensifying competition in the cement industry. They have laid great emphasis on customer satisfaction and promoting better services to the Members and took several investor friendly measures over the years to maximize returns to the Members which *inter alia* includes Buy-back of shares, Sub-Division of Shares, consistent track record of payment of dividends to its Members for more than a decade and maintaining a high Dividend Pay-out Ratio. Under their leadership the Company has made significant contributions in

CSR activities in the areas of health, education, employment generation, water and environment conservation, rural infrastructure and community development etc. in and around its plant locations.

- (5) Remuneration proposed : There is no change in the terms of appointment and remuneration of the abovementioned Managerial Personnel as was approved by the Members at the 76th AGM. The approval is sought as required under the Companies (Amendment) Act, 2017 applicable w.e.f. 12th September 2018.
- (6) Comparative Remuneration Profile with respect to industry, size of the Company, profile of the position and person : The executive remuneration in the Industry has increased manifold. The Nomination and Remuneration Committee of Directors of the Company constituted by the Board in terms of the Act and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, perused remuneration of managerial persons prevalent in the industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of aforesaid Managerial Personnel and other relevant factors while determining their remuneration at the time of their re-appointments in 2016.
- (7) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed herein, Shri Bharat Hari Singhania and Smt. Vinita Singhania does not have any other pecuniary relationship with the Company.

Shri Bharat Hari Singhania is related to Dr. Raghupati Singhania, a Director of the Company. Shri Bharat Hari Singhania and Smt. Vinita Singhania are not related to any other Director and Key Managerial Personnel of the Company, as defined under the Act.

III. Other Information:

(1) Reasons of loss or inadequate profits :

- i. **Excess supply** : Though the pace of new capacity additions has slowed down, yet at the aggregate level the capacity utilization of the industry remains at 64%. The excess supply coupled with low demand growth created pressure on prices and in turn have eroded the margins across the industry including our Company. Though the Company has been able to maintain higher capacity utilization (Cement utilization 74% & Clinker utilization 98%) than industry, yet mismatch in demand supply has resulted in un-utilization of full capacity.
- ii. **Low Demand growth** : - Although, Indian economy has started looking up with India's GDP growth at 7.1% in 2016-2017, cement consumption in the Country presently has not reflected this positive trend in the economic growth and cement demand remains sluggish at around 6%. Though YoY growth in H2 FY18 has given some hope of demand revival that remained muted in H1 FY18 on the account of overall economy slow down post GST & Demonetization. It is now expected that in FY19 demand growth would be much healthier.
- iii. **Rising Power & Fuel Cost, Freight & Distribution Costs etc.** :- The cement industry and the Company also had to also face the challenge of steep rise in cost of major inputs and other expenses especially increased diesel prices and all time high Pet Coke prices. Over the last one year, the Pet Coke prices have shot-up by over 42% and diesel prices have shot up by 11%. The Company meets 80% of its fuel requirement through Pet Coke. Hence Pet Coke price increase had a hard hit on the bottom line in terms of increase in cost of manufacturing. Similarly, the Freight & Distribution Costs constitute approximately 30% of the cost of Cement and increased diesel price impacted the distribution cost considerably during the

Year. Royalty on lime stone also got increased on account of District Mineral Fund. In view of the excessive supply, the Company was not able to pass on any of the above impacts in the cement prices therefore Company's margins got effected.

- iv. **GST Implementation** :- While the implementation of GST was positive for the overall economy of the industry, the cement industry suffered as the lower excise duty, which was applicable on industrial and institutional sales (normally termed as Non - Trade sales) was replaced by GST of 28%. This change impacted the Non - Trade part of business that in our case was around 50%. In the initial phase of GST implementation, the demand of cement from the traders also got hit, though temporarily, which led to lowered demand and increased surplus.
- v. Besides above, there were number of other factors that impacted the industry per se and our Company in particular such as steep fall in the consumption by realty sector post demonetization, ban on usage of Pet Coke for over 3 months by an order of Supreme Court. Though the same got corrected later when the Cement Manufactures Association (CMA) pleaded its case successfully in Supreme Court. Still the usage of Pet Coke continues to remain banned for captive power generation.
- vi. The working of JK Lakshmi Cement Ltd. also got hit quite adversely, as a new capacity it created at Durg had to meet the challenge of lowering of cement prices by the competition and later the state government imposed an uncalled fixation of price capping in Chhattisgarh market. Thus, not only the prices fell from the time of commissioning of plant to the time of its full stabilization to ₹ 30-40/ per bag, but also the prices were kept at very un-remunerative levels in Chhattisgarh market against all logic of free economy. We got particularly hit as with the view to control our the logistic cost, we had made hard efforts to get higher % of our sales (over 60% sales) in the home state i.e. Chhattisgarh.
- vii. **Reasons beyond control** :- Owing to above factors, despite the best efforts of the Senior Management, the financial performance of the Company was not as per the expectation and due to cyclical phase in the cement industry which the industry is currently passing through, the Company had inadequate profits for the Financial Year 2017-18. However, it may be noted that the reasons for losses were beyond the control of the Company and those reasons cannot be attributed to laxity in performance of the Management of the Company.

(2) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms :

(a) Expansion

The Company is well on its way to complete all major growth related capital investments, as planned, by end of Financial Year 2018-19. The 1.35 Million Tonnes per annum grinding unit at Surat, Gujrat has been commissioned and is now fully stabilized. The work on Company's Grinding Unit project in Orissa with an annual capacity of 0.8 Million Tonne is progressing satisfactorily and is expected to be completed by February, 2019. This will make the Company multi - locational, operating in different regions. The Company's other projects are in pipeline and is following planned aggressive growth path. All these measures would expand Company's geographical footprints across the country.

7.5 MW Waste Heat Recovery Project at Durg has been successfully commissioned in December 2017 and is generating power at rated capacity. The Company has enhanced it's Cement Capacity at Durg Plant from 1.80 Million Tonnes to 2.70 Million Tonnes at a normal Capital Expenditure of ₹ 50 Crore only.

(b) Initiatives taken by the Management to improve operational efficiencies:

(i) Lower Power & Fuel Consumption :-

The Company's operational efficiency parameters of power & fuel consumption are one of the best in the Industry. During the Financial Year 2017-18, the Company's both the Plants achieved a further reduction in power consumption as compared to previous Financial Year, which is one of the best in the Industry. Similarly, the Company's fuel consumption at Sirohi Plant has reached as low as 697 K.Cal/kg which is again one of the lowest in the Industry. However to overcome high power cost in eastern plant, the Company has recently commissioned Waste Heat Recovery Power Plant of 7.5 MW, which is giving a saving of about ₹ 100 - ₹ 120 per Tonne in power cost and is in the process of implementing 20 MW Thermal Power Plant Project, which is expected to be commissioned by February, 2019 resulting into further lowering of power cost by about ₹ 70 - ₹ 80 per Tonne. Thus in two years, it is expected that the Company in power cost alone will save about over ₹ 200 per Tonne in Eastern operation. The Company has also obtained Coal Linkage upto 80% of the fuel requirement of Durg Cement Plant in Chhattisgarh.

(ii) Lower Logistic Cost :-

The Company has recently taken various initiatives e.g. increase in direct dispatches, enhancing the dispatches from Grinding Units, optimization of dumps & focus to increase market share in nearby markets that will result in lowering logistic cost by about ₹ 50 to ₹ 60 per tonne. The improved performance of the Company in terms of operational efficiency parameters would not have been possible without the various initiatives spearheaded by the Managerial Personnel. The Company has since emerged stronger from the slowdown and rightly positioned itself to take advantage in the next growth phase when market recovers.

(iii) Strengthening Sales & Marketing footprint :-

JK Lakshmi Cement Limited is among the leading players in Northern market. To increase its connect with customers, it has launched various brands to cater larger market and meet the specific needs of customers. These brands include our premium products too that too are eventually growing continuously. Premium products not just provide better value to customers but also adds better contribution to P & L of the Company. Moreover, these new brands are helping us to shift the less beneficial Non Trade sales to more relevant Trade markets. Similarly, Company is also expanding its value added products/brands basket day by day to have more satisfied customers.

- (7) The Company has not made any default in repayment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor.
- (8) Copies of the Contract/Memorandum setting out the terms and conditions of the re-appointments of the Managing Directors, Application(s) made to the Central Government would be available for inspection by the Members at the Registered and Administrative Offices of the Company during normal business hours (between 11.00 A.M. to 1.00 P.M.) on all working days upto and including the date of declaration of the Postal Ballot Results.

The Board recommends the Resolutions at Sl. Nos. 1 to 5 of the Notice for approval of the Members by means of Special Resolutions.

Shri Bharat Hari Singhania for himself and through his relatives including Dr. Raghupati Singhania, a Director, to the extent of their shareholding in the Company, may be deemed to be concerned or

interested, financially or otherwise, in the Resolution Nos. 1 & 4. Smt. Vinita Singhania for herself and through her relatives, to the extent of their shareholding in the Company, may be deemed to be concerned or interested, financially or otherwise, in the Resolution Nos. 2, 3 & 5. Save and except the above, none of the other Directors, Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested, financially or otherwise in the said Resolutions.

By Order of the Board

Date: 14th November 2018
Place: New Delhi

B.K. Daga
Sr. Vice President &
Company Secretary



(CIN : L74999RJ1938PLC019511)

Regd. Office: Jaykaypuram - 307 019, District Sirohi, Rajasthan

Administrative Office: Nehru House, 4, Bahadur Shah Zafar Marg, New Delhi -110 002

Phone: 91-11-30179860-861

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POSTAL BALLOT FORM

Serial No

1. Name & Address of the Sole/ First named Member

2. Name(s) of the joint holder (s), if any

3. Registered Folio No. / DP ID & Client ID No.* (*Applicable to Members holding shares in dematerialized form)

4. No. of Equity Shares held

5. I/We hereby exercise my/our vote in respect of the Special Resolutions to be passed through Postal Ballot for the business stated in the Notice of the Company dated 14th November 2018, by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:

S. No.	Description of the Special Resolutions	No. of Equity Shares for which vote cast	I / We assent to the Resolution (For)	I / We dissent to the Resolution (Against)
1.	Waiver of the recovery of part of minimum remuneration paid to Shri Bharat Hari Singhania, (DIN : 00041156), Chairman & Managing Director of the Company for the Financial Year 2017-18			
2.	Waiver of the recovery of part of minimum remuneration paid to Smt. Vinita Singhania (DIN: 00042983), Vice Chairman & Managing Director of the Company for the Financial Year 2016-17			
3.	Waiver of the recovery of part of minimum remuneration paid to Smt. Vinita Singhania (DIN: 00042983), Vice Chairman & Managing Director of the Company for the Financial Year 2017-18			
4.	Payment of Remuneration to Shri Bharat Hari Singhania (DIN: 00041156), Chairman & Managing Director of the Company for the period commencing from 1 st April 2018 and ending on 30 th September 2021			
5.	Payment of Remuneration to Smt. Vinita Singhania (DIN: 00042983), Vice Chairman & Managing Director of the Company for the period commencing from 1 st April 2018 and ending on 31 st July 2021			

Date : _____ (Signature of the Member)

Place : _____

Notes :

- Please read carefully the instructions printed overleaf before exercising the vote.
- Last date for receipt of Postal Ballot Forms by Scrutinizer is **Tuesday, 15th January 2019 by 5.00 p.m.**

INSTRUCTIONS FOR VOTING IN PHYSICAL MODE

1. A Member desiring to cast their vote by Postal Ballot should complete and sign this Postal Ballot Form (no other form or photocopy thereof is permitted) and send it in the enclosed self-addressed postage pre-paid business reply envelope (bearing the address of the Scrutinizer), so as to reach the Scrutinizer on or before 15th January 2019 (5.00 P.M.). Postal Ballot Form received after this date will be treated as if the reply from the Member(s) has not been received.
2. Postal Ballot Forms deposited in person or sent by post or courier at the expense of the Member will also be accepted.
3. The Postal Ballot Form should be duly completed and signed by the sole/first named Member and in his absence, by the next named Member, as per specimen signature registered with the Company /RTA.
4. In case of shares held by companies, trusts, societies, etc. duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution/Authorisation together with the attested specimen signature(s) of the authorised signatory (ies).
5. The votes should be cast either in favour or against the Resolution by putting the tick (✓) mark in the column provided for assent or dissent. Postal Ballot Form bearing (✓) mark in both the columns will render the form invalid.
6. Incomplete, unsigned or incorrectly filled Postal Ballot Forms will be rejected. Form which is defaced or mutilated in such a way that its identity as a genuine Form cannot be established will be treated as invalid.
7. Any amendment to the Resolution or imposition of any condition by any Member while exercising his/her/its vote shall render the Postal Ballot Form invalid.
8. Member(s) are requested not to send any other paper (other than the Resolution/Authorisation as mentioned at Point No. 4 above) along with the Postal Ballot Form in the enclosed self addressed postage pre-paid business reply envelope and any extraneous paper found in such envelope will be destroyed by the Scrutinizer.
9. A Member may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the Scrutinizer not later than the date specified in Point No.(1) above.