

JKLC:SECTL:SE:25
19th September 2025

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|---|---|
| 1 BSE Ltd.
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Security Code No. 500380
Through: BSE Listing Centre | 2 National Stock Exchange of India Ltd.
“Exchange Plaza”
Bandra-Kurla Complex
Bandra (East)
Mumbai – 400 051
Symbol: JKLAKSHMI, Series : EQ
Through: NEAPS |
|---|---|

Dear Sir/ Madam,

Subject: Company’s Clarification / Representation to the Proxy Advisory Report issued by Institutional Investor Advisory Services (IIAS).

Kindly refer to our letter of even no. dated 03rd September 2025 vide which we have filed the Notice dated 25th August 2025 of the 85th AGM to be held on 26th September 2025, with the Stock Exchanges seeking approval of the Shareholders on the Items/ Resolutions mentioned in the said Notice.

In this reference, the Company has received Proxy Advisory Report dated 16th September 2025 from IIAS containing the voting recommendations on the above Items / Resolutions. The Company has submitted its clarification / representation to the aforesaid Report vide its attached emails dated 17th September 2025 and 18th September 2025.

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

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

Thanking you

Yours faithfully
For JK Lakshmi Cement Limited

(Amit Chaurasia)
Company Secretary

Encl: a.a.

Amit Chaurasia

From: Amit Chaurasia
Sent: 19 September 2025 10:58
To: smart@iiasadvisory.com
Cc: Sudhir Bidkar; Puran Singh Rawat; JKLC_CS
Subject: Reply to liAS VMS Voting Recommendation Alert: JK Lakshmi Cement Ltd. AGM 26-Sep-2025

Tracking:	Recipient	Delivery	Read
	smart@iiasadvisory.com		
	Sudhir Bidkar	Delivered: 19-09-2025 10:58	
	Puran Singh Rawat	Delivered: 19-09-2025 10:58	Read: 19-09-2025 10:59
	JKLC_CS	Delivered: 19-09-2025 10:58	
	poonamsingh@jkmall.com	Delivered: 19-09-2025 10:58	
	trainee2.secretarial@jkmall.com	Delivered: 19-09-2025 10:58	
	shilpa.shekhawat@jkmall.com	Delivered: 19-09-2025 10:58	

Dear liAS Team,

In continuation of the trail mail, please note in respect of Item 11 of the AGM Notice (**Appointment of Mr. Vimal Bhandari as Independent Director**), Institutional Shareholder Services group of companies (**ISS**), International Proxy Advisor has recommended positive voting ("**FOR**") in respect of the Resolution for the aforesaid item.

Kindly incorporate the above reply also while releasing your Addendum to your Report.

Kind Regards,

Amit Chaurasia
Company Secretary
JK Lakshmi Cement Limited
Gulab Bhawan, 3rd Floor (Rear Block),
6A, Bahadur Shah Zafar Marg, New Delhi 110 002
Tel. (D) - 011-68201860



Mobile: 09599503194 | 09310222311

Website: www.jklakshmi.com

From: Amit Chaurasia

Sent: 18 September 2025 19:00

To: smart@iiasadvisory.com

Cc: Sudhir Bidkar <bidkar@jkmail.com>; Puran Singh Rawat <prawat@jkmail.com>; JKLC_CS <JKLC_CS@jkmail.com>

Subject: Reply to IiAS VMS Voting Recommendation Alert: JK Lakshmi Cement Ltd. AGM 26-Sep-2025

Dear IiAS Team

We thank you for giving us an opportunity to give our comments/ feedback.

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: The age and remuneration details of Mr. Arun Kumar Shukla mentioned are incorrect:** The correct age of Mr. Arun Kumar Shukla is 56 years (55 years has been mentioned in your report) and remuneration paid by the Company for the FY 25 was Rs. 53.9 Mn. (Rs. 53.9 bn. mentioned on page no. 2 of your report).

B. **Voting Recommendations:**

(1) **Extract of IiAS observation on Item 9 of the AGM Notice:** Resolution regarding appointment of Mr. Shrivats Singhania as Deputy Managing Director for five years from 01 August 2025 and fix his remuneration as minimum remuneration for three years, has been recommended **AGAINST** with Rationale: Governance Concern and Weak Transparency.

IiAS Analysis: Mr. Shrivats Singhania, was on the board of UCWL since 2018 and appointed as Director and CEO from 31 January 2023. Post UCWL's merger with the company, he is being appointed to JK Lakshmi Cement Limited's board as Deputy Managing Director. His proposed pay comprises, fixed pay - estimated to range between Rs. 77.3 mn and Rs. 131.4 mn and variable pay in the form of performance incentive and commission. Since there is no track record of performance incentive payouts and commission is uncapped, at 2% or more of net profits, we are unable to estimate overall remuneration. Additionally commission being open-ended, remuneration levels may also grow significantly higher as the company size grows. We expect the company to cap the remuneration in absolute terms and disclose the parameters on the basis of which variable pay will be determined. Therefore while we support his appointment, given the uncapped nature of the proposed remuneration structure, we do not support the resolution.



Company's Response: The Remuneration proposed to be paid to Mr. Shrivats Singhania has been recommended by the Nomination & Remuneration Committee ("NRC") which consists of majority of Independent Directors and has been approved by the Board of Directors of the Company, comprising of 50% of Independent Directors. His remuneration is within the limits prescribed under Section 197 and Schedule V to the Companies Act, 2013 ("Act"). The NRC has perused the remuneration of managerial persons prevalent in the industry and other companies comparable with the size of the Company, industry benchmarks in general, financial position of the Company, past performance and remuneration, profile and responsibilities of Mr. Shrivats Singhania and other relevant factors while determining his remuneration.

The Performance Linked Incentive ("PLI") will be paid as may be decided by the Board of Directors from time to time which may include specified performance metrics and targets that needs to be achieved before payment of PLI. However, presently the Company does not have any PLI Scheme. It is only an enabling approval being taken by the Company in the event of any such Scheme if subsequently approved by the Company. The PLI if & when implemented by the Company, would be part of the variable pay apart from Commission. 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. As mentioned in our Resolution read with the Explanatory Statement, the PLI and the Commission form part of the overall total remuneration payable to Mr. Singhania which will be within the overall limits of all Managerial Persons specified in Section 197 of the Act i.e. **10% of the net profits** of the Company. So it can be said that the Commission and PLI are not open ended but capped within the limit of 10% of the Net Profits of the Company computed under section 198 of the Act. However, in the case of Loss or Inadequate Profit, no Commission will be paid but all other components of the remuneration (salary, perquisites, allowances & benefits and PLI) will be paid as permitted under Section 197(3) read with Part II, Section II & Section IV of Schedule V to the Act. Needless, to mention that neither the Act nor SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandates the Company to cap the Remuneration in absolute terms and therefore, the Remuneration proposed is on the lines of the well established practice of Industry Standards. However, as explained above, the proposed remuneration is capped in terms of percentage of Net Profits.

In view of the above explanation, it is in the interest of the Shareholders and the Company to appoint Mr. Shrivats Singhania, as the Deputy Managing Director of the Company. Hence, we request you to change your recommendation on the Resolution No. 9 from **AGAINST to FOR.**

(ii) **Extract of liAS observation on Item 11 of the AGM Notice:** Resolution regarding appointment of Shri Vimal Bhandari as Independent Director for three years from 01 August 2025, has been recommended **AGAINST** with Rationale: Governance Concern.

liAS Analysis: Vimal Bhandari, 67, founder of Arka Fincap and MD - Arka Financial Holdings Pvt Ltd : holding company of Arka Fincap. He has over four decades of experience in the financial services industry and serves as an Independent Director on the board of four listed companies (including JK Lakshmi Cement Limited). He has attended all board meetings across his listed company engagements, which is reflective of his availability and ability to devote sufficient time to his board responsibilities. Nevertheless, we raise concerns that Vimal Bhandari was on the board of JK Tyre & Inds. Ltd, a group company from 30 July 2012 to 25 September 2024. Given the absence of a three year cooling period from his cessation from the board of



JK Tyre & Inds. Ltd and appointment onto the board of the company, we will consider his overall association with the Group while computing his tenure – which is over ten years. We do not support appointment of independent directors if their aggregate tenure with the company or the group exceeds 10 years as we believe that this is not in line with the spirit of the regulations. We do not support the resolution.

Company Response: The appointment of Mr. Vimal Bhandari as an Independent Director (ID) was recommended by Nomination and Remuneration Committee of the Directors (comprising majority of IDs) after checking all the declarations / confirmation received from him, which were also further reviewed by the Board and thereafter only, his candidature for appointment as an ID was recommended to the Members for their approval in compliance with provisions of the Companies Act, 2013 ("Act") read with SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("Listing Regulations").

As per Section 149(10) of the of the Act, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

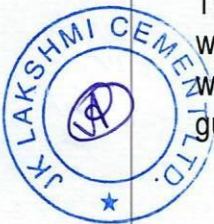
Pursuant to Section 149(11) of the Act, no independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after expiration of three years of ceasing to become an independent director.

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity either directly or indirectly.

Explanation- For the purposes of sub sections (10) and (11), any tenure of an independent director on the date of commencement of this Act shall not be counted as a term under those sub sections.

To summarize the above provisions, any tenure of an ID in a company prior to 1st April 2014 i.e. commencement of the Act should not be counted in computing the 2 terms of 5 years each (aggregating to 10 years) and therefore, an ID on the Board of the company as on 1st April 2014 may hold office upto 31st March 2024. Further, the cooling off period of 3 years prescribed under Section 149 (11) of the Act is applicable to the company *per se* and not to the group to which the company belongs to. Thus, Mr. Vimal Bhandari has not exceeded the total tenure of 10 years either in JK Tyre & Industries Ltd. (JKTIL) or by becoming an ID in JK Lakshmi Cement Ltd. Further, the relevant cooling off period of 3 years is also not applicable in the case of his appointment in JKLC after completion of his term in JKTIL for the reasons mentioned above. In any case, the colling off period of 1 (one) year has almost expired after he ceased to be an Independent Director of JKTIL.

The Guideline/ stance adopted by liAS is never been the spirit of the Regulations as otherwise, till now either the Ministry of Corporate Affairs or SEBI would have come out with clarification / guidance note to support the view of liAS. Infact, by adopting these guidelines, a new uncodified law is made which is unconstitutional and inconsistent with the provisions of the Act and SEBI Listing Regulations enacted by the Parliament of the country. These guidelines/ stance adopted for appointment of IDs is against the Government of India's efforts to improve the India's ranking in terms of 'Ease of Doing



Business' as the Industry is already facing crunch of finding well educated, mature and effective IDs to promote the Corporate Governance environment in the country.

In view of the above explanation, Mr. Vimal Bhandari meets the criteria of "independence" and is a fit person for appointment as an Independent Director. It is in the interest of the Shareholders and the Company to appoint Mr. Vimal Bhandari as an Independent Director of the Company. Hence, we request you to change your recommendation on the Resolution No. 11 from **AGAINST** to **FOR**.

Considering the above facts and explanation, please modify your report as requested above and release an addendum incorporating the Company's above reply.

We will be glad to provide any further clarification/explanation, immediately on hearing from you.

Please acknowledge receipt of this mail.

Amit Chaurasia
Company Secretary
JK Lakshmi Cement Limited
Gulab Bhawan, 3rd Floor (Rear Block),
6A, Bahadur Shah Zafar Marg, New Delhi 110 002
Tel. (D) - 011-68201860
Mobile: 09599503194 | 09310222311
Website: www.jklakshmi.com



From: smart@iiasadvisory.com <smart@iiasadvisory.com>

Sent: Thursday, September 18, 2025 12:35:14 am

To: Amit Chaurasia <amit.chaurasia@jkmil.com>

Subject: IiAS VMS Voting Recommendation Alert: JK Lakshmi Cement Ltd. AGM 26-Sep-2025



Dear Sir/Madam,

Please find enclosed liAS' voting recommendations on the shareholder resolutions presented by your company. We have published these voting recommendations because some of your company's investors subscribe to our services. This report has been simultaneously sent to these subscribers. In preparing its voting recommendations, liAS uses only publicly available information.

Under SEBI Circular SEBI/HO/IMD/DF1/CIR/P/2020/147 dated 3 August 2020, you have the choice to respond or provide your comments to our voting recommendations on your company's shareholder proposals, **within 48 hours of receiving this email**. Should you choose to respond, we are mandated to carry your response as an addendum to our voting advisory report.

In responding to our report, please note the following:

1. Please provide only factual or contextual information that will aid in our making a more informed decision with respect to the voting recommendations. This must be incremental to what has been disclosed in the shareholder notice. Please avoid repeating the information in the shareholder notice, unless there is a factual error.
2. We use data aggregators and have consistently done so across all our voting advisory reports. Therefore, if there are minor differences in calculations between your financial ratios and those carried in the report, we will not be making those changes.
3. We will not carry out any changes to language (unless there is a grammatical error) based on your request.
4. Please send us your response in a separate document that can be appended to our original report.
5. We caution you to not send us any information that would qualify as unpublished price sensitive information. liAS will consider all information presented by you to us as publicly available.



6. Please ensure you send us one consolidated response. liAS will not be able to accommodate multiple responses from your end.

If your response contains material information that may impact investors' decision making, we advise you to file this response with the stock exchanges to ensure there is uniform dissemination to all your shareholders.

Please note that we will make changes to our report only if information provided in your response has a material impact on our voting recommendation. Your comments may not influence or change our voting recommendation. To write back to us on the enclosed report, please address your email to reports@iias.in and anup.pawar@iias.in.

In order to allow investors sufficient time to finalize their vote and to communicate this to their custodian, we reiterate that only comments received with 48 hours from the time of this email will be considered.

liAS' processes are transparent and clearly articulated. We recommend you refer to our website (<https://www.iiasadvisory.com/about#policies>) to know more about our voting recommendation methodology and processes. We also encourage you to read our voting guidelines that are also available on our website (<https://www.iiasadvisory.com/voting-guidelines>).

Regards,
Team liAS

Institutional Investor Advisory Services (liAS)

Research Analyst (Proxy advisor)|SEBI-Registration number: INH000000024



**About liAS:**

Institutional Investor Advisory Services India Limited (liAS) is a SEBI-registered proxy adviser (registration number: INH000000024), dedicated to providing participants in the Indian market with voting recommendations on shareholder resolutions, and providing independent opinion, research and data on corporate governance issues. We provide voting recommendations on 1,000+ companies representing over 95% of the market cap of Indian listed companies. liAS voting recommendations are based on its Voting Guidelines, which are available here: <https://www.iiasadvisory.com/voting-guidelines>. Our Voting Guidelines are not bound by the confines of Indian regulations, but are based on best practices on corporate governance followed globally and in India. Our voting guidelines are reviewed periodically and may be revised based on market feedback and / or regulatory changes. Our process of deciding on our voting recommendations, and our policy on interacting with investors and companies can be accessed here: <https://www.iiasadvisory.com/about#policies>.

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