



May 17, 2022

Ref: Sec/Sto/2022/05/04

**Corporate Relationship Department
BSE Limited**

Phiroze Jeejeebhoy Towers Dalal Street,
Mumbai – 400001

Subject: Postal Ballot Notice

**Ref: [Scrip code: 505890] - Kennametal India Limited
Our letter ref. no. Sec/Sto/2023/05/01 dated May 12, 2023**

Dear Sir / Madam,

In furtherance to our letter dated May 12, 2023, please find enclosed herewith the Postal Ballot Notice dated May 12, 2023 along with the Explanatory Statement ("**Notice**") seeking approval of Members of the Company by way of Ordinary Resolutions for the following matters:

Sl. No.	Description of the Resolutions
1	Approval of material related party transactions with Kennametal Inc., USA
2	Approval of material related party transactions with Kennametal Europe GmbH, Switzerland

The Notice has been sent today, i.e., Wednesday, May 17, 2023, through electronic means only, to those Members of the Company whose names appear on the Register of Members / List of Beneficial Owners as on May 12, 2023 (cut-off date) and whose e-mail IDs are registered with their Depository Participant(s) / the Company.

Further, the calendar of events in connection with the said Postal Ballot Notice is as under:

Sl. No.	Particulars	Schedule
1	Cut-off date for identification of voting rights of the members	Friday, May 12, 2023
2	Date and time of commencement of remote e-voting	Thursday, May 18, 2023 at 9:00 AM IST
3	Date and time of end of remote e-voting	Friday, June 16, 2023 at 5:00 PM IST
4	Submission of report by the Scrutinizer	on or before Tuesday, June 20, 2023
5	Date of declaration of results of e-voting	on or before Tuesday, June 20, 2023

Physical copies of the Postal Ballot Notice along with Postal Ballot Forms and pre-paid Business Reply Envelope have not been sent to the Members.

Copy of the said Notice has been uploaded on the website of the Company i.e., <https://www.kennametal.com/in/en/about-us/kil-financials/general-meetings---annual-reports.html>

Kindly take the above information on your record.

Thanking You.

Yours Truly,

For **Kennametal India Limited**

Naveen Chandra P
General Manager – Legal & Company Secretary

Encl.: As above



Kennametal India Limited

(CIN: L27109KA1964PLC001546)

Regd. Office: 8/9th Mile, Tumkur Road, Bengaluru - 560073

Email: in.investorrelation@kennametal.com

Website: www.kennametal.com/kennametalindia

Telephone: 080 43281444, Fax: 080 28390129

POSTAL BALLOT NOTICE TO THE SHAREHOLDERS

[Pursuant to the provisions of Section 110 of the Companies Act, 2013, read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014]

To
The Members
Kennametal India Limited
Bengaluru - 560073

NOTICE is hereby given, pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 (the “**Act**”) read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (“**Postal Ballot Rules**”), various circulars issued by the Ministry of Corporate Affairs (“**MCA**”) namely, Circular No.19/2021 dated December 8, 2021 read with Circular No.14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 5, 2020, Circular No. 10/2021 dated June 23, 2021, Circular No. 03/2022 dated May 5, 2022, Circular No. 11/2022 dated December 28, 2022, and other applicable Circulars issued by MCA from time to time (collectively referred to as “**MCA Circulars**”) and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and other applicable provisions of the Act (including any statutory modification(s) and/or re-enactment thereof for the time being in force), to the Equity Shareholders (the “**Shareholders**”) of Kennametal India Limited (the “**Company**”), to consider and if thought fit, to pass, Resolutions noted herein below by way of Postal Ballot through e-voting.

The proposed Resolutions with Explanatory Statement, pursuant to Section 102 and other applicable provisions of the Act and SEBI Listing Regulations, pertaining to the said Resolutions, setting out the material facts concerning the item and the reasons thereof are annexed hereto for your consideration.

In compliance with the aforesaid MCA Circulars, this Postal Ballot Notice is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Registrar and Share Transfer Agent (“**RTA**”) or with Depository / Depository participants. If your e-mail address is not registered with the Company / Registrar and Share Transfer Agent (“**RTA**”) or with Depository / Depository participants, please follow the process provided in the Notes to register your email address.

In accordance with the MCA Circulars, Members can vote only through the remote e-voting process. Accordingly, the Company is pleased to provide remote e-voting facility to all its members to cast their votes electronically in compliance with Regulation 44 of SEBI Listing Regulations, as amended from time to time and pursuant to the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014. For this purpose, the Company has made an arrangement with Central Depository Services Limited (“**CDSL**”) for facilitating e-voting, as an alternate for the Members to enable them to cast their votes electronically.

Members are requested to carefully read the instructions under the section 'INSTRUCTIONS FOR E-VOTING' in this Postal Ballot Notice and record your assent (FOR) or dissent (AGAINST) through the remote e-voting process not later than 5:00 PM on Friday, June 16, 2023 (the last day to cast vote electronically), failing which it will be strictly considered that no reply has been received from the Member. The resolutions, if passed by requisite majority, shall be deemed to have been passed on the last date of voting i.e., Friday, June 16, 2023.

The Board of Directors, at its Meeting held on May 12, 2023 has appointed Mr. Vijayakrishna K T, Practising Company Secretary (FCS No.: 1788, CP No.: 980), as the Scrutinizer for conducting the Postal ballot/ e-voting process in a fair and transparent manner.

The Resolutions along with the Explanatory Statement setting out the material facts are as follows:

SPECIAL BUSINESS:

ITEM NO. 1

APPROVAL OF MATERIAL RELATED PARTY TRANSACTIONS WITH KENNAMETAL INC., USA:

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of the Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or amendments or re-enactment(s) thereof, as amended from time to time, consent of the Members be and is hereby accorded in respect of the following material related party transaction(s) to be entered between the Company and Kennametal Inc., USA which are in the ordinary course of business and on arm’s length basis:

(INR in millions)

Sl. No.	Nature of Transactions	Estimated value of transactions for FY 2023-24 effective July 01, 2023
1.	Sales	850
2.	Cross Charge Revenue	50
3.	Cross Charge – Debits	70
4.	IT Cross Charge – Expenses	225
5.	Professional Services- Expenses	20
6.	Purchase	2,000
7.	Purchase – Capital Goods	100
8.	Royalty	30
Total		3,345

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above said resolution.”

ITEM NO. 2

APPROVAL OF MATERIAL RELATED PARTY TRANSACTIONS WITH KENNAMETAL EUROPE GMBH, SWITZERLAND:

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, consent of the Members be and is hereby accorded in respect of the following material related party transaction(s) to be entered by the Company with Kennametal Europe GmbH, Switzerland which are in the ordinary course of business and on arm’s length basis:

(INR in millions)

Sl. No.	Nature of Transactions	Estimated value of transactions for FY 2023-24 effective July 01, 2023
1.	Sales	1,000
2.	Purchase	2,250
3.	Cross Charge – Revenue	10
Total		3,260

RESOLVED FURTHER THAT the Board of Directors of the Company and/or the Company Secretary of the Company be and are hereby severally authorized to do all such acts, matters, deeds and things as may be necessary to give effect to the above said resolution.”

By order of the Board of Directors
For **Kennametal India Limited**

Naveen Chandra P
General Manager – Legal & Company Secretary
ICSI Membership No.: 30057
Address: 8/9th Mile, Tumkur Road, Bengaluru – 560073

Bengaluru
May 12, 2023

NOTES:

- 1) An explanatory statement pursuant to Section 102 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014, setting out all material facts in respect of the business set in this notice and reasons thereto is annexed hereto as **Annexure – A (“the Explanatory Statement”)**.
- 2) In accordance with the MCA Circulars, this Postal Ballot Notice is being sent only by electronic mode to those Members of the Company, whose names appear on the Register of Members/list of Beneficial Owners, as on Friday, May 12, 2023 (the “**cut-off date**”). Physical copies of the postal ballot notice along with postal ballot forms and pre-paid business reply envelopes are not being sent to members for this Postal Ballot.
- 3) The Postal Ballot Notice is sent electronically to all the Shareholders who have registered their email addresses with the Company/Depositories/Registrar and Share Transfer Agent (**RTA**). A copy of the Postal Ballot Notice may also be downloaded from the Company’s website at: www.kennametal.com/kennametalindia
- 4) The dispatch of the Postal Ballot Notice and the Explanatory Statement shall be announced through an advertisement in at least 1 (one) English newspaper and at least 1 (one) Kannada newspaper, each with wide circulation in the District, where the Registered Office of the Company is situated and published on the Company’s website at www.kennametal.com/kennametalindia
- 5) Members would be able to cast their votes and convey their assent or dissent to the proposed resolutions only through the remote e-voting process. Members whose names appear on the Register of Members / List of Beneficial Owners as on the cut-off date will only be considered eligible for the purpose of e-voting. A person who becomes a member after the cut-off date should treat this notice for information purpose only.
- 6) In compliance with the provisions of Sections 108 and 110 of the Companies Act, 2013 read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, various circulars issued by the MCA from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to its Members to enable them to cast their votes electronically. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facility to its Members. The Members may refer ‘INSTRUCTIONS FOR E-VOTING’ section of this notice for more details.
- 7) The e-voting shall commence on Thursday, May 18, 2023, 9:00 AM IST and ends on Friday, June 16, 2023, 5:00 PM IST.
- 8) A Member cannot exercise his/her vote by proxy on Postal Ballot (e-voting).
- 9) The Board of Directors of the Company (the “**Board**”) has appointed Mr. Vijayakrishna KT, Practising Company Secretary (FCS No.: 1788, CP No.: 980) as the ‘Scrutinizer’ for conducting the Postal Ballot e-voting process in accordance with the law and in a fair and transparent manner.

The Scrutinizer's address is # 496/4, II Floor, 10th Cross, Near Bashyam Circle, Sadashivanagar, Bangalore – 560080.

- 10) The Scrutinizer will submit his report to Chairman of the Company or in his absence to any other designated Director or the Company Secretary after completion of scrutiny of Postal Ballot.
- 11) The results of voting by Postal Ballot will be announced on or before Tuesday, June 20, 2023. The said results along with Scrutinizer's report will be uploaded on Company's website at www.kennametal.com/kennametalindia and will be communicated to BSE Limited.
- 12) The last date specified by the Company for receipt of e-voting shall be the date on which the Resolution would be deemed to have been passed, if approved by the requisite majority.
- 13) If you have any queries, please refer to Frequently Asked Questions (FAQs) for shareholders please visit <https://www.evotingindia.com/userdocs/FAQs.pdf>

INSTRUCTIONS FOR E-VOTING ARE AS UNDER:

- (i) The voting period begins on Thursday, May 18, 2023 at 9:00 AM IST and ends on Friday, June 16, 2023 at 5:00 PM IST. During this period, the Shareholders of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date i.e., Friday, May 12, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iii) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and

Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for **Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasinew/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IdeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IdeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-

	<p>Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IdeAS e-Services, option to register is available at https://eservices.nSDL.com. Select “Register Online for IdeAS “Portal or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nSDL.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL:

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 22-23058542-43.

Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
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(iv) Login method for e-Voting and joining virtual meetings for **Physical Shareholders and Shareholders other than individual holding in Demat form:**

- 1) The Shareholders should log on to the e-voting website www.evotingindia.com
- 2) Click on “Shareholders” module.
- 3) 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. Shareholders holding Shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding Shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

Particulars	For Physical Shareholders and other than individual Shareholders holding shares in Demat
PAN	Enter your 10-digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. 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.

- (v) After entering these details appropriately, click on “SUBMIT” tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they would be 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.

- (vii) For Shareholders holding Shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for Kennametal India Limited.
- (ix) 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.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xiv) If a demat account holder has forgotten the 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.
- (xv) **Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting only.**
 - Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - 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 linked in the login 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.
 - Alternatively, Non-Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at vijaykt@vjkt.in and to the Company at the email address viz; in.investorrelation@kennametal.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORIES

1. For Physical shareholders – please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company at in.investorrelation@kennametal.com / RTA at irg@integratedindia.in.**
2. Members may get their email registered with the Company's Registrar and Share Transfer Agent, Integrated Registry Management Services Private Limited by clicking the link <https://www.integratedindia.in/EmailUpdation.aspx> and following the registration process as guided thereafter.
3. For Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP).
4. For Individual Demat Shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
5. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by March 31, 2023 vide its circular dated November 3, 2021 and December 14, 2021 which was further extended to October 31, 2023 vide its circular dated March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA either by email to irg@integratedindia.in or by post to No.30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru – 560003. The forms for updating the same are available at <https://www.kennametal.com/in/en/about-us/kil-financials/investor-corner.html>

Members holding shares in electronic form are requested update their PAN, KYC viz., Address, Email ID, Mobile Number, Bank Account Details, Specimen Signature etc. and Nomination details with their depository participant(s), if these remains pending to be updated. In case a holder of physical securities fails to furnish these details or link their PAN with Aadhaar before the due date, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022-23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

EXPLANATORY STATEMENT PURSUANT TO SECTIONS 102 AND 110 OF THE COMPANIES ACT, 2013 AND SEBI LISTING REGULATIONS:

The following Explanatory Statement sets out all material facts relating to the Special Businesses mentioned in the accompanying notice dated May 12, 2023 and shall be taken as forming part of the notice:

ITEM NOS. 1 AND 2:

APPROVAL OF RELATED PARTY TRANSACTIONS (RPTs) WITH KENNAMETAL INC. AND KENNAMETAL EUROPE GMBH:

Regulation 23(1) of SEBI Listing Regulations states that a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds INR 1,000 Crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. Further, all Material Related Party Transactions shall require prior approval of the Members through a resolution and no related party shall vote to approve such resolution whether an entity is a related party to the particular transaction or not.

Kennametal Inc. and Kennametal Europe GmbH are related to the Company and are material related parties as per Regulation 23 of SEBI Listing Regulations.

The shareholders may recapitulate that the Company had obtained omnibus shareholders' approval for the transactions with Kennametal Inc. and Kennametal Europe GmbH which are material in nature for the FY 2022-23 through postal ballot which was duly passed on June 15, 2022. The validity of the said approvals for the RPTs obtained from the shareholders through the said postal ballot is valid only till June 30, 2023.

As per Regulation 23(1) of SEBI Listing Regulations, the transactions with Kennametal Inc. and Kennametal Europe GmbH are material in nature as these transactions on cumulative basis by both parties individually are likely to exceed 10% of the annual consolidated turnover as per the last audited financial statements of the Company. Accordingly, the Company is hereby placing before the shareholders, the proposed material related party transactions with Kennametal Inc. and Kennametal Europe GmbH, effective July 1, 2023 till June 30, 2024 viz., FY 2023-24.

Given the nature of the industry, the Company works closely with its related parties to achieve its business objectives and enters into various operational transactions with its related parties, from time to time, in the ordinary course of business and at arm's length basis.

As a part of its ongoing activities and in the ordinary course of business, the Company purchases / sells raw materials, semi-finished / finished products, components, capital equipments, avails / renders services from / to Kennametal Inc. (Ultimate Holding Company) and Kennametal Europe GmbH (wholly owned subsidiary of Kennametal Inc.), at arm's length basis.

The purchase / sales transactions proposed to be entered into with the Related Parties have intrinsic Intellectual Property (IP) value of Kennametal Inc. The cross charge is in the nature of sharing of actual cost incurred globally without any mark-up across all the subsidiaries of Kennametal Inc.

The above activities have been essential for the Company to carry out its business operations and maximize its growth and performance. Purchases of materials / goods / services by the Company are based on agreement executed by the Company with the related parties.

The Management has adopted pragmatic approach in arriving at the proposed RPT values by taking into account the year-to-date actual transaction values + estimated growth in the consumption for FY24. The said RPTs have been vetted as part of Annual Transfer pricing study by a reputed third-party professional firm in India. The said proposed RPTs are also in line with the transfer pricing policy of the Company. The Audit Committee having reviewed the proposals is satisfied that all the related party transactions proposed will be in the ordinary course of business and at Arm's length and have accordingly recommended the proposal to the Board for further recommendation to the shareholders' as set out in the above resolutions for approval.

Therefore, in terms of the SEBI Listing Regulations, the transactions with the said related parties require the approval of members of the Company by passing the resolutions at item Nos. 1 and 2 of the Notice.

Details to be placed before Members in line with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 and provisions of the Companies Act, 2013 are given below:

SI. No.	Particulars	Information		
1.	Type, material terms and particulars of the proposed transaction	SI. No.	Nature of Transactions	Material terms
		1	Purchases	Payment to be made in respective country currency within 30 days from date of receipt of goods.
		2	Purchase-Capital Goods	
		3	Sales	Billing to be made in respective country currency within 21 days from end of the month billing.
		4	Cross Charge Revenue	
		5	IT Cross Charge - Expenses	Payment to be made in respective country currency within 30 days of issue of debit note.
		6	Royalty	
		7	Professional Services- Expenses	
		8	Cross Charge Debits	
<i>Terms & conditions are similar for both the Related Parties.</i>				

2.	Name of the related parties	1. Kennametal Inc. 2. Kennametal Europe GmbH
3.	Nature of relationship with the Company and its subsidiary, including nature of its concern or interest	Kennametal Inc. - Ultimate Holding Company Kennametal Europe GmbH – Enterprise holding, directly or indirectly, substantial interest in Meturit A.G., the Holding Company of Kennametal India Limited.
4.	Tenure of the proposed transaction	These transactions have been undertaken by the Company from time to time on a regular basis depending on the needs of business.
5.	Value of the proposed transaction;	Considering the business phenomenon being dynamic and the nature of industry / business in which the Company operates, the Company expects the level of transactions with Kennametal Inc. and Kennametal Europe GmbH, individually, to be above the materiality threshold as prescribed under the SEBI Listing Regulations. Therefore, the approval of the Members is being sought for an aggregate value of transactions proposed to be undertaken for the FY 2023-24 for INR 6,605 million (Kennametal Inc.: INR 3,345 million, Kennametal Europe GmbH: INR 3,260 million) as mentioned in the respective resolutions.
6.	The percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction	Kennametal Inc: 33.76 % Kennametal Europe GmbH: 32.91 %
7.	Whether the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary?	Not Applicable
8.	Justification as to why the RPT is in the interest of the Company	These transactions would be carried out at arm's length and in the ordinary course of business in accordance with applicable laws and regulations. The detailed justification has been elucidated above.
9.	A copy of the valuation or other external party report, if any such report has been relied upon	The proposed RPTs are in line with the transfer pricing policy of the Company. The Company does an Annual Transfer pricing study through a third-party professional firm in India as required under the Income Tax Act, 1961. The Audit Committee upon review of such study is of the view that all related party transactions by the Company have been in the ordinary course of business and

		were/will be at Arm's length basis and has accordingly accorded its prior approval.
10.	Period for which the shareholders' approval is sought	For a period of one year only (July 1, 2023 to June 30, 2024)
11.	Whether the transactions have been approved by the Audit Committee	Yes. The Audit Committee has granted omnibus approval as per the prevailing legal requirements. The proposed RPTs are in accordance with the RPT Policy of the Company.
12.	Any other information that may be relevant or important for the Members to make a decision on the proposed transactions.	All requisite information to enable shareholders to exercise their informed decision have been made part of this Notice.

The proposed RPTs are in the ordinary and normal course of business and on arm's length basis and play a significant role in the Company's business operations and accordingly the Board recommends the Ordinary Resolutions set forth in item Nos. 1 and 2 of the Notice for the approval of the Members in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015.

None of the Directors or Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested, directly or indirectly, in this resolution. However, it may be noted that Mr. Franklin Gerardo Cardenas Castro and Ms. Kelly Marie Boyer represents Kennametal Inc. on the Board of the Company.

The Members' approval is solicited for the resolutions at item Nos. 1 and 2 of the accompanying Notice as Ordinary Resolutions.

This Explanatory Statement may also be regarded as a disclosure under SEBI (LODR) Regulations, 2015.

By order of the Board of Directors
For **Kennametal India Limited**

Naveen Chandra P
General Manager - Legal & Company Secretary
ICSI Membership No.: 30057
Address: 8/9th Mile, Tumkur Road, Bengaluru - 560073

Bengaluru
May 12, 2023