



**September 30, 2024**

Ref: Sec/Sto/2024/09/05

**Corporate Relationship Department  
BSE Limited**

Phiroze Jeejeebhoy Towers, Dalal Street,  
Mumbai – 400001

**Subject: 59<sup>th</sup> Annual General Meeting of the Company**

**Ref:** [Scrip code: 505890] - Kennametal India Limited

Dear Sir / Madam,

We hereby inform you that:

1. The 59<sup>th</sup> Annual General Meeting ('**AGM**') of Kennametal India Limited (the "**Company**") will be held on Thursday, October 24, 2024, at 12:00 Noon at Hotel Taj Yeshwantpur, 2275, Tumkur Road, Yeshwantpur Industrial Area, Phase 1, Yeshwantpur, Bengaluru, Karnataka 560022.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, October 18, 2024 to Thursday, October 24, 2024 (both days inclusive) for the purpose of the AGM.
3. The e-voting period commences from October 21, 2024 (09.00 A.M.) and ends on October 23, 2024 (05.00 P.M.) (both days inclusive).
4. The Company has entered into an arrangement with Central Depository Services Limited ("**CDSL**") in support with the Registrar and Share Transfer Agents, viz., Integrated Registry Management Services Private Limited ("**RTA**") for facilitating e-voting, through CDSL's e-voting platform i.e., <https://www.evotingindia.com>.
5. The voting rights of the Members shall be in proportion to the extent of shares held by them on the cut-off date viz., October 17, 2024, subject to the provisions of the Companies Act, 2013, as amended from time to time.

6. In compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [“**SEBI (LODR) Regulations, 2015**”], the Annual Report for the financial year 2023-24 along with the Notice calling the 59<sup>th</sup> AGM indicating the process and manner of e-Voting are being sent through electronic mode to those Members whose email addresses are registered with the Company / Depositories / RTA. For those Members whose email id is not registered with the Company / Depositories / RTA, a physical copy of the Notice calling the AGM and Annual Report is being couriered to the address registered with the Company / Depositories / RTA.
7. Pursuant to Regulation 34(1)(a) of SEBI (LODR) Regulations, 2015, please find enclosed:
  - a. A copy of the Notice calling the 59<sup>th</sup> AGM; and
  - b. Annual Report for the financial year 2023-24.
8. In terms of Regulation 46 of the SEBI (LODR) Regulations, 2015, the said Notice of AGM along with the Annual Report will also be available on the Company’s Website at <https://www.kennametal.com/in/en/about-us/kil-financials/general-meetings---annual-reports.html>

We request you to kindly take the above on record.

Thanking you

For **Kennametal India Limited**

**Anupriya Garg**  
**Legal Counsel (Region) & Company Secretary**

Encl.: As above



Kennametal India Limited

(CIN: L27109KA1964PLC001546)

Regd. Office: 8/9th Mile, Tumkur Road, Bengaluru - 560 073

Phone No.: +91 80 43281 444/215 Fax: +91 80 2839 0129

E-mail: in.investorrelation@kennametal.com

Website: www.kennametal.com/kennametalindia

## NOTICE TO MEMBERS

**NOTICE** is hereby given that the **Fifty Ninth (59<sup>th</sup>)** Annual General Meeting ("**AGM**") of Kennametal India Limited (**the "Company"**) will be held on Thursday, October 24, 2024 at 12:00 Noon at the Hotel Taj Yeshwantpur, 2275, Tumkur Road, Yeshwantpur Industrial Area, Phase 1, Yeshwantpur, Bengaluru, Karnataka 560022 to transact the following businesses:

### **ORDINARY BUSINESS:**

1. To receive, consider, approve, and adopt the audited financial statements of the Company for the financial year ended June 30, 2024, together with the reports of the Board of Directors and Auditors thereon.
2. To appoint Ms. Kelly Golden Lynch (DIN: 10270042), Director, who retires by rotation and being eligible, offers herself for re-appointment.
3. To confirm the payment of interim dividend of ₹30/- per Equity Share (300%) on 2,19,78,240 Equity Shares of ₹10/- each already paid for the financial year 2023-24 ended June 30, 2024, and consider the same as final dividend for the financial year 2023-24 ended on June 30, 2024.

### **SPECIAL BUSINESS:**

4. **TO RATIFY REMUNERATION PAYABLE TO M/S K.S. KAMALAKARA & CO., BENGALURU, COST AUDITORS OF THE COMPANY:**

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

**"RESOLVED THAT** pursuant to the provision of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to M/s. K. S. Kamalakara & Co., Cost Auditors, Bengaluru (Firm Registration No: 0000296), appointed by the Board of Directors on August 9, 2024 based on the recommendation of the Audit Committee of the Company to conduct the audit of the cost records of the Company for the financial year ending June 30, 2025,

amounting to ₹3,50,000/- (Rupees Three Lakhs Fifty Thousand only) excluding applicable taxes and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.

**RESOLVED FURTHER THAT** the Board of Directors 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 and to take necessary steps to file necessary forms with the Registrar of Companies and comply with other formalities, if any, as may be required pursuant to the provisions of the Companies Act, 2013 or such other Regulations."

5. **RE-APPOINTMENT OF MS. BHAVNA BINDRA (DIN: 07314422) AS A NON - EXECUTIVE AND INDEPENDENT DIRECTOR OF THE COMPANY:**

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

**"RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 (the "**Act**"), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], based on recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to Articles of Association of the Company, Ms. Bhavna Bindra (DIN: 07314422), who was appointed as an Independent Director of the Company at the 55<sup>th</sup> Annual General Meeting of the Company held on November 11, 2020 and who holds office as an Independent Director up to January 2, 2025 and who is eligible for being re-appointed as an Independent Director and who has submitted a declaration in accordance with Section 149(7) of the Act and in respect of whom the Company has received a Notice in writing from a Member

under section 160 of the Act, proposing her candidature for the office of Director, be re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years commencing from January 3, 2025 to January 2, 2030 (both days inclusive).

**RESOLVED FURTHER THAT** pursuant to the provision of Section 197 read with Schedule V and any other applicable provisions of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 made thereunder and Regulation 17(6) of the SEBI Listing Regulations (including any statutory modification (s) or re-enactment (s) thereof for the time being in force), Ms. Bhavna Bindra be paid such fees and remuneration and profit related commission as the Nomination and Remuneration Committee and Board of Directors may approve from time to time subject to such limits as may be prescribed from time to time.

**RESOLVED FURTHER THAT** the Board of Directors and/or Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds and matters as may be considered or deemed necessary to give effect to above resolution, and to take necessary steps to file necessary forms with the Registrar of Companies and comply with other formalities, if any, as may be required pursuant to the provisions of the Companies Act, 2013 or such other Regulations.”

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

**Anupriya Garg**  
Legal Counsel (Region) &  
Company Secretary (ACS -18612)  
Address: 8/9<sup>th</sup> Mile, Tumkur Road,  
Bengaluru – 560073, Karnataka

Bengaluru  
August 9, 2024

**NOTES:**

1. A Statement setting out material facts pursuant to the provisions of Section 102(1) of the Companies Act, 2013 (the "Act") in respect of special businesses set out at item nos. 4 and 5 of the Notice is annexed hereto. Further, details of Directors whose re-appointment / appointment is / are proposed pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) [SEBI (LODR) Regulations, 2015], respectively and Secretarial Standards on General Meeting (SS-2) is also appended hereto.

2. The Register of Members and the Share Transfer Books of the Company will remain closed from **Friday, October 18, 2024 till Thursday, October 24, 2024** (both days inclusive) for the purpose of the Annual General Meeting (AGM).

**3. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy provided that such person shall not act as proxy for any other person or member. A Proxy Form is annexed to this notice.

If a Proxy is appointed for more than fifty Members, he/she shall choose any fifty Members and confirm the same to the Company before the commencement of period specified for inspection of proxy lodged. In case the Proxy fails to do so, the Company shall consider only the first fifty proxies received as valid.

**THE PROXY FORM SHOULD BE LODGED WITH THE COMPANY AT LEAST 48 HOURS BEFORE THE SCHEDULED COMMENCEMENT OF THE MEETING.**

**IN CASE OF JOINT HOLDERS ATTENDING THE MEETING, ONLY SUCH JOINT HOLDER WHOSE NAMES APPEAR AS THE FIRST HOLDER IN THE REGISTER OF MEMBERS WILL BE ENTITLED TO VOTE.**

4. Members / Proxies / Representatives are requested to bring the attendance slip, annexed herewith for attending the meeting, duly completed and signed mentioning therein details of their DP ID and Client ID / Folio No.

Members are requested to bring their copies of the annual report to the AGM.

5. Electronic copy of the Notice of the 59<sup>th</sup> Annual General Meeting of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/RTA/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email IDs, physical copies of the Notice of the 59<sup>th</sup> Annual General Meeting along with Annual Report of the Company, inter alia,

indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

Members may also note that the Notice of the 59<sup>th</sup> Annual General Meeting and the Annual Report for 2023-24 will also be available on the Company's website page at <https://www.kennametal.com/in/en/about-us/kil-financials/general-meetings---annual-reports.html> for download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon a request for the same, by post/courier free of cost. For any communication, the Members may also send requests to the Company's investor email id: [in.investorrelation@kennametal.com](mailto:in.investorrelation@kennametal.com)

**6. Please note that except Members / Proxies / Authorised Representatives / Invitees of the Company, no other person shall be allowed to attend the Meeting at the venue. Relatives and acquaintances accompanying Members will not be permitted to attend the Meeting at the venue.**

7. The Register of Directors and Key Managerial Personnel and their shareholding, and the Register of Contracts or Arrangements in which the Directors are interested, maintained as per the Act will be available for inspection by the Members during the AGM. All the documents referred to in the Notice will also be available for inspection by the Members without any fee from the date of circulation of this notice up to the date of AGM i.e., October 24, 2024 during normal business hours. Members seeking to inspect such documents may send an email to: [in.investorrelation@kennametal.com](mailto:in.investorrelation@kennametal.com).

8. An interim dividend of ₹ 30/- per equity share of ₹ 10/- each (300% on the paid-up capital of the Company) was declared by the Board at its meeting held on May 9, 2024 for the financial year ended June 30, 2024 and May 23, 2024 was fixed as Record Date for the said purpose. The said interim dividend was paid on June 03, 2024. The same shall be considered as the final dividend for the financial year 2023-24 ended on June 30, 2024.

9. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance on or before October 13, 2024 mentioning their name, demat account number/folio number, email id, mobile number at [in.investorrelation@kennametal.com](mailto:in.investorrelation@kennametal.com) upto 5:00 PM IST. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance on or before October 13, 2024 mentioning their name, demat

account number/folio number, email id, mobile number at [in.investorrelation@kennametal.com](mailto:in.investorrelation@kennametal.com). These queries will be replied to by the company suitably by email.

10. As per Section 124 of the Act, the amount of Dividend remaining unpaid or unclaimed within 30 days from the date of declaration shall be transferred to 'unpaid dividend account' of the Company. Amount transferred to 'unpaid dividend account', which remains unpaid or unclaimed for a period of seven years from the date of transfer, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Similarly, all the Shares in respect of which Dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the IEPF.

11. In line with the provisions of Section 124 of the Act, Members who have not so far encashed the Dividend warrant(s) for any of the Dividends declared earlier are requested to make their claims to the Company immediately. Please note that in respect of unclaimed dividend amount and the Shares transferred to IEPF, Shareholders may claim the Dividend and corresponding Shares transferred to IEPF including all benefits accruing on such Shares, if any, from IEPF authorities after following the procedure prescribed in the Act and Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

12. Since this AGM is held physically, Route Map showing the location of and directions to reach the venue of the 59<sup>th</sup> AGM is attached to this Notice.

13. Members seeking clarifications / information on the Annual Report are requested to send an email to: [in.investorrelation@kennametal.com](mailto:in.investorrelation@kennametal.com) on or before October 13, 2024. This would enable the Company to compile the information and provide replies at the Meeting.

14. The Shares of the Company are compulsorily traded in dematerialized form as per the directions of the Stock Exchange. Accordingly, Members who have not opted for dematerialization of Shares are once again reminded to take steps to dematerialize their holdings. Further, the Members may note that as per SEBI (Listing Obligations and Disclosure Requirements) Regulations (Fourth Amendment) Regulations, 2018, with effect from April 1, 2019, except in case of transmission or transposition of securities, no transfer of securities shall be processed unless the securities are held in the dematerialized form. Accordingly, Shareholders holding Equity Shares in physical form are urged to get their Shares dematerialized so that they will be able to transfer them freely and participate in corporate actions.

15. Members holding the shares in physical form are requested to communicate the changes, if any, in their addresses, bank account details and other necessary details to the Company's Registrar and Share Transfer Agent, Integrated Registry Management Services Private Limited, No.30, 'Ramana Residency', 4<sup>th</sup> Cross, Sampige Road, Malleswaram, Bengaluru - 560 003. Members holding the shares in dematerialized form are requested to communicate such changes to the concerned Depository Participant (DP).
16. Members who are yet to register their e-mail address/Mobile No. are requested to register the same with the Depository through their Depository Participants in respect of shares held in dematerialized form. Members holding the Shares in physical form may register their e-mail address/Mobile No. by writing to the Company's Registrar and Share Transfer Agent either by email to [irg@integratedindia.in](mailto:irg@integratedindia.in) or by post to No.30, Ramana Residency, 4<sup>th</sup> Cross, Sampige Road, Malleswaram, Bengaluru-560003.
17. Non-resident Indian shareholders are requested to immediately inform the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be, about the following matters: -
  - a) the change in residential status on return to India for permanent settlement; and
  - b) the particulars of the NRE account with a bank in India, if not furnished earlier.
18. Members holding physical shares may kindly note that if they have any dispute against the Company or the Registrar & Share Transfer Agent (RTA) on delay or default in processing the request, they may file for arbitration with the Stock Exchanges in accordance with SEBI Circular dated May 30, 2022.
19. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities vide its various circulars dated November 3, 2021, December 14, 2021, March 16, 2023 and November 17, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA either by email to [irg@integratedindia.in](mailto:irg@integratedindia.in) or by post to No.30, Ramana Residency, 4<sup>th</sup> 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>.

- In case of non-updation of PAN or Choice of Nomination or Contact Details or Mobile Number or

Bank Account Details or Specimen Signature in respect of Shareholders holding shares in physical mode, dividend/interest etc. on those shares shall be paid only through electronic mode with effect from April 01, 2024 upon furnishing all the aforesaid details in entirety.

- If a Shareholder updates the PAN, Choice of Nomination, Contact Details including Mobile Number, Bank Account Details and Specimen Signature after April 01, 2024, then the Shareholder would receive all the dividends/interest etc. declared during that period (from April 01, 2024 till date of updation) pertaining to the shares held after the said updation automatically.

20. Explanatory Statement pursuant to Section 102 of the Act, which sets out details relating to Special Business at the Meeting, is annexed hereto.

21. The Company urges the members to support its commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective Depository Participants (DP), and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, [irg@integratedindia.in](mailto:irg@integratedindia.in), to receive copies of the Annual Report 2023-24 in electronic mode. Members may follow the process detailed below for availing investor services, registration of email ID to obtain the report and update of bank account details for the receipt of dividend:

Type of holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, Integrated Registry Management Services Private Limited either by email to: <a href="mailto:irg@integratedindia.in">irg@integratedindia.in</a> or by post to No.30, Ramana Residency, 4 <sup>th</sup> Cross, Sampige Road, Malleswaram, Bengaluru - 560003.	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH-13



Type of holder	Process to be followed	
	Declaration to opt out	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH-14
	Form for requesting issue of duplicate certificates and other service request for shares held in physical form	Form ISR-4
	The forms for updating the above details are available at the Company's website at <a href="https://www.kennametal.com/in/en/about-us/kil-financials/investor-corner.html">https://www.kennametal.com/in/en/about-us/kil-financials/investor-corner.html</a>	
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

22. Members may kindly note that in accordance with SEBI Circular reference SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023, the Company has registered on the newly launched SMART ODR Portal (Securities Market Approach for Resolution through Online Disputes Resolution Portal). This platform aims to enhance investor grievance resolution by providing access to Online Dispute Resolution Institutions for addressing complaints. Members can access the SMART ODR Portal via the following link: <https://smartodr.in/login>. Members may feel free to utilize this online conciliation and/or arbitration facility, as outlined in the circular, to resolve any outstanding disputes between Members and the Company (including RTA).

### 23. Remote E-Voting through electronic mode:

In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act read with Rule 20 of the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the 59<sup>th</sup> AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited ('CDSL') for facilitating voting through electronic means, as the authorized e-voting agency. The facility to cast the votes by the Members using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

**The voting period begins on Monday, October 21, 2024 (9:00 AM) and ends on Wednesday, October 23, 2024 (5:00 PM). During this period, Members of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date (Record**

**date) of October 17, 2024 may cast their votes electronically. The e-voting module shall be disabled by CDSL for voting thereafter.**

**Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.**

**The Notice is being sent to the members whose names appear on the register of members / list of beneficial owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) (collectively, the "Depositories") as on September 13, 2024.**

To increase the efficiency of the e-voting process, SEBI, vide Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, intended 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 should be permitted to cast their votes without having to register again with the e-voting service providers, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process. As required by this Circular, Individual shareholders holding securities in demat mode are allowed to vote through their demat accounts maintained with Depositories and Depository Participants. Hence, Members are advised to update their mobile numbers and email ids in their respective demat accounts to access e-voting facility.

The resolutions as set out in this Notice are being conducted through e-voting. The said resolutions will not be decided by show of hands at the AGM. The members can opt for only one mode of voting i.e., either by remote e-voting or by electronic ballot at the meeting. The members who have cast their vote by remote e-voting are eligible to attend the AGM but shall not be entitled to cast their vote again. In case of any unforeseen technical failure or eventuality resulting into non - functionality of the electronic voting system at the meeting, members would be provided the ballot paper for casting their vote at the meeting.

The facility for voting through electronic voting system shall be made available at the AGM and the members (including proxies) attending the meeting who have not cast their vote by remote E voting shall be able to exercise the right to vote at the AGM.

**THE INSTRUCTIONS OF SHAREHOLDERS FOR E-VOTING ARE AS UNDER:**

**CDSL e-Voting System – For Remote e-voting**

**A. Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of SEBI (LODR) 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.

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 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 <b>CDSL Depository</b>	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.

	<p>The users to login to Easi / Easiest are requested to visit CDSL website <a href="https://www.cdslindia.com/">https://www.cdslindia.com/</a> and click on login icon &amp; New System Myeasi Tab.</p> <p>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. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website at <a href="https://www.cdslindia.com/">https://www.cdslindia.com/</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</p> <p>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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; 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.</p>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<p>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: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> 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-Voting services.</p>



	<p>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 redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at:  <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>.          Select “Register Online for IDeAS Portal” or click at:  <a href="https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL:  <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a>          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 held 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.</p>
<b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)</b>	<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.</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 <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 21 09911
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at: <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at: 022 - 4886 7000 and 022 - 2499 7000

**B. Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- (I) Login method for Remote e-Voting 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](http://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](http://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:

**For Physical shareholders and other than individual shareholders holding shares in Demat.**

PAN	<ul style="list-style-type: none"> <li>Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</li> <li>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.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>

- (ii) After entering these details appropriately, click on "SUBMIT" tab.
- (iii) 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 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.
- (iv) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (v) Click on the EVSN for 'Kennametal India Limited' on which you choose to vote.
- (vi) 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.
- (vii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (viii) 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.

- (ix) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (x) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xi) 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.
- (xii) There is also an optional provision to upload Board Resolution / Power of Attorney if any uploaded, which will be made available to scrutinizer for verification.

**(xiii) 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](http://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](mailto: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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is mandatory that, 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 mandatorily 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 and to the Company at the email address viz; [vijaykt@vjkt.in](mailto:vijaykt@vjkt.in) and to the Company at the email address viz; [in.investorrelation@kennametal.com](mailto: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](mailto:in.investorrelation@kennametal.com) and / or to RTA at [irg@integratedindia.in](mailto:irg@integratedindia.in).
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant.
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant which is mandatory while e-Voting through Depository.

**Other instructions:**

- (i) The voting rights of shareholders shall be in proportion to their Shares of the Paid-up Equity Share Capital of the Company as on the cut-off date of October 17, 2024.
- (ii) The Board of Directors has appointed Mr. Vijayakrishna K T (Membership No. FCS 1788), Practising Company Secretary, as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (iii) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than

2 working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in

favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. The result declared along with the Scrutinizer's Report shall be communicated to the Stock Exchange, CDSL and RTA and will also be displayed on the Company's website, [www.kennametal.com/kennametalindia](http://www.kennametal.com/kennametalindia)

A person who is not a member as on the cut-off date i.e., October 17, 2024, should treat this Notice for information purpose only.

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](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 21 09911.

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 Future, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 21 09911.

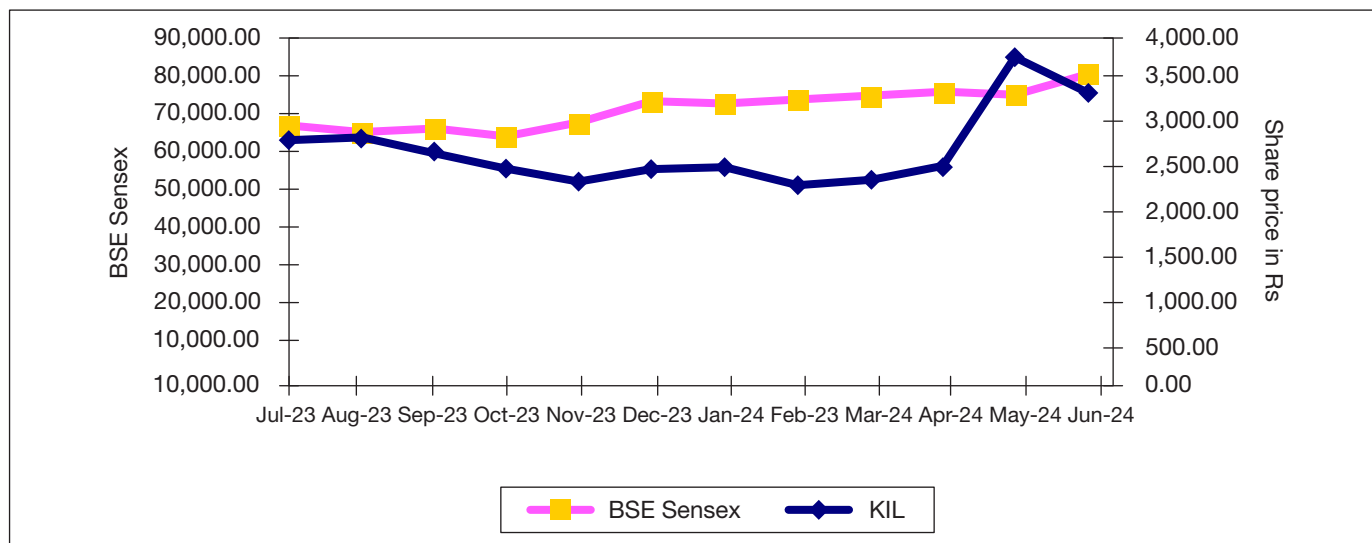
24. Corporate members intending to send their authorized representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
25. Brief profile and other information in respect of Director seeking appointment / re-appointment at the AGM as required under Regulation 36 of SEBI (LODR) Regulations, 2015 is annexed as **Annexure - A** to this notice.
26. Notes to the businesses to be transacted at the AGM is appended hereunder:

**Company Overview as on June 30, 2024:**

**Share Price information:**

Share Price (INR)	52 Weeks High (INR)	52 Weeks Low (INR)	Market Cap (INR in millions)	No. of Shareholders
3,300.80	3,890.00	2,099.00	72,545.78	10,993

**Stock Price Trend – Share Price Performance in comparison with BSE Sensex:**



\*Based on BSE Sensex (close) / Share price (close) on the last trading day of the month.

**Number of subsidiaries, Joint Ventures, Associate as on June 30, 2024:**

Subsidiaries	Associates	Joint Ventures
Nil	Nil	Nil

**Financial indicators:**

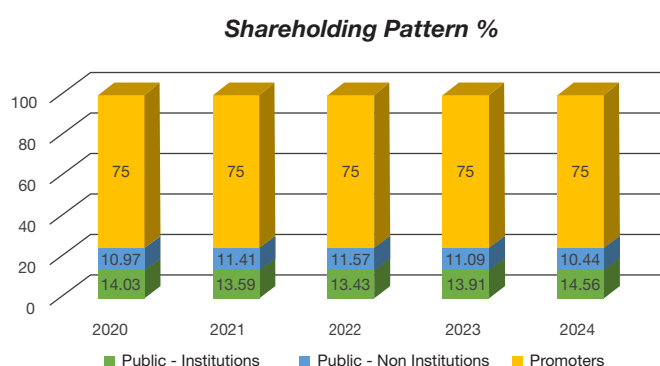
Particulars	₹ In Million		
	FY24	FY23	FY22
Total revenue	10999	10771	9907
<b>Profit before exceptional items and tax</b>	<b>1386</b>	<b>1176</b>	<b>1526</b>
Add/less-exceptional items income/(expense)	127	0	0
<b>Profit after exceptional items and before tax</b>	<b>1513</b>	<b>1176</b>	<b>1526</b>
<b>Less: Tax Expense</b>			
Current tax	370	286	405
Deferred tax charge/ (credit)	19	2	(11)
Tax adjustment relating to earlier years	19	11	(9)
<b>Profit after tax</b>	<b>1105</b>	<b>877</b>	<b>1141</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>3</b>	<b>(15)</b>	<b>(12)</b>
<b>Total comprehensive income for the year</b>	<b>1108</b>	<b>862</b>	<b>1129</b>
Earnings per share - Basic and Diluted	50.28	39.91	51.94

**Cash Flows:**

Particulars	₹ In Million		
	FY24	FY23	FY22
Cash flows from operating activities	1143	1158	491
Cash flows from investing activities	(234)	(453)	(619)
Cash flows from financing activities	(673)	(447)	(526)
Net changes	236	258	(654)

**Ownership Structure**

**Shareholding Pattern (percentage as of June 30, 2024):**

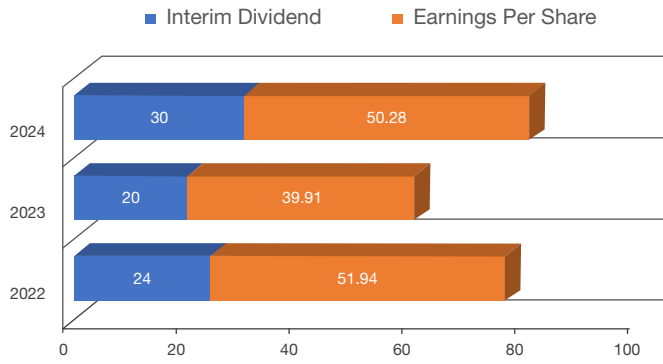




**Details of Interim Dividend & Earnings Per Share  
in INR for last three financial years:**

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

**DIVIDEND & EARNINGS**



Bengaluru  
August 9, 2024

**Anupriya Garg**  
Legal Counsel (Region) &  
Company Secretary (ACS -18612)  
Address: 8/9<sup>th</sup> Mile, Tumkur Road,  
Bengaluru – 560073, Karnataka



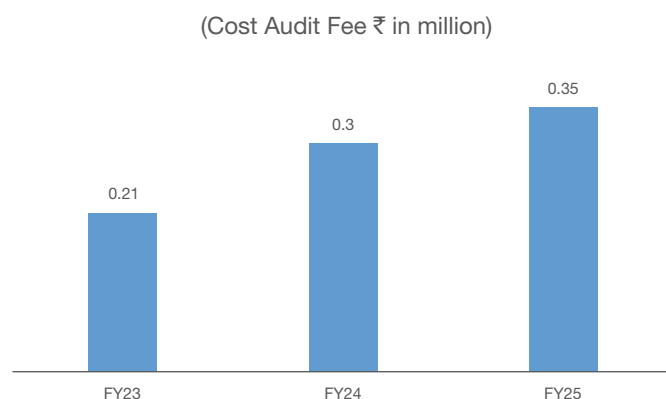
**Explanatory Statement pursuant to Section 102 of Companies Act, 2013 read with Rules made thereunder and pursuant to the SEBI (LODR) Regulations, 2015**

**Item No. 4:**

**Ratification of remuneration payable to M/s. K. S. Kamalakara & Co, Bengaluru, Cost Auditors of the Company:**

The Board of Directors of the Company at its meeting held on August 9, 2024, based on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. K.S. Kamalakara & Co., Cost Auditors, Bengaluru (FRN: No:0000296), to conduct the audit of the cost records of the Company for the financial year ending June 30, 2025 and has in this regard approved payment of ₹ 3,50,000/- (Indian Rupees Three Lakhs Fifty Thousand Only) (excluding applicable taxes and re-imbursment of out of pocket expenses) as cost audit fees for FY 2024-25.

**A bird's eye view of the remuneration to the Cost Auditors is depicted hereunder:**



The Board after considering the recommendation of the Audit Committee have enhanced the remuneration payable to the Cost Auditors vis-à-vis the earlier year i.e., from INR 0.3 million in FY24 to INR 0.35 million in FY25, subject to ratification by the members.

In terms of the provisions of Section 148(3) of the Act read with Rule 14 (a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors for the year 2024-25 as set out in the Resolution aforesaid.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested financially or otherwise in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

**Item No. 5:**

**Appointment of Ms. Bhavna Bindra (DIN: 07314422) as a Non-Executive and Independent Director of the Company:**

Ms. Bhavna Bindra was appointed as an Independent Director of the Company pursuant to Section 149 of the Act, read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (“**the Appointment Rules**”) by the Board, effective January 3, 2020, to hold office for a term of 5 years upto January 2, 2025. The members at the Annual General Meeting held on November 11, 2020, had approved the appointment of Ms. Bhavna Bindra as an Independent Director of the Company. Ms. Bhavna Bindra's term of five years as an Independent Director is due to come to an end on January 2, 2025. The Nomination and Remuneration Committee (“**NRC**”), after taking into account the performance evaluation of Ms. Bhavna Bindra during her first term of 5 (Five) years and considering her knowledge, expertise, experience and substantial contribution and time commitment, has recommended to the Board her re-appointment for a second term of 5 (five) years. The NRC has considered her diverse skills, leadership capabilities, experience in corporate business and strategy, mergers & acquisitions, investments, vast business experience among others as key requirements for this role. In view of the above, the NRC and the Board are of the view that Ms. Bhavna Bindra possesses the requisite skills and capabilities, which would be of immense benefit to the Company, and hence, it is desirable to re-appoint her as an Independent Director for a second term of five years.

Based on the recommendation of the NRC, the Board, recommended the re-appointment of Ms. Bhavna Bindra as an Independent Director, not liable to retire by rotation, for a second term of 5 (five) years effective January 3, 2025 to January 2, 2030 (both days inclusive).

As per Section 149 of the Act, an Independent Director may hold office for two terms up to 5 (five) consecutive years each.

Ms. Bhavna Bindra fulfils the requirements of an Independent Director as laid down under Section 149 of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015.

The Company has received notice in writing pursuant to Section 160 of the Act, from a member proposing the re-appointment of Ms. Bhavna Bindra for the office of Independent Director under the provisions of Section 149 of the

Act. The Company has received all statutory disclosures / declarations from Ms. Bhavna Bindra, including the following:

- (i) Consent in writing to act as Director in Form DIR-2, pursuant to Rule 8 of the Appointment Rules;
- (ii) Intimation in Form DIR-8 in terms of the Appointment Rules to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act; and
- (iii) A declaration to the effect that she meets the criteria of independence as provided in Section 149 of the Act.

The brief profile in relation to her experience, functional expertise and other details as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 is set out in **Annexure - A** to this Notice.

The Board of Directors recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

Except Ms. Bhavna Bindra and her relatives, none of other Directors, Key Managerial Personnel or their relatives, are interested or concerned financially or otherwise in the resolution, by virtue of their directorships and to the extent of their shareholding in the Company.

Board structure after considering Ms. Bhavna Bindra's re-appointment:

**A bird's eye view of the Board structure is depicted hereunder:**

Board Size	No. of Independent Directors (IDs)	Executive Director	Non-Executive Directors	% of Independent Directors on the Board
9#	5*	5^	3	56%

# Includes 2 women Directors.

\* Includes Independent Chairman and an Independent Woman Director.

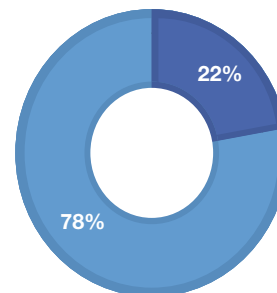
^ Managing Director.

Name	Mr. B. Anjani Kumar	Mr. Vinaya Kashinath Deshpande	Ms. Bhavna Bindra	Mr. Amit Laroya	Mr. Narumanchi Venkata Sivakumar	Mr. Franklin Gerardo Cardenas Castro	Mr. Vijaykrishnan Venkatesan	Ms. Kelly Golden Lynch	Mr. Keith Alan Mudge
Age	72	67	47	59	61	56	50	54	54
Male / Female	M	M	F	M	M	M	M	F	M
Tenure of office as at June 30, 2024	9.7 years*	9.7 years*	4.5 years	0.4 year	0.2 year	3.4 years	3.8 years	0.9 year	0.4 year

\*Appointed as an Independent Director of the Company effective November 4, 2014

#### GENDER COMPOSITION ON BOARD

■ Women Directors ■ Male Directors



**Key Board Qualifications:**

Key Board Qualifications	Board of Directors as at June 30, 2024								
Area of Expertise	Mr. B. Anjani Kumar	Mr. Vinayak K Deshpande	Ms. Bhavna Bindra	Mr. Amit Laroya	Mr. Narumanchi Venkata Sivakumar	Mr. Franklin Gerardo Cardenas Castro	Mr. Vijaykrishnan Venkatesan	Ms. Kelly Golden Lynch	Mr. Keith Alan Mudge
<b>REGULATORY MATTERS:</b>									
Financial Expert as per SEBI (LODR) Regulations, 2015	✓	-	-	-	✓	-	-	✓	-
Independent Director as per sec 149 of Companies Act, 2013 and SEBI (LODR) Regulations, 2015	✓	✓	✓	✓	✓	-	-	-	-
<b>EXPERIENCE / SKILLS:</b>									
CEO Experience	-	✓	✓	✓	✓	✓	✓	-	-
Corporate Finance (public Company)	✓	-	-	-	-	-	-	✓	-
Corporate Governance / Corporate Responsibility	✓	✓	✓	✓	✓	✓	✓	✓	✓
Current or Recent Executive Experience	-	✓	✓	✓	✓	✓	✓	✓	✓
Diversity	-	✓	✓	✓	✓	✓	✓	✓	✓
Environmental / Health / Safety	✓	✓	✓	✓	-	✓	✓	-	-
Government / Military	-	✓	-	-	-	-	✓	-	-
Industry / Manufacturing Knowledge	✓	✓	✓	✓	✓	✓	✓	✓	✓
International	✓	-	✓	✓	✓	✓	✓	✓	✓
Legal – Transactions	✓	-	-	✓	✓	-	-	-	-
Operations / Production	-	✓	✓	✓	✓	✓	✓	-	✓
Public Company Board Experience	✓	✓	✓	✓	-	-	✓	✓	-
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	-
Sales & Marketing	-	✓	✓	✓	-	✓	✓	-	✓
Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓	✓
Technology / Engineering	-	✓	-	✓	✓	-	✓	-	-

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

Bengaluru  
August 9, 2024

**Anupriya Garg**  
Legal Counsel (Region) &  
Company Secretary (ACS -18612)  
Address: 8/9<sup>th</sup> Mile, Tumkur Road,  
Bengaluru – 560073, Karnataka

**Brief particulars of Director seeking re-appointment:**
**I. Ms. Kelly Golden Lynch**

Name of the Director	Ms. Kelly Golden Lynch
DIN	10270042
Date of first appointment on Board	August 11, 2023
Designation	Non – Executive Non - Independent Director
Date of Birth (Age)	June 4, 1970
Relationship between Directors inter-se	None
Experience	<p>Ms. Kelly Golden Lynch is the Vice President Finance Metal Cutting segment at Kennametal Inc., (Ultimate holding Company of Kennametal India Limited), having an illustrious career of 26+ years in the field of financial planning &amp; operations, risk management, accounting and internal audit &amp; controls. Ms. Lynch is responsible for the financial governance of +\$1.2 billion global business segment. She has managed global extended team of finance professionals in United States and China, plus matrix team in Europe and has partnered with Metal cutting Segment President to identify and prioritize key initiatives.</p> <p>Ms. Lynch has a proven track record of making key contributions that increased shareholders value, reduced costs and minimized risk. Ms. Lynch also has an extensive experience under Internal audit covering comprehensive audit program such as financial, operational, and internal control audits. As a Director Internal Audit, she has managed global team of professionals including in United States and China. She has developed and implemented enterprise-wide risk-based audit planning process and performed annual risk assessment and developed internal audit plan. Ms. Lynch has led company's transition to COSO 2013 framework including gap assessment, transition plan and implementation.</p> <p>Ms. Lynch is a Bachelor of Science in Accounting from University of Delaware – Newark, Delaware 19717 with Concentration in Finance.</p>
Expertise in specific functional area	Financial governance and direct financial operations of global business segment.
Qualifications	Graduate of University of Delaware – Bachelor of Science in Accounting
List of Directorships in other Public Companies (excluding Foreign, Private and Section 8 Companies) (except KIL) and Memberships of Committees of the Board in India (includes only Audit Committee and Stakeholders Relationship Committee)	None
List of other Public Companies in India from which she has resigned in the past three years	None
No. of Shares held in Kennametal India Limited	Nil
No. of Board Meetings attended during the financial year 2023-24 as a Director	6 (Six)
Terms and conditions of Appointment	Re-appointment in terms of Section 152(6) of the Companies Act, 2013, liable to retire by rotation.



## II. Ms. Bhavna Bindra

Name of the Director	Ms. Bhavna Bindra
DIN	07314422
Date of first appointment on Board	January 3, 2020
Designation	Non – Executive Independent Director
Date of Birth (Age)	May 8, 1977
Relationship between Directors inter-se	None
Experience	<p>Ms. Bhavna Bindra (DIN: 07314422) is the Managing Director India, Middle East and Africa (IMEA) for Lubrizol Corporation, a Berkshire Hathway Company. In this role, she is responsible for leading the IMEA leadership team to deliver differential regional growth, based on a localfor-local approach. She ensures that IMEA growth investments are proactively developed and embedded in global plans, while also holding accountability for Lubrizol's Global Capability Center (GCC).</p> <p>Ms. Bhavna has more than 20 years of experience in various roles, most recently serving as Managing Director, South Asia, with REHAU, a German polymer business, that develops, manufactures and markets products for the automotive, construction and industrial sectors. Before that, she spent more than a decade at Cummins India Limited, a global manufacturer of engines, filtration and power generation products, serving as Vice President for the Distribution Business and the Automotive Business for Cummins in India. Ms. Bhavna started her career at the Boston Consulting Group focusing on the Financial Services and Pharmaceuticals sectors.</p> <p>Ms. Bhavna has been on the Boards of Valvoline Cummins Private Limited and Cummins Sales and Service Private Limited as well as on the Board of Cummins DKSH, besides Jakson Limited and Jakson Engineers Limited. Apart from Kennametal India Limited, she also currently serves on the Board of Automotive Stampings &amp; Assemblies Limited as an Independent Director.</p> <p>Ms. Bhavna has been on the Boards of Valvoline Cummins Private Limited and Cummins Sales and Service Private Limited as well as on the Board of Cummins DKSH, besides Jakson Limited and Jakson Engineers Limited. She also currently serves on the Board of Automotive Stampings &amp; Assemblies Limited as an Independent Director.</p> <p>Ms. Bhavna was recognized as one of India Inc.'s 25 Rising Women Leaders in 2015 by Economic Times. She was also among the "40 Under Forty" Young Leaders list of Economic Times in 2016. In 2016, Ms. Bhavna was named in The Economic Times "40 Under 40" list as one of India's brightest young business leaders. She was also named India Inc.'s Rising Women Leaders by The Corporate Dossier. In recognition of her exceptional leadership drive to invest in people, products, and processes driving innovation and transformation, she has recently been given the prestigious ET ASCENT Business Leader of The Year 2023, besides being featured on the cover of ET Polymers.</p>



	Ms. Bhavna received her bachelor's degree (Honors) in Economics from the Shri Ram College of Commerce, Delhi and her MBA from the Indian Institute of Management Bangalore. She is a certified Six Sigma Green Belt.
Expertise in specific functional area	Ms. Bhavna has diversified experience in corporate business, strategy, sales, marketing, and leadership
Qualifications	Economics honours graduate from Shri Ram College of Commerce, Delhi and MBA from IIM Bangalore.
List of Directorships in other Public Companies (excluding Foreign, Private and Section 8 Companies) and Memberships of Committees of the Board in India (includes only Audit Committee and Stakeholders Relationship Committee)	<ul style="list-style-type: none"> <li>• Kennametal India Limited (Independent Director)</li> <li>• Automotive Stampings and Assemblies Limited (Independent Director)</li> </ul> <p><b>Chairpersonship / Membership Details</b></p> <ul style="list-style-type: none"> <li>• Kennametal India Limited: <ul style="list-style-type: none"> <li>▪ Audit Committee (Member)</li> <li>▪ Stakeholders Relationship Committee (Member)</li> </ul> </li> <li>• Automotive Stampings and Assemblies Limited: <ul style="list-style-type: none"> <li>▪ Audit Committee (Member)</li> </ul> </li> </ul>
List of other Public Companies in India from which she has resigned in the past three years	<ol style="list-style-type: none"> <li>1. Jackson Limited</li> <li>2. Jackson Engineers Limited</li> </ol>
No. of Shares held in Kennametal India Limited	Nil
No. of Board Meetings attended during the financial year 2023-24 as a Director	6 (Six)
Terms and conditions of Appointment	Re-appointment for a further term of 5 years effective January 3, 2025, subject to the approval of the Shareholders. Not liable to retire by rotation.

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

Bengaluru  
August 9, 2024

**Anupriya Garg**  
Legal Counsel (Region) &  
Company Secretary (ACS -18612)  
Address: 8/9<sup>th</sup> Mile, Tumkur Road,  
Bengaluru – 560073, Karnataka

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Kennametal India Limited

(CIN: L27109KA1964PLC001546)

Regd. Office: 8/9th Mile, Tumkur Road, Bengaluru - 560 073

Phone No.: +91 80 43281 444/215 Fax: +91 80 2839 0129

E-mail: in.investorrelation@kennametal.com

Website: www.kennametal.com/kennametalindia

# PROXY FORM (Form MGT-11)

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration Rules, 2014)]

**59<sup>th</sup> Annual General Meeting on October 24, 2024**

Name of the member(s): .....

Registered Address: .....

.....

E-mail ID: .....

Folio No./Client ID: .....

DP ID .....

I / We being the member(s) of ....., Shares of the above named company hereby appoint

1. Name:	2. Name	3. Name
Address	Address	Address
e-mail id:	e-mail id:	e-mail id:
Signature	Signature	Signature
..... Or failing him	..... Or failing him	..... Or failing him

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 59<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, October 24, 2024 at Hotel Taj Yeshwantpur, 2275, Tumkur Road, Yeshwantpur Industrial Area, Phase 1, Yeshwantpur, Bengaluru, Karnataka 560022 at 12:00 Noon and at any adjournment thereof in respect of such resolutions, as are indicated below:



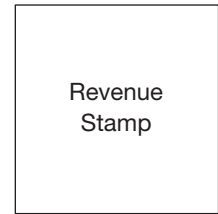
Resolution No.	Resolutions	Vote		
		For	Against	Abstain
<b>Ordinary business</b>				
1.	To receive, consider, approve and adopt the audited financial statements of the Company for the financial year ended of June 30, 2024, together with the reports of the Board of Directors and Auditors thereon;			
2.	To appoint Ms. Kelly Golden Lynch (DIN: 10270042), Director, who retires by rotation and being eligible, offers herself for re- appointment.			
3.	To confirm the payment of interim dividend of ₹30/- per Equity Share (300%) on 2,19,78,240 Equity Shares of ₹10/- each already paid for the financial year 2023-24 ended June 30, 2024, and consider the same as final dividend for the financial year 2023-24 ended on June 30, 2024.			
<b>Special Business</b>				
4.	To ratify remuneration payable to M/s K. S. Kamalakara & Co, Bengaluru, Cost Auditors of the company			
5.	To re-appoint Ms. Bhavna Bindra (DIN: 07314422) as a Non - Executive Independent Director of the Company:			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

Revenue StampName: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_



.....  
Signature of the Shareholder

.....  
Signature of the Proxy

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. The proxy need not be a Member of the Company.
2. It is optional to indicate your preference. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.
3. Please complete all details including your membership details in above box before submission. Blank/Incomplete Proxies shall be considered as invalid.
4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



Kennametal India Limited

(CIN: L27109KA1964PLC001546)

Regd. Office: 8/9th Mile, Tumkur Road, Bengaluru - 560 073

Phone No.: +91 80 43281 444/215 Fax: +91 80 2839 0129

E-mail: [in.investorrelation@kennametal.com](mailto:in.investorrelation@kennametal.com)

Website: [www.kennametal.com/kennametalindia](http://www.kennametal.com/kennametalindia)

## ATTENDANCE SLIP

PLEASE HAND OVER THE ATTENDANCE SLIP AT THE ENTRANCE OF THE AGM HALL

DP. ID		NAME AND ADDRESS OF THE REGISTERED MEMBER
Client ID / Folio No.		
No. of Shares		

I hereby record my presence at the 59<sup>th</sup> Annual General Meeting of the Company held at Hotel Taj Yeshwantpur, 2275, Tumkur Road, Yeshwantpur Industrial Area, Phase 1, Yeshwantpur, Bengaluru, Karnataka 560022 on Thursday, October 24, 2024 at 12:00 Noon.

Full name of the Proxy, if attending the Meeting:

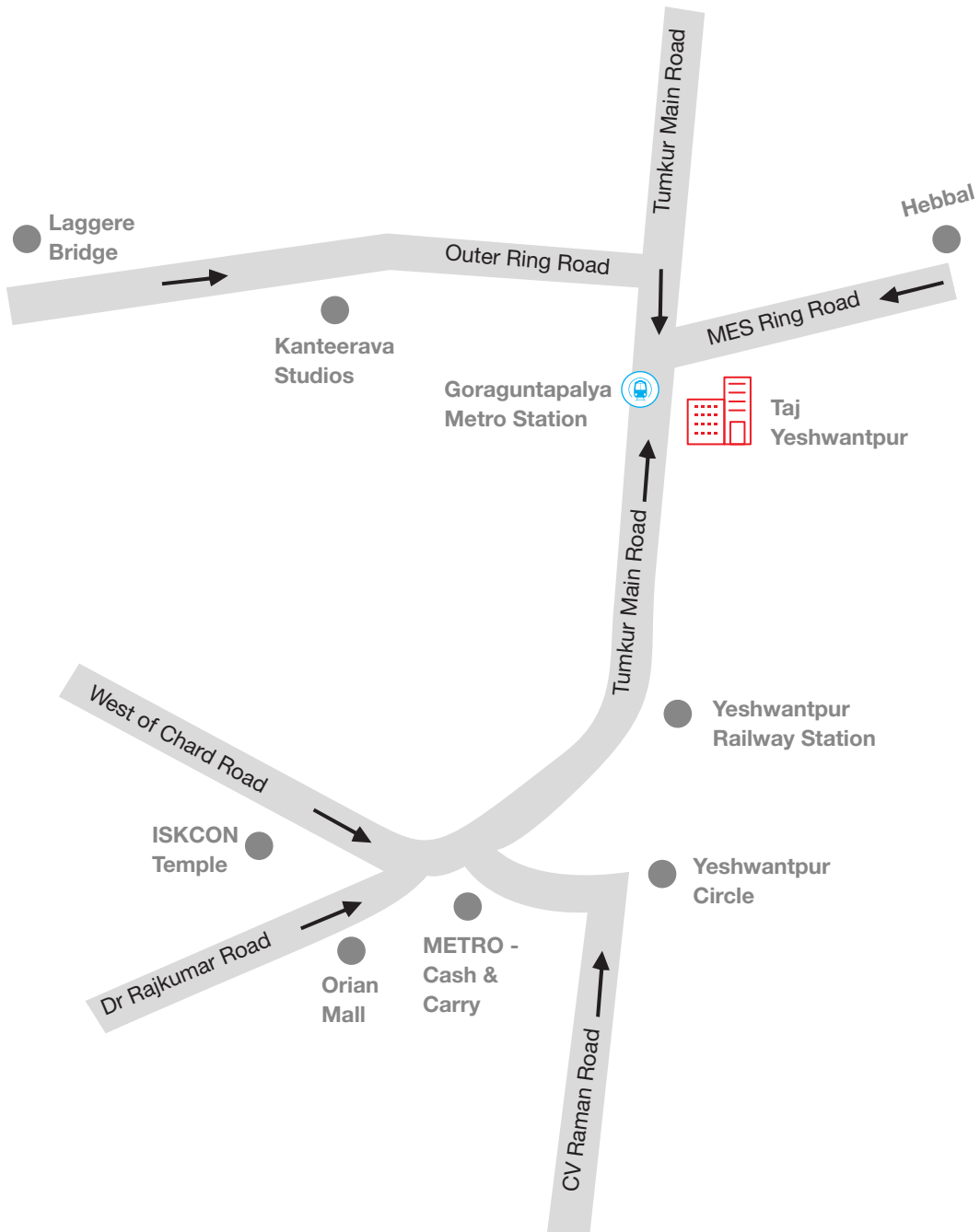
Signature of the Member / Joint Member / Proxy attending the Meeting:

**Note:**

Persons attending the Meeting are requested to bring this Attendance Slip with them.



**Route Map to the venue of the Annual General Meeting:**



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59<sup>th</sup> Annual Report | FY24

# TRANSFORMING HOW EVERYDAY LIFE IS BUILT



Our customers build things that touch our everyday lives. They make products that enable people to drive, fly, power and build...and their products are made possible by Kennametal innovation.

By continuously transforming ourselves, our products and our solutions, we are helping our customers to transform everyday life.





# KENNAMETAL INDIA LIMITED

(CIN: L27109KA1964PLC001546)

## Directors

Mr. Bidadi Anjani Kumar  
Chairman  
Mr. Vijaykrishnan Venkatesan  
Managing Director  
Mr. Vinayak Kashinath Deshpande  
Ms. Bhavna Bindra  
Mr. Amit Laroya  
Mr. Narumanchi Venkata Sivakumar  
Mr. Franklin Gerardo Cardenas Castro  
Ms. Kelly Golden Lynch  
Mr. Keith Alan Mudge  
Ms. Kelly Marie Boyer  
(Ceased to be Non-Executive Director effective closing of business hours of September 30, 2023)

## Key Managerial Personnel

Mr. Vijaykrishnan Venkatesan  
Managing Director  
Mr. K. V. Suresh Reddy  
Chief Financial Officer  
Ms. Anupriya Garg  
(Appointed as a Legal Counsel (Region) & Company Secretary effective July 4, 2024)  
Mr. Naveen Chandra Prakash  
(Ceased to be General Manager - Legal & Company Secretary effective closing of business hours of January 15, 2024)

## India Leadership Council (ILC)

Mr. Vijaykrishnan Venkatesan  
Mr. Prashant Shetty  
Mr. M. T. Swamy  
Mr. Rajashekar Venkat  
Mr. K.V. Suresh Reddy  
Mr. Manu Kidave  
Ms. Swastika Mukherjee  
Mr. Raghavendra S  
Ms. Anupriya Garg (Effective July 4, 2024)  
Mr. Naveen Chandra Prakash (Upto January 15, 2024)

## Registered Office and Factory

8/9<sup>th</sup> Mile, Tumkur Road  
Bengaluru - 560 073 Karnataka, India  
Phone: + 91 (80) 28394321  
Fax: + 91 (80) 28390129  
website: [www.kennametal.com/kennametalindia](http://www.kennametal.com/kennametalindia)

## Auditors

### Statutory Auditors

Messrs. Price Waterhouse & Co. Chartered Accountants LLP  
Chartered Accountants

### Internal Auditors

Messrs Ernst and Young LLP  
Chartered Accountants

### Cost Auditors

Messrs K. S. Kamalakara & Co.

### Secretarial Auditor

Mr. Vijayakrishna K. T., Company Secretary

### Bankers

Bank of America  
HDFC Bank Limited  
ICICI Bank Limited  
Mizuho Bank Limited

### Registrar & Share Transfer Agent

Integrated Registry Management Services Private Limited  
30, 'Ramana Residency' 4th Cross, Sampige  
Road, Malleswaram, Bengaluru — 560 003  
Phone: + 91 (80) 23460815-818  
Fax: + 91 (80) 23460819  
e-mail: [irg@integratedindia.in](mailto:irg@integratedindia.in)

## 59<sup>th</sup> Annual General Meeting

Thursday, October 24, 2024 at 12:00 noon

at Hotel Taj Yeshwantpur, 2275, Tumkur Road, Yeshwantpur Industrial Area, Phase 1, Yeswantpur, Bengaluru, Karnataka 560022



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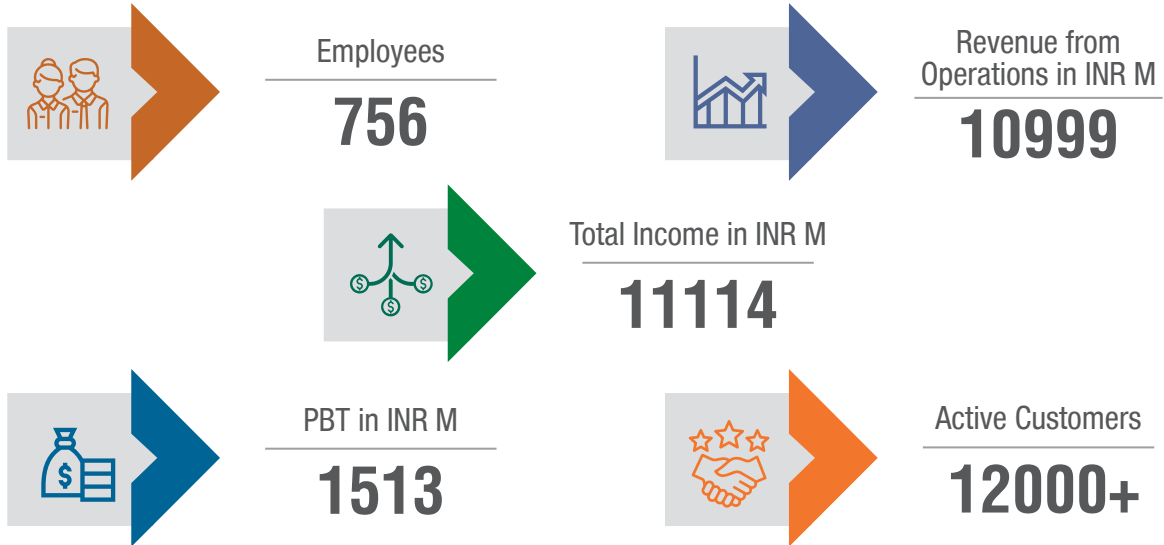
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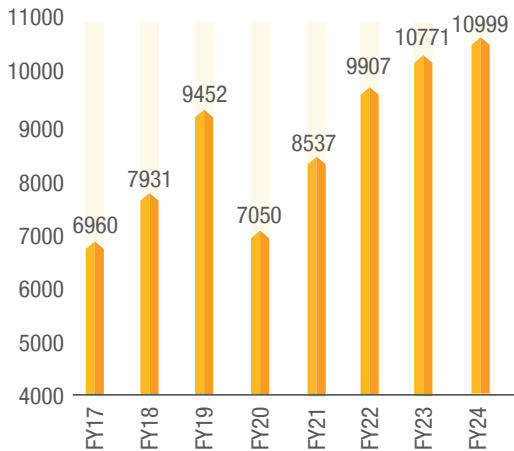
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## FINANCIAL PERFORMANCE

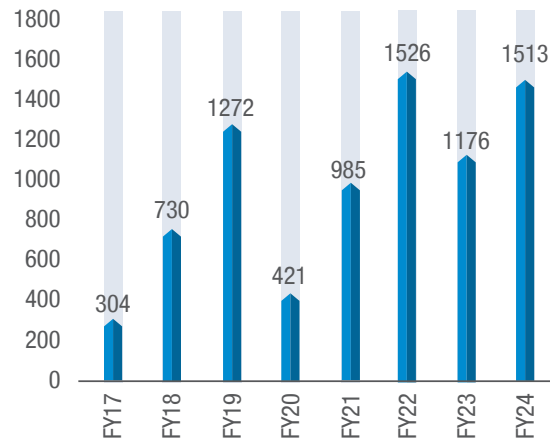
### Revenue in INR M

Revenue was at INR 10999 M, grew at 2.12% over previous year

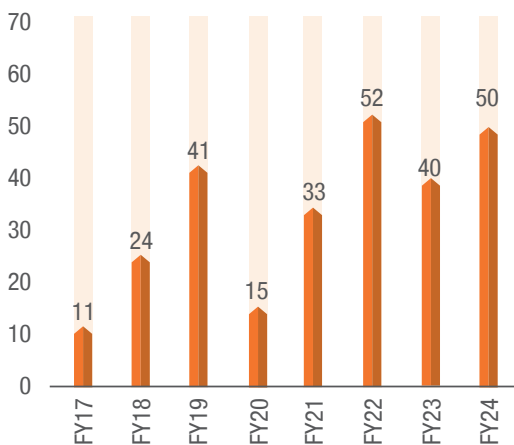


### Profit before Tax (PBT) in INR M

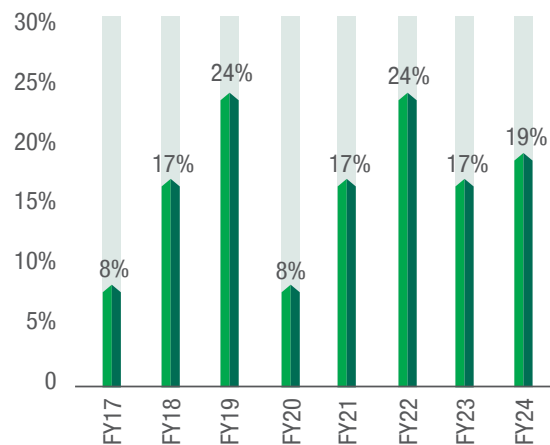
PBT was at INR 1513 M, increased by 28.66% over previous year



### Earning Per Share (EPS) in INR



### Return on Capital Employed (ROCE) in percentage



# PRODUCT PORTFOLIO

Kennametal India has effectively positioned itself as a reliable industrial technology leader in materials science, tooling and wear resistant solutions for customers across industries such as aerospace, earthworks, energy, general engineering and transportation. With strong business verticals under Hard Metal and Machine Tools, the company has a balanced business portfolio.





# HIGHLIGHTS

## CUSTOMER



Kennametal's participation at EXCON — South Asia's largest construction equipment event, in Bengaluru

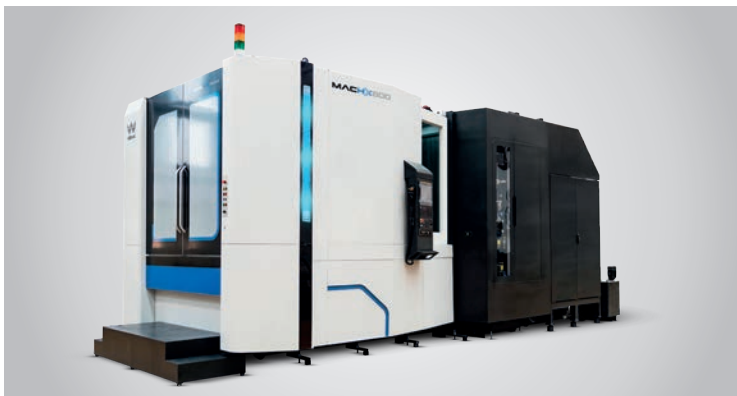
During the year, our teams engaged with nearly 3500 customers through trade shows and seminars, showcasing our innovative solutions and strengthening our partnership.



Partnering with distributors to co-organize a series of in-person customer seminars



## INNOVATION



Launch of WIDMA's next-gen horizontal machining center, MachX800, designed for large part machining

# HIGHLIGHTS

## SUSTAINABILITY

**Kennametal India sources around 85% of its power requirement from renewable energy**

GreenCo 'Gold' rating received from the Confederation of Indian Industry (CII), in recognition of Kennametal India's commitment to environmental excellence.



Award Ceremony of the Edition of the CII-SR EHS Excellence Awards 2023



Kennametal India won 'Gold' at the CII Excellence EHS Awards 2023, in recognition of its sustained contributions towards health and safety of employees, as well as the environment.



In line with its commitment to inclusion, Kennametal India celebrated International Women's Day by hosting a series of informative and engaging activities.



Kennametal India has implemented comprehensive gender sensitization and prevention of sexual harassment training for all employees<sup>1</sup> with a coverage of 99%.



Kennametal India successfully completed a restoration project at Lake Harokethanahalli, an 18-acre water body in Bengaluru, India, holding over 140 million liters of water. This project is expected to raise the groundwater level by eight meters, benefiting around 5,000 local residents with a reliable water source.



<sup>1</sup>Including but not limited to officers, associates, workers and contractors





# CHAIRMAN'S MESSAGE

“We continued to execute on our strategic imperatives of both commercial and operational excellence which enabled us to drive profitability.”

**Bidadi Anjani Kumar**  
Chairman



## Dear Shareholders,

It is my privilege to present the 59<sup>th</sup> Annual Report of your Company for the financial year ended June 30, 2024, on behalf of the Board of Directors of Kennametal India Ltd. Your Company achieved sales of ₹10,999 million in FY24. Including Other Income, the Total Income was ₹11,114 million or ₹1,111.4 crores. Our revenue growth was constrained by the decline in exports revenues because of poor demand from international markets, especially Europe and slower than expected recovery in China.

However, the Profit before exceptional items and tax grew by 17.8% from ₹1,176 million to ₹1,386 million in FY24. The final PBT including exceptional items was ₹1,513 million in FY24 showing a growth of 28.7% over FY23. As a result, the PAT was also significantly higher in FY24 at ₹1,105 million as against ₹877 million in the previous year, a growth of 26%. This improvement in the profit is a result of strong domestic demand providing higher manufacturing volumes which led to higher utilisation of capacity and better absorption of fixed costs, apart from our own focused cost control initiatives. We continued to execute on our strategic imperatives of both commercial and operational excellence which enabled us to drive profitability.

## Global Economy – an overview

The geopolitical tensions which started in February 2022 continued to affect the global economy in 2023 and the West Asia conflict which started in October 2023 just made it worse for nations around the world. As a result, international trade suffered with increase in both raw material costs and the cost of freight. This affected our export sales in our financial year from July 2023 to June 2024 and could continue to affect us in FY25 also, as both these conflicts continue till date. While these prevailing challenges are likely to infuse volatility in commodity prices, raise inflation and disrupt trade activities, the risks are a little more balanced today with economies recalibrating their outlook to drive a more sustainable growth trajectory. Specific to regions, Europe and China are expected to witness softness in growth. The US economy has displayed resilience with tightening of monetary policies and proved to be an important lever in driving the overall global economic growth, though inflation remains a concern even today. India and Indonesia continue to remain bright spots in this regard, while the Middle East and North Africa are expected to pick up after a subdued performance in the recent past.



### Manufacturing Sector in India

According to the Index of Industrial Production (IIP) data, India's industrial output grew by 5.8% in FY23-24 (financial year ending March 2024), slightly higher than 5.2% in the previous fiscal. The growth momentum continued across manufacturing, mining, electricity, construction goods and other output. Continuing the positive trend into the April- June quarter of 2024, IIP rose to 5.9% Y-o-Y in May from 5% in April, but dipped to 4.2% in June 2024. In terms of capex spends, the value of new investment projects dropped by ~5% over the previous year, marred by 11-15% lower investment plans by the domestic players, as well as a significant drop in foreign investment outlays. On the contrary, the central and state governments ramped up capex spends to the tune of 8.4% and 27% respectively. This trend is expected to taper in the near term and pick up again in the second half of the fiscal. In the long term, the IIP is projected to trend around 5% in 2025 and 4.3% in 2026.

On the back of a strong uptick across primary, secondary and tertiary sectors, the Indian economy registered a GDP growth of 8.2% for the fiscal FY24 (ending March 31). Reserve Bank of India (RBI) has estimated India's GDP growth in 2024-25 at around 7% on account of healthy monsoons, continued momentum in manufacturing, services and infrastructure spends. To ensure economic sustenance, the government has set a target to reduce the fiscal deficit to 4.9% from 5.6% of GDP that can be attained through robust tax collection, sound expenditure management and economic growth, backed by a massive ₹2.1 trillion dividend payout by RBI. Retail inflation trended around 5% in FY24 and is expected to remain unchanged in the coming fiscal, mainly fuelled by the rise in food prices. Overall, India is expected to continue its growth momentum despite some moderation in the coming fiscal, yet leading the way among nations as the fastest growing economy.

### Performance of the Indian Auto Sector

As per the Society of Indian Automobile Manufacturers (SIAM), the automobile industry demonstrated a growth of 12.5 per cent in volume during the last financial year (FY24 ending

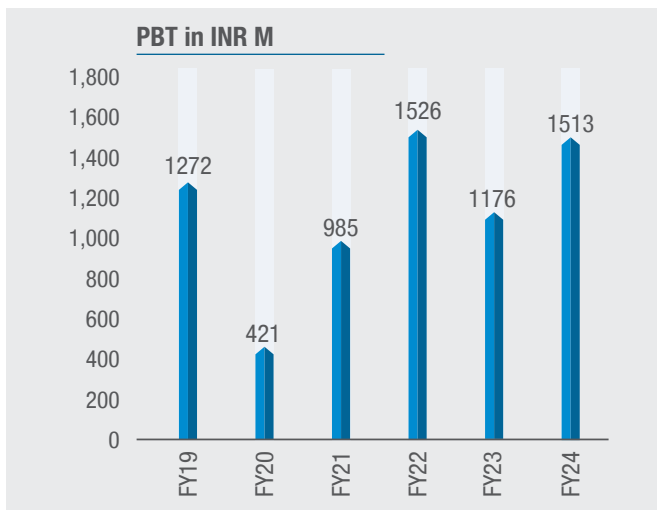
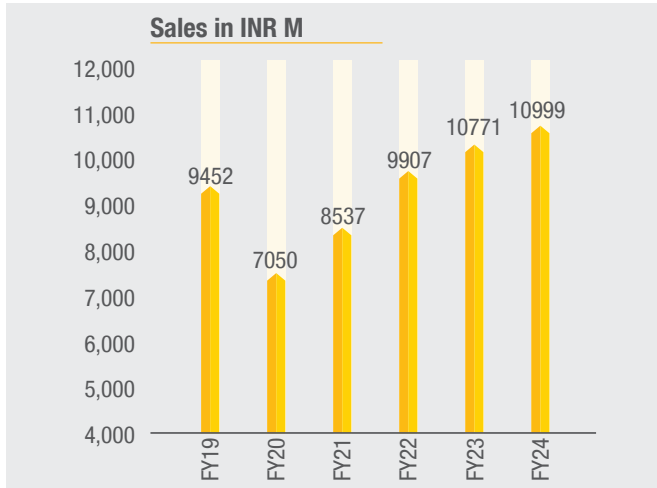
March 31, 2024). The Passenger Vehicle (PV) segment saw a growth of 8.4%, touching almost 4.2 million units, while the two-wheeler segment recovered with an impressive growth of around 13% with volumes touching 18 million units. The Commercial Vehicle (CV) segment remained flat over a strong base, hindered by factors such as shift to higher tonnage trucks resulting in lower number of units and reduced infrastructure spends in the run up to general elections. In the current fiscal, the PV segment is expected to grow moderately by 3-6% and the CV segment is projected to decline by 3-5%. In proportion to the domestic OEM volumes trend, coupled with subdued exports, the auto component segment is likely to grow at 5-7% in the current fiscal, according to a recent report by ICRA, after delivering a strong 10% in FY24. On the other hand, the two-wheeler segment is expected to touch pre-pandemic levels due to improved exports and pickup in rural sentiments owing to favourable monsoons. The domestic tractor industry went down by 7-8% in FY24 mainly on account of rainfall deficit but is expected to revive in the second half of the current fiscal to touch a mid-to-high single digit growth in FY25.

### Financial Performance, Dividend Payout and the Balance Sheet

As mentioned earlier your Company's Total Income recorded a total of ₹11,114 million in FY24 showing a growth of 2.8% over the prior year, and the Profit After Tax (PAT) was ₹1,105 million for FY24, which was 26% above the prior year. Therefore, the EPS (Earnings per Share) also grew by 26% from ₹39.91 in FY23 to ₹50.28 in FY24.

This enabled your company to declare a significant increase in the dividend from 200% in FY23 to 300% in FY24. Despite this increased dividend payout in May 2024, your company managed to maintain good cash & cash equivalents at the end of the financial year on 30<sup>th</sup> June 2024 amounting to ₹1,128 million. Your Company also continues to have a strong Balance Sheet with zero debt apart from the healthy cash and cash equivalents. This will enable your company to proceed well with its capital expenditure programme in FY25 for catering to future growth.

**Revenue & PBT over the last 6 years in INR Mn**  
**Chart**



Apart from the above, if I look at your Company’s track record since FY14, I note that your company’s sales have more than doubled despite the set back caused by the COVID pandemic for almost three years in between. The PAT has grown more than six times in this period (from ₹171 million to ₹1,105 million) and so has the EPS. The dividend payout has in fact been increased fifteen fold from those days from 20% levels to 300% in FY24. Dear Shareholders, I am sure you will appreciate this sterling performance and continue to support your Company in the years to come.

**Changes to Constitution of the Board of Directors**

During FY24, your Company witnessed the following changes to the constitution of the Board:

Ms. Kelly Marie Boyer, who acted as Non-Executive Director of the Company since May 11, 2022 resigned from the Office of Director of the Company effective closing of business hours of September 30, 2023. The Board places its sincere appreciation on record for the commendable contribution to the Board during her tenure as a Director of the Company.

Effective August 11, 2023, Ms. Kelly Golden Lynch was inducted as an Additional Director (Non-Executive Non-Independent) on the Board of the Company. Her appointment was approved by the Shareholders at the 58<sup>th</sup> Annual General Meeting held on November 10, 2023.

Mr. Keith Alan Mudge was inducted as an Additional Director (Non-Executive Non-Independent) on the Board of the Company effective February 9, 2024. His appointment was approved by the shareholders through Postal Ballot on April 17, 2024.

Effective March 11, 2024, Mr. Amit Laroya was inducted as an Additional Independent Director on the Board of the Company, with his appointment being approved by the shareholders through Postal Ballot on April 17, 2024.

Lastly, Mr. Narumanchi Venkata Sivakumar was also inducted as an Additional Independent Director on the Board of the Company effective May 9, 2024. His appointment was approved by the shareholders through Postal Ballot on June 19, 2024.

These additions to the Board of Kennametal India Limited have been made as Mr. Vinayak Deshpande and myself are stepping down from the Board of your Company effective November 4<sup>th</sup>, 2024 as statutorily required, since both of us are completing ten years on the Board of your company as Independent Directors on that date.

In view of the above, in the meeting of the Board of Directors held on August 9<sup>th</sup>, 2024, the Board of your Company appointed Mr. Amit Laroya as the Chairman of the Board effective November 4<sup>th</sup>, 2024. The Board also appointed Mr. N. V. Sivakumar as the Chairman of the Audit Committee of the Board effective November 4<sup>th</sup>, 2024.



The Board of your company therefore remains well constituted with optimal representation of experts from various realms that adheres to all norms of corporate governance. I would like to take this opportunity to wish Mr. Amit Laroya and Mr. N. V. Sivakumar all the very best in carrying out their responsibilities as the Chairman of the Board and the Chairman of the Audit Committee respectively. They are both highly qualified and experienced and I can confidently assure all of you dear Shareholders that they will fully justify the confidence placed in them by the Board.

### **Corporate Governance**

Corporate governance is the guiding light for decision-making and conducting business at Kennametal. Your company's Corporate Governance Framework provides a comprehensive direction to foster accountability and transparency for our Board of Directors and management team. Further, your Company is always committed to safety, environment, ethics and the wellbeing of all its stakeholders as part of its Environmental, Social, and Governance (ESG) initiatives. I am proud to state that during the year, your company undertook various ESG programs that have helped in strengthening stakeholder engagement and create long-term value.

### **Corporate Social Responsibility**

During FY24, your Company's CSR initiatives have been centred around the three long standing focus areas of (i) Protecting our Planet (ii) Tech Education as part of Promotion of Education and (iii) Kennametal in the Community. The Company has spent ₹ 24.66 Million towards projects aligned with these three pillars as part of its CSR initiatives in FY24 and met the statutory requirements for CSR expenditure during the financial year. The Director's report will provide you with more details on the well-planned actions taken under your Company's CSR programme.

### **Summary and The Way Ahead**

Despite the difficult situation in the international market, your company managed to leverage the strong growth in the domestic market to drive volumes while demonstrating prudence in financial management and excellence in operational efficiency. The Kennametal India team continued to partner with customers across transportation, aerospace, energy,

engineering, and earthworks to create value through a solutions-based approach and long-term partnership. We intensified our focus on people initiatives by strengthening our safety practices, driving employee engagement, supporting Diversity & Inclusion initiatives and building a robust talent pipeline. I am confident that your company will continue to steer profitable growth as we progress into FY25 by delivering on strategic initiatives and staying the course on values, ethics and responsible business conduct with the support of our dedicated management team.

On behalf of the Board of Directors, I would like to sincerely thank all our employees once again, for their dedication and focus on the Company's goals and priorities. I would be failing in my duty if I did not acknowledge the significant contributions of our loyal customers, distribution partners, vendors and bankers in our growth and success. I would also like to take this opportunity to thank all the regulatory authorities and our loyal shareholders for their continued support and encouragement.

Before I conclude, I would also like to sincerely thank my fellow Board Members for their encouragement and guidance to the management led by Mr. Vijaykrishnan Venkatesan, our Managing Director, who along with the Senior Leadership Team has ensured that your company continues its focus on both business performance and business ethics.

I wish the Kennametal team continued success in all its endeavours in the years to come.

Thank you,

**Bidadi Anjani Kumar**  
Chairman



# MESSAGE FROM THE MANAGING DIRECTOR

“Kennametal India Limited concluded the year at ₹10,999 million, growing at 2.1% over a strong base last fiscal.”

**Vijaykrishnan Venkatesan**  
Managing Director



## Dear Shareholders,

I am delighted to connect with you through this issue of the Annual Report and share operational updates of your Company during the year 2023-24. It gives me immense pleasure to report a year that marked a strong recovery in the profitability of your Company, a reflection of the collective rigor in driving cost efficiency, capacity utilization and portfolio optimization. This achievement would not have been possible without your commendable support and faith in the company, which has enabled us to deliver on our strategic imperatives. Our efforts in balancing a growth-centric mindset with commitment to sustainability have enhanced our capabilities in delivering long-term value for our stakeholders.

FY24 was supported by a largely stable domestic economy, ending at an 8.2% GDP growth with an uptick across the end use segments where your Company operates. Leveraging this strong market demand, your Company registered higher manufacturing volumes while managing costs, yielding a significantly higher PBT of ₹1,513 Mn for FY24, up 28.6%. The Company has also earned interest on income tax refund and higher investment income. Coming to the business segments, Hard Metal sales were higher by 2.8% over FY23, registering growth across product portfolios and territories, delivering value through new applications as well as end-to-end solutions. Through a robust positioning strategy of its cutting tool brands, Kennametal and WIDIA, the segment revenue was a good mix of existing and new customers across automotive,

general engineering, mining and construction, aerospace and the MSME (Micro, Small & Medium Enterprises) businesses. On the other hand, the Machining Solutions Group (MSG) delivered an all-time-high order book this year, a significant 54.67% higher than FY23 via geographical expansion in the domestic market with notable wins in new segments and new product development. Sales, however, was impacted by lower offtake from China due to slower than expected recovery. Kennametal India Limited concluded the year at ₹10,999 million, growing at 2.1% over a strong base last fiscal

## Delivering Value Through Innovation

Innovation continues to be at the forefront of our strategic initiatives. A highlight was Kennametal being named an 'R&D 100 Award Winner' and also receiving a bronze Edison Award for its industry-first, additive manufactured cutting tool designed with KENionic™ technology. Several products were launched/upgraded during the year, such as addition of new inserts variants to the high-performance turning platform, KCP25C with KENGGold™ coating technology; enhanced Harvi III, high performance solid carbide end mills portfolio, to include smaller diameters that are the perfect fit for medical operations; and launch of TopSwiss™ inserts for small parts machining to enhance Kennametal's turning portfolio. Through deployment of new and innovative applications in wear solutions,

we helped our customers address productivity requirements in extremely challenging operating environments. On the Machining Solutions front, there were several high-impact launches, including the MachX800, a next-gen horizontal machining center, designed for large part machining across industries; and the BPG-15, a blank profile grinding machine, which augments the Tool & Cutter Grinding machines portfolio. Our success in new product development was evident from the increasing traction for the new VT-850 plug-n-play vertical turning lathe launched earlier in the year.

Through a competent sales team backed by a pan India distributor network, service and application support, your Company elevated its outreach to a broader customer base. Our teams engaged with nearly 3500 customers by way of trade shows and seminars and also witnessed impressive traction through online campaigns—all resulting in greater brand recall and new avenues for partnership.

#### **Operational Efficiency with “Zero” Injury Milestone in Safety**

Kennametal’s competitive edge stems from its advanced manufacturing capabilities, delivered through factories across the globe. Our integrated facility at Bengaluru, equipped with intelligent systems, robust processes and a skilled workforce enables us to deliver performance driven tooling solutions and high-end machines. During the year, your company intensified its efforts to improve manufacturing efficiency to drive profitable growth and leveraged the benefits of the new inserts production facility for improving quality, consistency and lead times to enhance customer experience.

Safety remained a top priority, leading to our milestone of achieving 365 injury free days, a reflection of all the great work that has happened towards strengthening our processes, infrastructure and people culture. Our sustained contributions and innovation focused on the health and safety of employees won us industry accolades with a ‘Gold’ at the CII Excellence EHS Awards 2023.

#### **Striking a ‘Gold’ in ESG Efforts**

In line with furthering our Environment, Social and Governance (ESG) standards, this year marked some commendable feats. Our commitment to mitigating environment risks from our operations was evident through transformational projects aimed at reducing Scope 1 and 2 greenhouse gas (GHG) emissions, energy consumption, water consumption and increasing our waste recycling, to name a few. These efforts culminated into our facility

receiving a GreenCo ‘Gold’ certification, underlining the company’s focus on sustainability.

Through our credible NGO partners, Kennametal India continued its involvement in various projects in line with our CSR pillars, in order to make a meaningful impact in the community where we operate. After working on the Devanahalli lake, our team took up the task of restoring the Harokethanahalli lake recently with the aim of improving the quality of water of the lake and freeing it from garbage, effluents, and other pollutants, while also raising the groundwater table by eight meters, benefitting up to 5000 people living in the vicinity. Other notable activities include extending support to create an inclusive community for specially abled women to embrace economic empowerment and distribution of science kits along with conducting teacher training sessions at various schools.

We stayed the course on Diversity and Inclusion initiatives; the first batch of Mentor-Mentee program was a great success where 25 mentors engaged in a year-long structured mentoring program that saw 52 high-potential employees actively engage to learn, connect, and accelerate their growth. The ‘Allyship’ campaign, which focuses on driving inclusive behavior within teams at the workplace, saw good participation across the campus by way of informative quizzes and interactive webinars. We also conducted organization-wide gender sensitization, as well as POSH trainings to identify and address unconscious biases and prejudices that might make their way into the working environment. As a step to improving employee wellbeing and engagement, our colleagues volunteered to instill committees that ensured active involvement of employees from various departments in activities conducted through the year, including an ethnic day celebration, cross functional quizzes, cricket, badminton and carrom tournaments.

#### **Aiming for Continued Growth and Sustainability**

Your Company’s growth strategy centers around leveraging decades of metallurgy and materials science expertise, application engineering and problem solving to drive customer-led innovation that delivers superior performance. As we move into the next fiscal, India’s economy is poised for a 7% GDP growth and on its way to touch USD 4 trillion. While we expect some moderation in the domestic demand, your Company is determined to achieve its strategic imperatives - accelerating growth through innovation and customer focus, while driving operational efficiency to sustain profitability; enhancing our ESG efforts with transformational

initiatives; and focusing on people-centric culture for talent development and wellbeing.

On a concluding note, I would like to thank our Chairman, Mr. Anjani Kumar, and the Board of Directors for being our guiding light in realizing our growth aspirations. My sincere gratitude towards our customers, channel partners, suppliers, employees, government authorities and partners for their constant support in this journey.

Regards,

**Vijaykrishnan Venkatesan**  
Managing Director



# BOARD OF DIRECTORS

Audit Committee – Chairman

Stakeholders Relationship Committee – Chairman

Nomination and Remuneration Committee – Member

Risk Management Committee – Member

Corporate Social Responsibility Committee – Member

Environmental, Social and Governance Committee – Member



**Bidadi Anjani Kumar**  
Chairman (Independent)



**Vijaykrishnan Venkatesan**  
Managing Director

Corporate Social Responsibility  
Committee – Chairman

Environmental, Social and  
Governance Committee – Chairman

Audit Committee – Member

Stakeholders Relationship  
Committee – Member

Risk Management Committee – Member

Share Transfer Committee – Member



**Vinayak Kashinath  
Deshpande**  
Independent Director

Nomination and Remuneration  
Committee – Chairman

Audit Committee – Member

Risk Management Committee – Member

Environmental, Social and Governance  
Committee – Member



**Bhavna Bindra**  
Independent Director

Risk Management Committee – Chairperson

Audit Committee – Member

Nomination and Remuneration  
Committee – Member

Corporate Social Responsibility  
Committee – Member

Environmental, Social and  
Governance Committee – Member

Stakeholders Relationship  
Committee – Member





 **Amit Laroya**  
Independent Director

- Audit Committee – Member

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- Stakeholders Relationship Committee – Member

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- Nomination and Remuneration Committee – Member

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- Risk Management Committee – Member

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- Corporate Social Responsibility Committee – Member

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- Environmental, Social and Governance Committee – Member



 **Narumanchi Venkata Sivakumar**  
Independent Director

- Audit Committee – Member  
(Effective August 9, 2024)

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- Nomination and Remuneration Committee – Member  
(Effective August 9, 2024)

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- Risk Management Committee – Member  
(Effective August 9, 2024)

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- Environmental, Social and Governance Committee – Member  
(Effective August 9, 2024)



 **Franklin Gerardo Cardenas Castro**  
Non - Executive,  
Non - Independent Director

- Nomination and Remuneration Committee – Member

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- Corporate Social Responsibility Committee – Member

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- Environmental, Social and Governance Committee - Member



 **Kelly Golden Lynch**  
Non - Executive,  
Non - Independent Director

- Stakeholders Relationship Committee – Member  
(Effective August 9, 2024)



 **Keith Alan Mudge**  
Non - Executive,  
Non - Independent Director

- Risk Management Committee – Member  
(Effective August 9, 2024)



**Statutory  
Reports**

## BOARD'S REPORT

Your Directors are pleased to present the 59<sup>th</sup> Annual Report along with Audited Financial Statements for the financial year ended June 30, 2024:

### FINANCIAL RESULTS

Particulars	(₹ in million)	
	FY24	FY23
Total income	11,114	10,823
Profit before tax and exceptional items	1,386	1,176
Add: Exceptional items income / (expense)	127	0
Profit before tax	1,513	1,176
Less: Tax expense	408	299
Current tax	370	286
Tax adjustment relating to earlier years	19	11
Deferred tax (credit)/charge	19	2
Profit after tax	1,105	877
Other comprehensive income/(loss) for the year, net of tax	3	(15)
Total comprehensive income for the year	1,108	862
Add: balance brought forward from previous year	6,663	6,243
Total available for appropriation	7,771	7,105
Interim dividend	(659)	(440)
Share based compensation adjustment	3	(2)
Balance transferred to balance sheet	7,115	6,663

\*Previous period figures have been regrouped and/or reclassified wherever necessary to confirm with the current period presentation in compliance with Ind AS requirement.

#### STATE OF COMPANY'S AFFAIRS

##### Operating results

Sales revenue growth was lower in FY 24 mainly because of drop in exports revenue due to the poor demand from international markets as a result of geo-political tensions and inflation. However, Profit Before Tax and exceptional items for FY24 was ₹1,386 Million, up 17.9% over the previous financial year. The Company's profit was up in comparison with the previous financial year for the Hard Metal segment due to better utilization of plant capacity and favourable raw material costs. Machining Solutions segment performance was driven by higher domestic sales, better product mix and overhead absorption. The Company has also earned higher other income on account of interest on income tax refund and higher investment income.

##### Return on capital and cash flows

Return on Capital Employed (ROCE) was 19% in FY24 as compared to 17% in FY23. Return (PAT) on net worth was 15% in FY24 as compared to 13% in FY23. Net operational cash flow generated during the year marginally decreased from ₹1,158 million in FY23 to ₹1,143 Million in FY24, driven by movements in working capital.

##### Dividend and reserves

An Interim Dividend of ₹ 30/- per Equity Share of ₹ 10/- (Rupees Ten only) each (300% on the Paid-up Share Capital of the Company) was declared by the Board for the financial year ended June 30, 2024 and May 23, 2024

was fixed as Record Date for the said purpose. The said Interim Dividend was paid on June 3, 2024. The same shall be considered as the Final Dividend for the financial year ended June 30, 2024.

The Company has not transferred any amounts to general reserves for the financial year ended June 30, 2024.

##### Dividend distribution policy

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as 'SEBI (LODR) Regulations, 2015'], the Board of Directors of the Company had formulated a Dividend Distribution Policy. All the policies of the Company including Dividend Distribution Policy is available on the website of the Company at: <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

##### CHANGES IN SHARE CAPITAL

There were no changes in the Share Capital of the Company during the financial year.

##### STATEMENT OF DEVIATION(S) OR VARIATION(S) IN SHARE CAPITAL

During the year under review, there was no instance to report Statement of Deviation(s) or Variation(s) in share capital as per Regulation 32 of the SEBI (LODR) Regulations, 2015.

## CAPITAL STRUCTURE OF THE COMPANY

The Authorized Share Capital of the Company is ₹239,782,400/- (Rupees Two Hundred & Thirty Nine Million, Seven Hundred & Eighty Two Thousand, Four Hundred Only) divided into 23,978,240 (Twenty Three Million, Nine Hundred & Seventy Eight Thousand, Two Hundred & Forty only) Equity Shares of ₹10/- each. The Issued, Subscribed and Paid-up Share Capital of the Company as on date is ₹219,782,400/- (Rupees Two Hundred & Nineteen Million, Seven Hundred & Eighty Two Thousand, Four Hundred Only) divided into 21,978,240 (Twenty One Million, Nine Hundred & Seventy Eight Thousand, Two Hundred & Forty only) Equity Shares of ₹10/- each.

## DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS

During the financial year under review, the Company has not issued Equity shares with Differential Voting Rights.

## DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS

During the financial year under review, the Company has not issued Shares under Employee Stock Options.

## DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES

During the financial year under review, the Company has not issued Sweat Equity Shares.

## MATERIAL CHANGES AND COMMITMENTS

There has been no material changes and commitments, affecting the financial performance of the Company which occurred between the end of the financial year of the Company to which the financial statements relate and the date of this Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis ('MD&A') Report is annexed to this report as "Annexure I" as required under Regulation 34 of SEBI (LODR) Regulations, 2015.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Directors Retiring by Rotation

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association of the Company, Ms. Kelly Golden Lynch (DIN: 10270042), is due to retire by rotation at the forthcoming Annual General Meeting ('AGM') and, being eligible, offers herself for re-appointment. The Board recommends her re-appointment at the forthcoming AGM.

A brief profile of Ms. Kelly Golden Lynch as required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 is furnished along with the Notice convening 59<sup>th</sup> AGM.

### Annual Declaration from Independent Directors

The Company has received declarations from all the Independent Directors of your Company confirming that they meet the criteria of Independence as mentioned under sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Independent Directors possess the requisite integrity, expertise and

experience (including proficiency) necessary for acting as Independent Directors of the Company.

On October 22, 2019, the Ministry of Corporate Affairs ('MCA') had released the Companies (Accounts) Amendment Rules, 2019, the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 and the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019. These rules have come into force on December 1, 2019, and your Company has complied with these requirements.

### Directors' appointment and remuneration

The policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, Independence of Director and remuneration for Key Managerial Personnel and other employees' forms part of Corporate Governance Report of this Annual Report. The web-link for the said policy is:  
<https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

### Directors' interest

No Director was materially interested in any contracts or arrangements existing during or at the end of the year in relation to the business of the Company.

No Director holds any shares in the Company as on June 30, 2024, except Mr. Bidadi Anjani Kumar, Chairman & Non-Executive Independent Director, who holds 10 Equity Shares of ₹10/- each in the Company.

### Appointment / cessation / resignation of Directors

As detailed in the Corporate Governance report, it is worthwhile here to reiterate some of the changes to the constitution of the Board.

Ms. Kelly Marie Boyer (DIN: 09540001), who acted as Director of the Company effective from May 11, 2022 resigned from the Office of Director of the Company effective closing of business hours of September 30, 2023. The Board of Directors places its sincere appreciation for the commendable contribution to the Board by Ms. Kelly Marie Boyer during her tenure as the Director of the Company.

### Inductions to the Board:

- Ms. Kelly Golden Lynch was inducted, as an Additional Director on the Board of the Company effective August 11, 2023. Ms. Kelly Golden Lynch's appointment was approved by the Shareholders at the 58<sup>th</sup> Annual General Meeting held on November 10, 2023.
- Mr. Keith Alan Mudge was inducted as an Additional Director on the Board of the Company, effective February 9, 2024. Mr. Amit Laroya was inducted as an Additional Independent Director on the Board of the Company, effective March 11, 2024. Mr. Keith Alan Mudge's and Mr. Amit Laroya's appointments were approved by the shareholders through Postal Ballot on April 17, 2024.
- Mr. Narumanchi Venkata Sivakumar was inducted as an Additional Independent Director on the Board of the Company effective May 9, 2024. Mr. Narumanchi Venkata Sivakumar's appointment was approved by the shareholders through Postal Ballot on June 19, 2024.
- Based on recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends the re-

appointment of Ms. Bhavna Bindra (DIN: 07314422) to the shareholders for their approval in the upcoming 59<sup>th</sup> Annual General Meeting, who was appointed as an Independent Director of the Company at the 55<sup>th</sup> Annual General Meeting of the Company held on November 11, 2020 and who holds office of Independent Director up to January 2, 2025, to hold office for a second term of 5 (five) consecutive years commencing from January 3, 2025 to January 2, 2030 (both days inclusive).

#### Appointment of new Chairperson

Pursuant to section 149 of the Companies Act, 2013 read with applicable Rules, Mr. Bidadi Anjani Kumar, Chairman of the Board and Audit Committee, shall retire from the Board as an Independent Director effective closing of business hours of November 3, 2024, upon completion of his two tenures of 5 years each. Accordingly, he will also be stepping down from the position of Chairman of the Board and Audit Committee of the Company.

In view of the above, the Board at its meeting held on August 9, 2024, has appointed Mr. Amit Laroya, Independent Director, as the Chairman of the Board effective November 4, 2024 and Mr. N V Sivakumar, Independent Director, as the Chairman of the Audit Committee, effective November 4, 2024.

There were no other changes to the Composition to the Board of Directors of the Company during the financial year ended June 30, 2024.

#### Key Managerial Personnel:

During the year under review, Mr. Naveen Chandra Prakash resigned from the position of General Manager - Legal & Company Secretary effective closing of January 15, 2024.

Ms. Anupriya Garg was inducted as a Legal Counsel (Region) & Company Secretary of the Company effective July 4, 2024.

#### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules"), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF, established by the Government of India, after the completion of seven years from the date of transfer to unpaid dividend account. Further, according to the IEPF Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall also be transferred to the account of the IEPF Authority. During the year, the Company has transferred the unclaimed and unpaid dividends to the IEPF. Further, shares on which dividends were unclaimed for seven consecutive years were transferred as per the requirements of the IEPF rules, however in one case the shares could not be transferred to IEPF by the depositories, despite the Company's best endeavour, due to shareholder's demat account was suspended. Details on the shares transferred to IEPFs are available on our website at <https://www.kennametal.com/in/en/about-us/kil-financials/investor-corner.html>

#### DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal auditors, statutory auditors, cost auditors, secretarial auditors and external consultant(s) including audit of internal financial controls over

financial reporting by the Statutory Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee and Risk Management Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY24.

Accordingly, pursuant to the provisions of Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of its knowledge and ability, report that:

- The applicable accounting standards have been followed in the preparation of the financial statements, along with proper explanations relating to material departures, if any;
- selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of June 30, 2024 and profit of the Company for the year ended on that date;
- proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- prepared the annual accounts on a going concern basis;
- laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### DEPOSITS

During the financial year, your Company has not invited / accepted any Public Deposits pursuant to the provisions of Chapter V of the Companies Act, 2013.

#### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company does not have any subsidiary as on year ended June 30, 2024. Hence, the requirement of enclosing financial statement of subsidiary in Form AOC-1 to the Board's Report and preparation of consolidated financial statements does not arise for the year ended June 30, 2024.

As at June 30, 2024 there are no subsidiaries and/or joint venture/s and/ or associate/s of your Company.

#### CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Financial Statement is not applicable for the financial year ended June 30, 2024.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not provided any loans, made investments and provided any guarantees during the Financial Year under review.

#### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the financial year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its future operations.

## CHANGE IN THE NATURE OF BUSINESS

There were no changes in the nature of business of the Company during the financial year ended on June 30, 2024.

## FINANCIAL YEAR

Your Company follows Financial Year from July 1 to June 30.

## EVALUATION OF THE BOARD'S PERFORMANCE

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board had adopted a formal mechanism for evaluating its performance and that of its Committees and Directors, including the Chairman of the Board. During the financial year, the evaluation exercise was carried out through a structured evaluation process covering various aspects of the functioning of the Board and Committees such as their composition, experience & competencies, performance of specific duties & obligations, governance issues etc. A separate exercise was carried out to evaluate the performance of each Director including the Board's Chairman who were evaluated on parameters such as contribution at the meetings, independent judgment, attendance and other relevant aspects. The Board was satisfied with the evaluation results, which reflected the overall engagement of the Board, Committees and the Directors of the Company.

Your Company has laid out the criteria for evaluating the independence of Independent Directors and had in place a robust evaluation of performance of Directors, even before the promulgation of SEBI (LODR) (Amendment) Regulations, 2018.

## FAMILIARIZATION PROGRAMME

The Company has a structured familiarization program for Independent Directors of the Company which is also extended to other Non-Executive Directors to ensure that Directors are familiarized with the operations of the Company; the markets where the Company operates; the product lines; strategy of the Company and its implementation status; Enterprise Risk Management and status of mitigation plans; Governance structure; Board protocols including the manner of conducting Board meetings; the roles, responsibilities and duties expected of a Director in India as per the extant Companies Act, 2013 and SEBI (LODR) Regulations, 2015 amongst others.

The Board of Directors have complete access to the information within the Company. Presentations are regularly made to the Board of Directors and to the members of the Committees of the Board on various matters, where Directors get an opportunity to interact with Senior Management and understand status of strategy implementation, business model, operations, markets, organization structure, product offerings, finance, risk management framework, quarterly and annual results, human resources, technology, quality and such other areas as may arise from time to time.

A document on the familiarization programme is available on our website at <https://www.kennametal.com/in/en/about-us/kil-financials/corporate-governance.html>

The Company also issues appointment letters to the Independent Directors which, inter-alia, incorporate their roles, duties and responsibilities. The format of the said letter of appointment is available on our website at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

## CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) read with Schedule V(C) of SEBI (LODR) Regulations, 2015, a report on Corporate Governance along with a certificate from Mr. Vijayakrishna K T, Practising Company Secretary regarding compliance of conditions of Corporate Governance is annexed as "Annexure II A" and "Annexure II B" respectively and a Certificate as required under Schedule V Part C(10) (i) of SEBI (LODR) Regulations, 2015 from Mr. Vijayakrishna KT, Practising Company Secretary is annexed as "Annexure III" which forms part of this report. Further, in compliance with the SEBI (LODR) Regulations, 2015, your Board has adhered to the Corporate Governance requirements / Code.

As required by SEBI (LODR) (Amendment) Regulations, 2018, 'Annual Secretarial Compliance Report' issued by Mr. Vijayakrishna KT, Practising Company Secretary for the financial year ended June 30, 2024, is annexed as "Annexure IV" which forms part of this report.

## COMPLIANCE WITH THE CODE OF CONDUCT

A declaration signed by the Managing Director and Company Secretary affirming compliance with the Company's Code of Conduct by your Directors and Senior Management of your Company, for the financial year under review, as required under SEBI (LODR) Regulations, 2015 is annexed as "Annexure V" and forms part of this report.

The Kennametal Code of Business Ethics & Conduct is a major component of the Kennametal Value Business System ('KVBS'). The Code addresses the importance of fair dealing and compliance in all aspects of your Company's business and focuses on the concept of doing the right thing every day.

Further details on the Code of Conduct and enforcement of the code are elucidated in the Corporate Governance report. Your Company insists on its employees to embrace the Code of Business Ethics & Conduct to ensure maintenance of strong ethical culture. The Code of Conduct is available on the website of the Company at: <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

## CEO/MD AND CFO CERTIFICATE

A Certificate from the Managing Director and the Chief Financial Officer dated August 1, 2024, on the Financial Statements of the Company for the financial year ended June 30, 2024 is annexed as "Annexure- VI" and forms part of this report.

## WHISTLE-BLOWER POLICY / VIGIL MECHANISM

Even before the promulgation of section 177 of the Companies Act, 2013, your Company had a Whistle Blower Policy / mechanism. Pursuant to section 177 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board of Directors have approved and adopted robust Vigil Mechanism / Whistle Blower Policy. The Whistle Blower Policy provides the following avenues for stakeholders including employees to raise complaints freely:

- Audit Committee of Kennametal India Limited;
- Company Secretary - Kennametal India Limited;
- Ethics Alert Line (toll-free and anonymous): 000-117+1-877-781-7319
- K-Corp Ethics Mailbox: [k-corp.ethics@kennametal.com](mailto:k-corp.ethics@kennametal.com); and
- Office of Ethics and Compliance Fax: +1 724-539-3839  
Telephone: +1 724-539-4031, Mailing Address: Office of Ethics and Compliance, 1600 Technology Way, Latrobe, Pennsylvania (USA) 15650.



The Complainants duly receive feedback on action taken and this ensures that stakeholders including employees are protected against victimization for any "Whistle Blower" intimation made by them in good faith.

Your Company affirms that no personnel have been denied access to the Audit Committee. Whistle Blower Policy for vigil mechanism is available on website of the Company at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

#### The Kennametal Ethics Helpline

Anyone can make a complaint about the violation of the Code of Conduct of the Company. Reports made to the helpline can be done via the phone or the web on a confidential and anonymous basis, where allowed by local law. The helpline is administered by an independent third-party and is available 24 hours a day, 7 days a week.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO ETC.

A report in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, is annexed as "Annexure VII" to this report.

#### STATUTORY AUDITORS & THEIR REPORT

Messrs Price Waterhouse & Co. Chartered Accountants LLP, Chartered Accountants (FRN: 304026E / E-300009) were appointed as Statutory Auditors of the Company at the 57<sup>th</sup> AGM held on November 11, 2022, for a period of 5 (Five) years to hold the office until the conclusion of 62<sup>nd</sup> AGM.

The Independent Auditors' Reports to the Members on the Financial Statements of the Company for the financial year ended June 30, 2024 does not contain any qualification, reservation or adverse remarks. The notes on financial statements referred to in the Independent Auditors' Report are self-explanatory and do not call for any further comments.

#### REPORTING OF FRAUDS

There was no instance of fraud during the financial year under review, which required the Statutory Auditors to report to the Audit Committee and / or the Board, as required under Section 143(12) of the Companies Act, 2013 and Rules framed thereunder.

#### SECRETARIAL AUDITOR

Mr. Vijayakrishna K.T, Practising Company Secretary (FCS: 1788 & COP: 980) carried out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2023-24 and submitted his report, which is annexed to this report as "Annexure VIII".

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the cost audit records maintained by the Company in respect of the products covered under the said rules are required to be audited by a Cost Accountant. Accordingly, the Board of Directors of the Company upon recommendation of the Audit Committee has re-appointed Messrs K. S. Kamalakara & Co., Cost Accountants (Firm Registration No: 0000296), as the Cost Auditors of the Company for the financial year 2024-25. As required under Section 148 of

the Companies Act, 2013, the Shareholders' approval for the remuneration payable to Messrs K. S. Kamalakara & Co., Cost Auditors is being sought at the ensuing 59<sup>th</sup> AGM.

The Cost Audit Report for FY24 does not contain any qualification, reservation or adverse remarks.

#### INTERNAL FINANCIAL CONTROL

Details of internal financial control and its adequacy are included in the Management Discussion and Analysis Report which is annexed to this Report as Annexure - I.

#### INTERNAL AUDITORS OF THE COMPANY

Pursuant to the provisions of Section 138 of the Companies Act, 2013, the Board of Directors of the Company upon recommendation of the Audit Committee had appointed Messrs Ernst & Young LLP ("EY"), as the Internal Auditors of the Company for the financial year 2023-24.

EY India regularly conducts internal audits of various parts of the Company's operations, as per the Annual Audit Plan which is agreed every year with the Audit Committee of the Board.

#### CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

Pursuant to the provisions of Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (LODR) Regulations, 2015, the Related Party Transactions ('RPTs') that were entered into during the financial year 2023-24 were at arm's length basis and were in the ordinary course of business. Further, there were no material related party transactions during the financial year under review with the Directors or Key Managerial Personnel of the Company. All related party transactions were placed before the Audit Committee and the Board for approval as applicable under Section 188 of the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015.

The Policy on RPTs as approved by the Board is uploaded on the Company's website at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html> The Particulars of RPTs in Form AOC - 2 is annexed to the Report as "Annexure IX".

#### PARTICULARS OF DISCLOSURES AS REQUIRED UNDER SECTION 197 OF THE COMPANIES ACT, 2013

Pursuant to Section 197(12) of the Companies Act, 2013 read with the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the ratio of the remuneration of each Director to the median employee's remuneration for the financial year 2023-24 and such other details as prescribed are set out in the "Annexure X" to this report.

A statement showing details of employees of the Company employed throughout the financial year and employees employed for part of the year who were in receipt of remuneration of ₹ 10.2/- million or more per annum or ₹ 0.85/- million or more per month respectively is annexed herewith as "Annexure XI" to this report.

#### DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has an Internal Committee ('IC') as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.



There were no complaints lodged to the IC under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the year under review.

#### REVISION OF FINANCIAL STATEMENTS

There was no revision of Financial Statements of the Company in the preceding three financial years.

#### INSOLVENCY AND BANKRUPTCY CODE, 2016

There was no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the financial year.

#### DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the FY 2023-24, there were no Insolvency Proceedings initiated against the Company and hence there were no instances of one-time settlement during the Financial Year.

#### CREDIT RATING OF SECURITIES

During the year under review, India Ratings & Research (the "Credit Rating Agency"), vide their report dated October 17, 2023, have assigned your Company, a Long-Term Issuer Rating of "IND AA-" and the outlook is Stable.

#### REMUNERATION RECEIVED BY MANAGING DIRECTOR FROM HOLDING OR SUBSIDIARY COMPANY

During the year under review, no Commission or Remuneration was paid to the Managing Director from the Holding / Subsidiary Company of your Company.

However, the Managing Director has received stock options worth ₹ 10.68 Million granted by the ultimate Holding Company i.e., Kennametal Inc., which was vested during the year and the same was cross-charged to Kennametal India Limited.

#### INSURANCE

Your Company has sufficient insurance coverage not only on all its assets but also for most of the anticipated risks. All insurance policies are reviewed and renewed from time to time.

#### RESEARCH, DEVELOPMENT AND ENGINEERING (RD&E)

The Research, Development and Engineering ('RD&E'), works on new Product and Process Developments with specific focus on materials, coatings and machining technology. The RD&E, Bangalore works on the market requirements in terms of new products, custom solutions, cost saving projects, process developments, product benchmarking and basic research. It is also recognized by the Ministry of Science & Technology - Department of Scientific and Industrial Research - Government of India.

#### ENVIRONMENT, HEALTH AND SAFETY (EHS)

Kennametal operates worldwide in a responsible manner which respects the environment and the health and safety of our people, customers, suppliers, and communities. Kennametal is firmly committed to meeting and exceeding all applicable EHS legal requirements, and we are

dedicated to continually improving our EHS performance. We always prioritize this commitment above short-term profit or production, to build long-term success for ourselves, our colleagues, and our customers. Kennametal demonstrates our Environmental, Health, and Safety (EHS) Commitment (We work safely, protect health and safeguard the environment) for actively fostering our EHS Responsibility, Learning, Resilience, Engagement and Trust.

A brief on some of the initiatives undertaken by the Company during the financial year under review are mentioned in Business Responsibility and Sustainability Report.

#### GREEN INITIATIVES

In addition to the above and as part of its efforts to reduce consumption of paper and thereby protect the environment, your Company has ensured that electronic copies of the Annual Report and the notice of the 59<sup>th</sup> AGM are being sent to all such Members whose e-mail addresses are registered with the Company / its Registrar and Transfer Agent.

To the other Members, physical copies of the Annual Report and Notice of the 59<sup>th</sup> AGM are being sent through permitted modes of dispatch. However, Members who have received the said documents in electronic mode but desire to seek physical copies of the same, can send their request to the Company Secretary of the Company at: [in.investorrelation@kennametal.com](mailto:in.investorrelation@kennametal.com)

#### CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the Corporate Social Responsibility Policy of the Company and initiatives undertaken by the Company on CSR activities during the financial year ended June 30, 2024, along with the Annual Report on CSR activities for FY24 are set out in "Annexure XII" to this report. The CSR Policy is available on Company's website at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

Your Company had spent ₹24.66 million on the CSR for the year 2023-24 as against the total budget of ₹24.65 million, thereby spending an excess of ₹6,838/-

#### PERSONNEL / INDUSTRIAL RELATIONS

During the financial year under review, your Company maintained cordial industrial relations at all levels. Your Directors record their appreciation for the contribution made by the employees.

#### RISK MANAGEMENT

Enterprise Risk Management (ERM) at the Company is driven by the Risk Management Committee and Board of Directors through their routine oversight responsibilities. The Management team plays a primary role in identification, monitoring and minimizing risks as also to identify business opportunities and threats. As a process, any risk associated with the business is identified and prioritized based on severity, occurrence and effectiveness of detection. The Risks are being reviewed by the Management team periodically and reported to the Risk Management Committee at regular intervals for their review. The Department Leaders have the responsibility to monitor and implement the ERM framework approved by the Risk Management Committee.

The Company has formulated a Risk Management Policy and Risk Committee Charter and a mechanism to inform the Risk Management Committee of the Board about the risk assessment activity performed

from time to time. The detailed Risk Management mechanism is provided in the Management Discussion and Analysis (MD&A) Report.

The Risk Management Committee is constituted with the Board of Directors of the Company as its members. The Chairperson of the Committee is Ms. Bhavna Bindra. As an established practice, the Board of Directors are being updated on risks identification and steps taken to mitigate the same. Risk Management Policy and Charter are uploaded on the Company's website at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

#### ANNUAL RETURN

Pursuant to Section 92(3) of the Companies Act, 2013 read with applicable rules, a copy of the Annual Return for the FY 2023-24 is uploaded on the website of the Company and the same is available at <https://www.kennametal.com/in/en/about-us/kil-financials/corporate-governance.html>

#### BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Pursuant to Regulation 34 of the SEBI (LODR) Regulation, your Company is required to include Business Responsibility & Sustainability Report (BRSR) in the Annual Report describing the initiatives taken by the Company from Environmental, Social and Governance perspective. The BRSR is enclosed as "Annexure XIII" to the Board's Report.

#### POLICIES / CODES

The Company has adopted various policies / codes which are reviewed by the Board and its Committees at regular intervals and are amended as and when required. These Policies / Codes are available on the website of the Company at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

#### NUMBER OF BOARD MEETINGS

The Board of Directors met Seven (7) times during the financial year 2023-24. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report.

The Agenda of the Meeting is circulated to the Directors in advance. The Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal and approval.

#### COMMITTEES OF THE BOARD OF DIRECTORS

Details of memberships and attendance of various Committee Meetings of the Company including a separate Meeting of the Independent Directors are given in the Corporate Governance Report.

#### COMPLIANCE WITH THE APPLICABLE SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India on the Board Meetings and General Meetings.

#### ACKNOWLEDGEMENTS

Your Directors place on record their appreciation for the untiring efforts and unflinching commitment of the employees of your Company and the valued customers and distribution partners whose support and encouragement has been a matter of great strength and confidence for your Company. Your Directors also place on record their sincere

appreciation for the continued support and cooperation of all its vendors/suppliers, the Company's bankers, the regulatory authorities and the investor community in FY24.

For and on behalf of the Board of Directors of  
Kennametal India Limited

Bidadi Anjani Kumar  
Chairman & Independent Director  
DIN: 00022417

Vijaykrishnan Venkatesan  
Managing Director  
DIN: 07901688

Bengaluru  
August 9, 2024

Bengaluru  
August 9, 2024

# Management Discussion and Analysis Report

## Overview

### 1. Global Economy

In July 2024, the International Monetary Fund released its update of the World Economic Outlook and the lead line was that: "The Global Economy is in a sticky spot". The update repeated that the estimate for global growth for 2024 remained at 3.2% as against 3.3% in 2023. The forecast for 2025 also remained at 3.3% indicating that growth would be in the same range despite a drop in growth rates in both USA (from 2.6% in 2024 to 1.9% in 2025) and in Emerging and Developing Asia (from 5.4% in 2024 to 5.1% in 2025). These drops are expected to be compensated by some growth in the Euro area (from a very low base) and Latin America / Africa.

The WEO Report also mentioned that services inflation is complicating monetary policy normalization by raising the prospects of continuing high interest rates, especially in the current context of geopolitical uncertainties and escalating trade tensions. As we move into the next fiscal, geopolitical tensions are likely to persist with pressure on oil/energy prices and commodity prices as well as supply chain costs, resulting in the risk of elevated inflation rates and lower output.

### 2. Indian Economy

India emerged as the fastest growing economy in FY24, registering an 8.2% GDP growth, crossing the 7% mark for three years in a row. This improvement was driven by robust output across the core sectors of the economy such as mining, power generation, steel, manufacturing, construction, etc. Besides, strong consumer sentiments, stable investments and positive employment rate have contributed to an upbeat economic environment. Timely policy interventions by the government helped in curtailing inflation to around 5.4% for most of the year and is expected to remain consistent going forward. Coming to the sectors where Kennametal operates in India, automotive sector continued to witness volume growth, exception being Commercial Vehicles. The tractors segment was impacted due to deficit in rainfall but resumed the path to recovery towards the end of the fiscal. The construction and mining equipment domestic sales grew significantly in the first half and then tapered in H2 as government investments slowed down closer to the general elections. Overall, the economy is expected to tread the growth path in FY25 with an estimated GDP of around 7%, though witnessing moderation over the last year and continued pressures stemming from global economic uncertainties.

### 3. Business Segments

Your Company has been successful in positioning itself as a reliable industrial technology leader in materials science, tooling and wear resistant solutions for customers across the aerospace, earthworks, energy, general engineering, and transportation industries. With strong business verticals under the Hard Metal and Machining Solutions Group (MSG), your Company is well positioned with a balanced business portfolio.

The Hard Metal segment is dedicated to delivering world-class metalworking solutions and services through our two trusted brands viz., Kennametal and WIDIA. Through these brands your Company

offers a complete portfolio of precision-engineered products and custom solution services. With an array of milling, turning, hole making, threading, and tooling systems products, backed by a skilled network of authorized distributor partners and spares support, your Company is positioned to service the customers end-to-end. Your Company is a market leader in wear solutions, engineered components and earth cutting and construction tools that deliver productivity, reliability, and extended life to a wide range of industries with the ability to deliver high performance in a challenging environment. The years of expertise and innovation in matching advanced material solutions and technologies to various applications, helps customers solve wear problems, avoid costly downtime, prevent catastrophic failures and aids them in achieving significant savings.

The Machining Solutions Group (MSG) manufactures special purpose machines, horizontal machining centers, vertical turning lathes, deep hole drilling machines and tool & cutter grinding machines as well as fixture and tooling solutions through the "WIDMA" brand. With an expanding customer base, MSG has set high standards in the industry by engineering the most complex components with high precision, be it small size tools or large structural parts for railways and construction equipment.

### 4. Enterprise Risk Framework

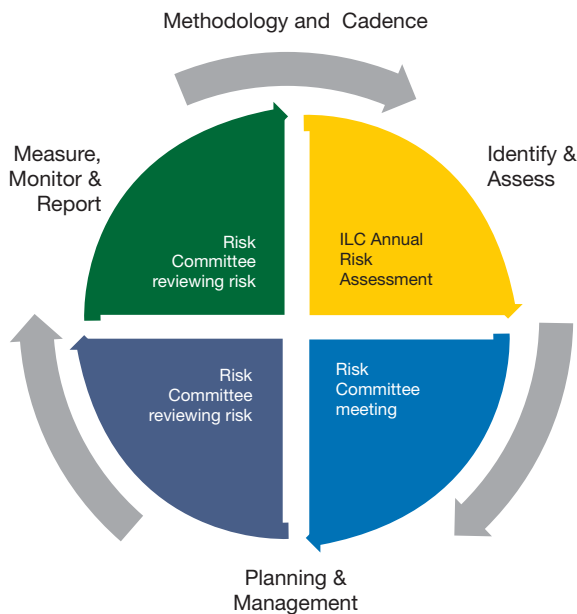
Before delving into risks & opportunities, we append hereunder a brief overview of your Company's ERM framework.

#### Enterprise Risk Management Framework Overview

Your Company has a structured and scientific process of risk identification, assessment, and evolving risk mitigation strategies at two levels:

- (i) Operational level: Operational Risk Groups (ORG) comprising representatives from key areas such as sourcing, logistics, customer support, sales, production, inventory, admin staff, security, finance personnel and human resource personnel which are monitored by the Legal Counsel's Office and reported to the Managing Director based on materiality of the impact assessment. These ORGs meet on a regular basis to understand operational risks and arrest these risks at the grassroots level. The risk appetites prescribed for each of the functions alongside the delegation of authority matrix helps in tightening internal controls from time to time and obviates smaller risks from growing into enterprise risks.
- (ii) Enterprise level: At the enterprise level, your Company follows a structured methodology in identifying, assessing, and mitigating risks:

At Kennametal, focus is always on having in place an enterprise risk overview and a mitigation monitoring program that is strategic, comprehensive, practical and embedded in the heart of every decision making - the 'Kennametal Way'.



activities with timelines and periodically update the ILC. This helps the ILC in understanding as to whether, the risk mitigation plans are working in the desired direction. The Risk Management Committee meets periodically to monitor the status of the risk mitigation plans and review the RPNs.

Once in every 6 (six) months or earlier, as the case may be, the risks are re-assessed and re-ranked based on RPNs. This granular level of monitoring helps re-ranking/ re-positioning the risks and aids in bringing requisite changes in risk mitigation strategies from time to time.

## 5. Risks & Opportunities

### Global economic slowdown:

The global economic revival has been moderate at 3.2% in 2023 and 2024 yet averaging below pre-COVID levels. While the U.S economy has been resilient with improvement in manufacturing activities, improved employment and drop in inflation, Europe witnessed continued slowdown with tepid growth in most of its major economies and China exhibited slower than expected recovery post the COVID lockdown. The external softness impacted your Company's overall exports that dropped by around 5.9% in FY24.

To mitigate the said challenges, your company leveraged the domestic demand in India. The Hard Metal segment increased business by offering end to end solutions, expanding the customer base as well as retaining existing customers, and will continue the momentum. The business focused on new and growing end-use segments like medical, MSME, Aerospace, Mining and Construction to offset the external slowdown. The team also worked on building a portfolio blending fit-for-market products developed regionally with Kennametal's global innovations to offer an optimum product mix in the domestic market. On the other hand, your Company's MSG business expanded its footprint in the domestic market and diversified into segments that helped in building a robust order pipeline. The business launched several products during the year to cater to General Purpose Machining requirement, offer standard products to span a wider customer base and augment its Tool & Grinding machines range to offer comprehensive solutions. These mitigation plans have immensely helped your Company in obviating any major impact to its FY24 performance.

## 6. Threats & Concerns

### Geopolitical tensions and inflationary trends:

While the global trade trend witnessed recovery in 2023 and 2024 after the impact of the COVID pandemic, it still continued to face the risk of being tempered by prevailing geopolitical tensions that don't seem to be finding any resolution. On the other hand, the situation also opened up a lot of opportunities for countries desiring to localize their production and meet their domestic demand.

While inflation is expected to plateau in the current year from 5.4% to 5.2%, there is a risk of volatility in energy and commodity prices and escalation of logistics costs. In the wake of these challenges, India continues to accelerate growth and insulate its economy from external shocks. Your Company being a subsidiary of a US based MNC, is well positioned in different geographies to make sure that supplies to customers globally remain unhindered and geographical risks are minimized. With a state-of-the-art facility in Bengaluru, your Company is also well positioned to capitalize the localization drive and 'Atmanirbhar Bharat' initiative of the government for supply to public sector and government undertakings. With most of the supply chain

### Risk Identification:

The India Leadership Council (ILC) brainstorms before inking the macro level risks from their respective areas. Risks having an impact of 5% or more on the profit after tax of the previous year are pegged as a threshold for risks identification.

The internal and external risks identified by the ILC take into account a number of factors that are operating in the environment, including external market conditions, technology disruptions, changing customer dynamics, regulatory situation, uncertainty surrounding continuity in operations due to the pandemic outbreak, risks identified for the year under review by the parent Company - Kennametal Inc., and so on.

### Risk Assessment:

The risks identified are assessed and ranked by scientifically assigning Risk Priority Numbers (RPNs) to each of the risks. RPN is derived from three parameters - probability of occurrence of a risk, severity if the said risk were to occur and the plausible mitigation plans that are available to counter the said risk. These three factors are measured on a scale of 1 to 9. The risks with highest priority numbers rank first followed by the lower RPNs. Risk stakeholders corresponding to the top 20 risks are mapped and an active monitoring of the said 20 risks is set into action.

### Monitoring the Risk Mitigation Plans & Re-assessing Risks Periodically:

Of the 20 top risks assessed by the ILC, the top 8 risks with largest RPNs are supervised periodically by the Risk Management Committee of the Board of Directors. The remaining risks are monitored internally by the Office of General Manager - Legal & Company Secretary in coordination with the Managing Director's office. Any significant observations emanating from those internal risks are brought to the attention of the Risk Management Committee and the Board of Directors, from time to time, as part of risk re-assessment exercise.

Risk mitigation plans are presented by the risk owners and subsequently implemented with a strong sense of accountability. Risk owners in collaboration with cross functional teams chart out the list of

for India's operations being locally sourced, there is likely to be very less impact on sourcing.

Your Company's MSG business vertical continues its efforts to increase its product line and cater to more customers across industrial segments. A number of brand building and product portfolio expansion initiatives are underway to build a robust business model.

**Retaining talent amidst dynamic changes:**

In the light of overall increase in industry attrition and preference for higher paying sectors, the risk of retaining talent did not see a reduction during the year under review. Some of the initiatives undertaken by your Company which included, putting in place new learning programs for employees, increasing the frequency of 'On Our Mind' sessions with the employees, 'Be Heard' employee surveys to understand & take corrective actions, and looking into 'well-being' of employees, aided in obviating any major concerns.

All these initiatives which will be pursued through FY25 also, are expected in the long run, to improve work culture and the well being of employees.

Your Company has rolled out several initiatives in retaining talented resources with well laid out career development plans, succession planning, development of talent via movement across geographies, active collaboration to hire and maintain diverse minds at Kennametal, among others.

The focus on talent management and building talent pipeline in your Company has received an additional boost with the launch of the People Development Council (PDC) for India. The PDC process was initiated to identify opportunities and programs to support talent development in the businesses and ensure continuous engagement throughout the year. The main objectives were to ensure that there are successors to key roles in the businesses as well as to focus on developing and retaining high potential talent in the organization.

**7. Operations**

Your Company has recorded 2.1% year-on-year growth with a consolidated operational revenue of ₹10,999 million during FY24 against ₹10,771 million during FY23. To grow in this challenging market, your Company is continuously focused on development of new products and initiatives to bring operational effectiveness as well as cost optimization to all its customers. With a clearly laid out strategy for growth in both Hard Metal and MSG businesses, your Company is well positioned to retain and grow its market share.

**Segment-wise performance/reporting:**

Your Company's business has been categorized into two broad segments in line with Accounting Standard 17 - Segment Reporting. The primary segments and secondary segments have been categorized based on the nature of the products and services offered by the Company and the business risks associated with the above products /services in markets served.

**The primary segments for financial reporting continue to be:**

- (i) Hard Metal Products and
- (ii) Machining Solutions Group

Apart from the primary business segments, the secondary segmental reporting is based on the geographical locations of the customers, viz. domestic and international. Common allocable costs are allotted to each segment to the extent of services utilized and activities involved.

**8. Company's Outlook**

With FY25 expected to witness a moderation in domestic demand over a peak witnessed last year and continued impact from external economic uncertainties, your Company remains cautious in its outlook for the year amid the prevailing global economic uncertainties.

The intensity of competition is expected to continue with almost all global players making India a manufacturing location for production of tools. The trend of commodity inflation is also expected to remain volatile. Despite these headwinds, the management continues to focus on various growth initiatives and development of new products as key drivers to maintain a profitable growth. Profitability improvement with high focus on revenue growth and cost optimization will continue to remain a key priority area for FY25.

With the automotive segment in India expected to grow, except for the Commercial Vehicles segment, your Company is focussed on expanding its customer base, driving innovations to deliver customer value and leverage its people competencies to deliver growth. With a well-designed strategy to expand its footprint in aerospace, general engineering, defense and other segments, your Company continues to be confident to compete in these markets. Leveraging its state-of-the-art manufacturing facility at Bengaluru, your Company is well positioned to actively participate as a supplier to Public Sector Undertakings (PSU) under the localization drive/"Atmanirbhar Bharat". To remain cost effective amidst the volatility in raw material prices, your Company is focused on optimizing costs and improving its bottom-line through a number of initiatives. The metal cutting 'Brand Strategy' helps Kennametal to remain efficient while being a strong player to deliver on its commitment to customers. With wider choice of cutting tools from different brands suitable for different applications, your Company is well poised to participate in all the three segments of the market viz., full solution, performance and performance value.

The Machining Solutions Group with its expanding footprint in the domestic market and Southeast Asia, sees greater potential from a broader customer base. The growing trade tensions also make India an attractive destination for safe investments for both sales in India and for exports from India.

Your Company's mindful investment in increasing identified capacities in the Hard Metal segment has enhanced the confidence of all stakeholders and your Company shall continue to remain focused on incremental investments in deserving areas. The new inserts manufacturing facility at Bengaluru reinstates Kennametal's commitment to growing in India and strengthening local manufacturing capabilities. Your Company will continue to drive growth through efforts aimed at offering the best service and differentiated products to its customers in the coming years.

**9. Internal Control Systems and their Adequacy**

Your Company has established adequate internal control procedures, commensurate with the nature of its business and size of its operations. These controls have been designed to provide a reasonable assurance regarding maintaining of proper accounting controls for ensuring orderly and efficient conduct of its business, monitoring of operations, reliability of financial reporting, accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, protecting assets from unauthorized use or losses, prevention and detection of frauds and errors, and compliance with regulations. The Company has in place a robust internal audit process, run by Ernst and Young (E&Y) India and



monitored by the Internal Audit Department of Kennametal Inc., which is designed to provide reasonable assurance that assets are safeguarded against loss or damage and that accounting records are reliable for preparing financial statements. Internal controls are evaluated by the Internal Auditors and reviewed by Management and the Audit Committee. All audit observations and follow up actions thereon are tracked for resolution by the Internal Control function and reported to the Audit Committee. In addition, employees across the organization are required to undergo quarterly and annual refresher training on the Kennametal Code of Conduct which includes within its scope, transparency in financial reports, ethical conduct, regulatory compliance, conflicts of interests review and reporting of concerns. The Company also has an active Anti Bribery and Whistle Blower policy and procedure in place.

As indicated in the overview of ERM framework, the Operational Risk Groups actively engage in bringing about necessary changes to the systems from time to time, on need basis, to strengthen internal controls and obviate excessive authority being vested in any one area. The enterprise level ERM is actively monitored by the Risk Management Committee of the Board.

The quarterly compliance reporting system in place has digitally mapped all stakeholders (compliance owners) to the tasks expected to be completed by them. Each of these tasks are updated as and when completed within the timelines. Auto generated emails from the system help in reminding the stakeholders of their deliverables to ensure adherence to the extant laws. A compliance report generated on a quarterly basis accompanied by certification by all functional heads to the effect that all laws are complied with is placed before the Board of Directors at the quarterly Board meetings.

In addition, the Company has policies and directions based on internationally accepted standards or best practices and wherever applicable, in line with Kennametal Inc. (ultimate holding Company) global policies and practices. These are periodically updated to align with changing developments and global best practices.

## 10. Financial Performance

Your Company has recorded operational revenue of ₹ 10,999 million in FY24 with a growth of 2.1% as compared to the previous year. Profit Before Tax and Exceptional Items for the year was ₹ 1,386 million, up 17.9% over the previous year. The Company's profit was up in comparison with the previous year for the Hard Metal segment due to favourable raw material costs and better utilization of plant capacity. The Machining Solutions segment's performance was driven by higher domestic sales, better product mix and overhead absorption. The Company has also earned higher other income on account of interest on income tax refund and higher investment income.

In order to cope up with the logistics challenges related to deliveries from other global plants of Kennametal Inc. and also to meet the customer's expectation of faster delivery of products, your Company continues to invest in stocking more SKUs of fast-moving imported products.

Your Company continues to have strong focus on receivables and the collection of outstanding receivables were on track with adequate support from your Company's distributors and direct customers. The Company was able to maintain a healthy cash position and meet its obligations to all the stakeholders in a timely manner.

Return on Capital Employed (ROCE) improved during the year from 17% in FY23 to 19% in FY24. Return (PAT) on net worth improved

during the year from 13% in FY23 to 15% in FY24. Net operational cash flow generated during the year marginally decreased from ₹1,158 million in FY23 to ₹1,143 million in FY24. The decrease in the operating cash flows is mainly due to requirement of higher working capital.

There has been no accounting treatment different from that prescribed in the Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) or as notified under the Companies Act, 2013.

Key financial ratios and changes from last financial year are depicted in the table below:

Key Financial Ratios*	FY 24	FY 23	% Change FY 24 vs. FY 23	Reason for Variance
Debtors Turnover Ratio <sup>^</sup>	6.87	7.72	-11%	Not applicable
Inventory Turnover Ratio <sup>^</sup>	4.06	4.41	-8%	Not applicable
Current Ratio <sup>^</sup>	3.18	3.17	1%	Not applicable
Debt Equity Ratio	0.004	0.004	5%	Not applicable
Operating Profit Margin (%)	13%	11%	16%	Not applicable
Net Profit Margin (%)	10%	8%	23%	Not applicable
Return on Capital Employed (ROCE) (%)	19%	17%	11%	Not applicable
Return (PAT) on Net Worth (%)	15%	13%	18%	Not applicable

<sup>^</sup> Explanations have been provided for any change in the ratio by more than 25% as compared to June 30, 2023.

\*Interest Coverage Ratio is not applicable as the Company has no debt as on June 30, 2023 and June 30, 2024.

## 11. Material Developments in Human Resources & Industrial Relations

Your Company continues to place Safety of our employees as a key priority. In that respect, we have put several measures in place, including awareness sessions, education, and enhanced Safety policies to ensure that Safety is always at the top of every employee's mind. Our endeavour is to drive Safety Culture, together with our Manufacturing Leaders, Managers and Shopfloor employees.

The India EHS team won Gold at the CII (Confederation of Indian Industry) Excellence EHS Awards 2023, in recognition of their sustained contributions and innovation towards advancing programs focusing on the health and safety of employees as well as the protection of the environment.

A few initiatives and actions stood out for us this year. This was cutting across Businesses and Functions, positively impacting all employees in your Company in the following ways:

In FY24, we embarked on our EMERGE program. EMERGE is our early-career rotational leadership program focused on young engineers for building emerging leaders within Kennametal through diverse experiences, to expand their perspectives, develop functional

expertise and accelerate career development. We onboarded 9 EMERGE trainees in FY24 and they were given diverse experience in our Manufacturing, Sales and Machine Building Businesses, apart from the classroom training on various aspects of Business and Personal development.

Our 'True North' journey continues and so does our emphasis on our Cultural Beliefs. In that direction in FY24, we covered all our shopfloor employees and trained them on our Cultural beliefs, through Culture Huddles and Classroom sessions. We believe this will further our cause to build a robust Culture for the organization and help lay a strong foundation to achieve our key results around Customers, Financials, Our People, and Innovation.

Further, we have made progress on our Diversity & Inclusion (D&I) journey, which we had embarked on a couple of years ago. India Regional D&I council has been active in ensuring that the various initiatives under the different pillars (viz. Awareness, Acquisition, Development and Community) find traction and get us closer to our goal of being recognized as a Company which embraces Diversity in a big way. Our most successful initiative has been the launch of the Mentoring program. We have Mid to Senior Leaders in the Organization who volunteered to be mentors for High Potential employees. This initiative has been well received by both, the mentors and mentees.

We organized more events under the Awareness pillar to communicate our vision and also make more employees ally to this cause. We are collaborating with external agencies who will support our effort to hire a more gender diverse workforce, thus promoting Kennametal as an employer of choice for diverse candidates. We are working on increasing our presence in Social Media through active branding initiatives and posting milestones, product launches, events which would reach out to our future potential employees.

We continue to invest in Community through our diverse philanthropic and educational events around our CSR initiatives and actions. Your Company has partnered with an NGO which supports STEM education for girl students.

We believe that our employees' growth and development is key to the success of an organization. We encourage all employees to discuss their development actions with their managers and ensure that they have a plan in place for the year. Our endeavor is to ensure that employees get all the required support to achieve that goal. This could be in the form of on-the-job training, job rotations, classroom trainings, strategic projects and of course, online training.

This year we rolled out our training calendar for employees covering all businesses and functions. We kick-started this with an Outbound Program for Team Building and Collaboration. This was done in four phases to cover the Manufacturing and Sales teams in the organization.

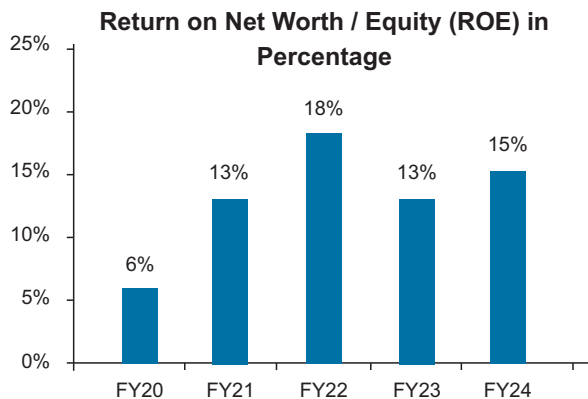
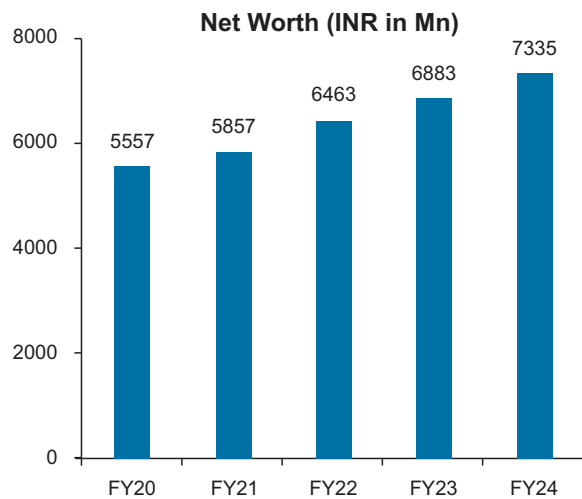
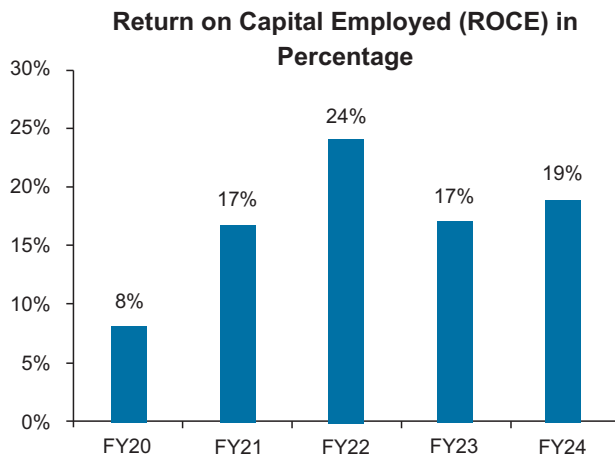
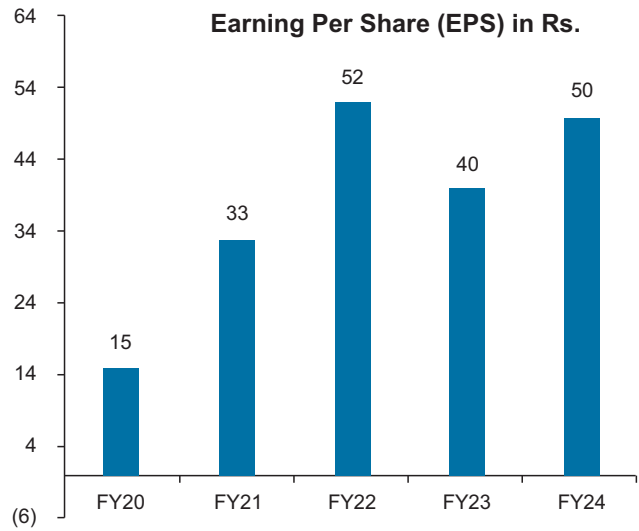
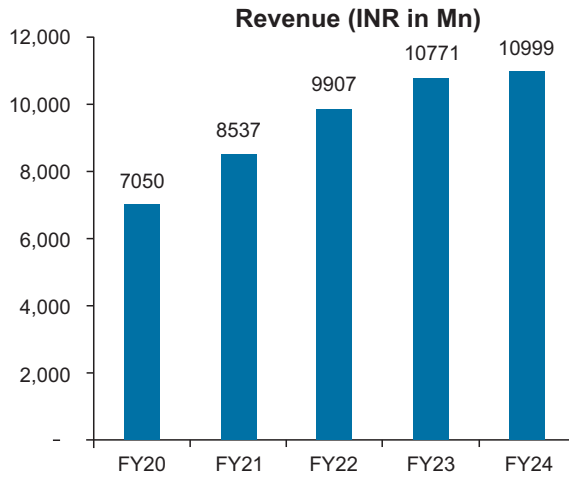
Further, we equipped our Sales team with Value Driven Negotiation and Key Account Management skills. This was followed by programs focused on Mentoring, Business Finance Acumen and Campus to Corporate programs for different sections of our employees. We also encourage employees to undertake online programs, related to their development, through our online learning portal. This portal is accessible to all employees at Kennametal.

Even during these difficult times, your Company continued its focus on building technical skills, which we believe enables our employees to support customers. The Kennametal Knowledge Center (KKC) team supported Sales, Customer and Distributor teams on the technical front with 91 training days, 42 classroom programs & 20 online programs across the country, covering 3984 participants.

The total number of permanent employees in your Company as of June 30, 2024 was 756.



## FIVE YEARS CHART FOR KEY FINANCIAL INDICATORS



For and on behalf of the Board of Directors of  
Kennametal India Limited

Bidadi Anjani Kumar  
Chairman & Independent Director  
DIN: 00022417

Vijaykrishnan Venkatesan  
Managing Director  
DIN: 07901688

Bengaluru  
August 9, 2024

## CORPORATE GOVERNANCE REPORT

### Company's Philosophy on Code of Governance

Good Corporate Governance is at the core of your Company's belief system and is at the heart of our business practices globally. Corporate governance is about maximizing shareholders value legally, ethically and on a sustainable basis. At Kennametal, the goal of corporate governance is to ensure fairness for every stakeholder of your Company, be it the customers, investors, vendors, channel partners, the community, or the Governments of the countries in which we operate. We believe that sound corporate governance is critical to enhance & retain investors trust. Corporate Governance is a reflection of Kennametal's culture, policies, its relationship with stakeholders and commitment to values. At Kennametal, performance is driven by integrity.

In the following paragraphs, your Company's adherence to various corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ['SEBI (LODR) Regulations, 2015'] and other applicable regulations, are detailed below.

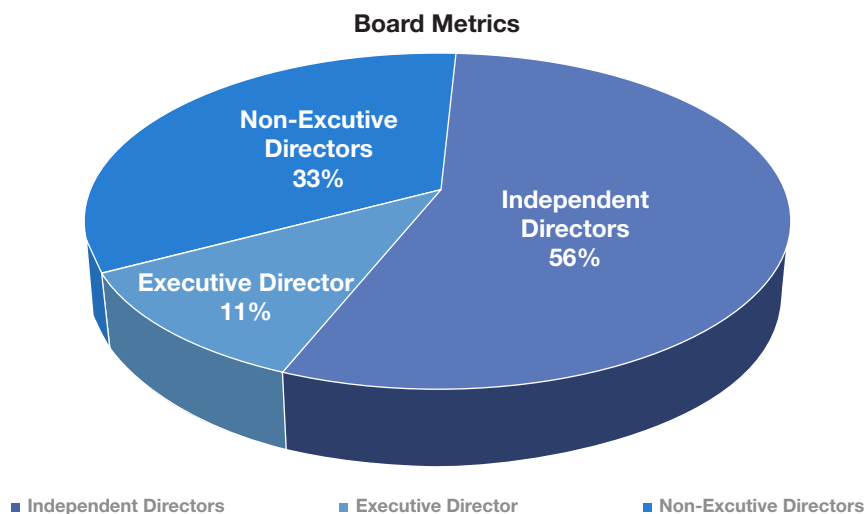
### 1. Composition of the Board of Directors as at June 30, 2024

A bird's eye view of the Board structure is depicted hereunder:

<b>Board Size</b>	<b>No. of Independent Directors (IDs)</b>	<b>Executive Director</b>	<b>Non-Executive Directors</b>	<b>% of Independent Directors on the Board</b>
9	5*	1^	3	56%

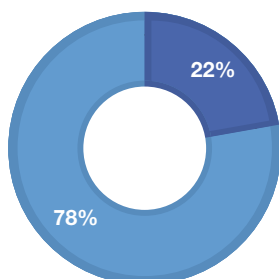
\* Includes Independent Chairman and an Independent Woman Director.

^ Managing Director.



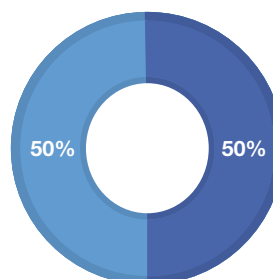
### GENDER COMPOSITION ON BOARD

■ Women Directors ■ Male Directors



### INDEPENDENT WOMAN DIRECTORS V/S NON EXECUTIVE WOMAN DIRECTORS

■ Independent Women Directors ■ Non Executive Woman Directors



Your Company's Board comprises of 9 (Nine) members (as on June 30, 2024), comprising of 5 (five) Independent Directors, 3 (three) Non-Executive Directors and 1 (one) Managing Director. The Company has a Non-Executive Independent Director as its Chairman and the five Independent Directors constitutes more than half of the total number of Directors on Board. Chairman is neither a Promoter of the Company nor is he related to any Promoter or person occupying Management positions at the Board level or at one level below the Board as defined under

Regulation 17(1) (b) of SEBI (LODR) Regulations, 2015. Thus, the composition of the Board is in conformity with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The Directors are inducted to the Board based on the skill sets that they bring to the table. The Board's requirement of various skill sets, from time to time, is assessed and recommended by the Nomination & Remuneration Committee of the Board. This ensures that the Board, at all times, is well balanced with optimal combination of experts from various realms.

**Tenure of Directors:**

Sl. No.	Name	Designation	Original date of Appointment*	Date of re-appointment / approval by the shareholders*	Due date of current term*
1	Mr. Bidadi Anjani Kumar	Chairman (Independent)	02/04/2010	04/11/2019	03/11/2024
2	Mr. Vinayak Kashinath Deshpande	Independent Director	06/09/2010	04/11/2019	03/11/2024
3	Ms. Bhavna Bindra	Independent Director	03/01/2020	11/11/2020	02/01/2025
4	Mr. Amit Laroya	Independent Director	11/03/2024	17/04/2024	10/03/2029
5	Mr. Narumanchi Venkata Sivakumar	Independent Director	09/05/2024	19/06/2024	08/05/2029
6	Mr. Vijaykrishnan Venkatesan	Managing Director	17/09/2020	11/11/ 2020	16/09/2025
7	Mr. Franklin Gerardo Cardenas Castro	Non-Executive Director	05/02/2021	10/11/2021	Liable to retire by rotation
8	Ms. Kelly Golden Lynch	Non-Executive Director	11/08/2023	10/11/2023	Liable to retire by rotation
9	Mr. Keith Alan Mudge	Non-Executive Director	09/02/2024	17/04/2024	Liable to retire by rotation
10	Ms. Kelly Marie Boyer**	Non-Executive Director	11/05/2022	15/06/2022	Resigned effective 30/09/2023

\*Dates to be read in DD/MM/YYYY format throughout this report.

\*\*Ms. Kelly Marie Boyer resigned from the office of Non-Executive Director effective closing of business hours of September 30, 2023.

**Chairman of the Board and his responsibilities:**

The Board at Kennametal India Limited has always been led by an Independent Director as Chairman of the Board. The Chairman's roles, duties and responsibilities are clearly demarcated from other Board members and there is obviously no overlap between the responsibilities of the Managing Director and that of the Chairman.

Mr. Bidadi Anjani Kumar, Chairman comes with 48+ years of rich experience in Finance and Accounts, Compliance, Corporate Governance, Corporate Strategy & Planning, M&A and Due Diligence. He is a Chartered Accountant by qualification. Mr. Bidadi Anjani Kumar is also on the Boards of The Hi-Tech Gears Limited, Greaves Finance Limited, Excel Controlinkage Private Limited and Mikrotek Machines Limited.

The Chairman of your Company leads the Board and is responsible for fostering integrity and governance on the Board while encouraging active participation of all Board members on all matters.

The Chairman presides over the meetings of the Board and of the Shareholders of the Company and takes a lead role in managing the Board and facilitating effective communication among Directors. He is responsible for overseeing matters pertaining to corporate strategy, meeting corporate goals and governance, including the organization, composition and effectiveness of the Board and its Committees and the performance of individual Directors towards fulfilling their responsibilities. The Chairman provides independent leadership to the Board and oversees the management of the Board's administrative activities, such as meetings, schedules, agenda, communication and documentation. The Chairman of the Board works actively with the Nomination & Remuneration Committee ("NRC") members and its Chairman to plan the composition of the Board & its Committees in order to ensure that there is optimal combination of experts from varied realms at all points in time and the Board is 'well balanced'. The Chairman also actively participates in

charting out attributes expected from new Directors, interviewing the new Directors, Board succession planning and meeting auditors/ individual Directors independently ('one on one') to receive & provide constructive feedback from time to time.

**Managing Director and his responsibilities:**

Mr. Vijaykrishnan Venkatesan is the Managing Director of the Company.

The Managing Director is responsible for formulating and executing strategies for your Company to achieve the vision, mission and foster growth on a sustainable basis based on strong foundation of Governance, Risk Management and Compliance ("GRC").

The Managing Director being responsible for execution of annual and long-term business targets of the Company by providing strong and positive leadership to the management of the Company, reports the performance of the Company to the Board on a quarterly basis. The Managing Director also circulates a Monthly Report to the Independent Directors. The Managing Director has a deep understanding of the domestic and international competitive landscape, opportunities for expansion, customers, markets, new product developments and standards and implementing the organization's corporate strategies. The Managing Director acts as the link between the management and the Board and keeps the Board informed about macro level risks impacting the organization and plausible pragmatic mitigation strategies.

The Managing Director is guided by the Chairman and other Members of the Board from time to time.

**Lead Independent Director**

The Chairman of the Board acts as the Lead Independent Director. Role of the Lead Independent Director is to hear the ideas, opinions, and concerns (if any) of the Independent Directors from time to time and

ensure implementation of same wherever needed. The Lead Independent Director also engages in communication with other Independent Directors and the other Directors to discuss on matters of interests pertaining to Board management, management leadership, business performance or any other topic related to the Company. The Lead Independent Director also ensures Board's effectiveness through effective participation of the Independent Directors and encouraging leadership.

#### Role of the Board of Directors

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. As trustee, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholders value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. It sets strategic goals and seeks accountability for their fulfilment. It also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations.

The Board is vested with the responsibility to monitor top risks and the implementation status of the mitigation plans which are presented to the Board at least twice a year. The Board has a dedicated Risk Management Committee which oversees the Enterprise Risk Management and updates the collective Board members at the Board meeting.

#### Board membership criteria

The Directors are expected to possess the required qualifications, integrity, expertise and experience for their positions. They are also

required to possess deep expertise and insights in sectors/ areas relevant to the Company and ability to contribute to the Company's growth. From time to time, the Nomination & Remuneration Committee advises the skill-sets required on the Board to ensure that the Board is 'well-balanced'.

The age limit for Non-Executive Director / Independent Directors is 73 (seventy-three) years and for Whole - time Director / Managing Director, it is 70 (seventy) years.

Based on the disclosures received from all the Independent Directors and also in the opinion of the Board, the Independent Directors are independent of the Management and do fulfil the conditions specified in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

#### Key Board qualifications, expertise and attributes

Your Company's Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring highest standards of corporate governance.

In the table below, the specific areas of focus or expertise of individual Director have been highlighted. However, the absence of a mark against a member's name does not necessarily mean the member does not possess the corresponding qualification or skill. It only means that the Director is not an expert in that particular area.

Key Board Qualifications	Board of Directors as at June 30, 2024								
Area of Expertise	Bidadi Anjani Kumar	Vinayak Kashinath Deshpande	Bhavna Bindra	Amit Laroya	Narumanchi Venkata Sivakumar	Franklin Gerardo Cardenas Castro	Vijaykrishnan Venkatesan	Kelly Golden Lynch	Keith Alan Mudge
<b>REGULATORY MATTERS:</b>									
Financial Expert as per SEBI (LODR) Regulations, 2015	✓	-	-	-	✓	-	-	✓	-
Independent Director as per sec 149 of Companies Act, 2013 and SEBI (LODR) Regulations, 2015	✓	✓	✓	✓	✓	-	-	-	-
<b>EXPERIENCE / SKILLS:</b>									
CEO Experience	-	✓	✓	✓	✓	✓	✓	-	-
Corporate Finance (public Company)	✓	-	-	-	-	-	-	✓	-
Corporate Governance / Corporate Responsibility	✓	✓	✓	✓	✓	✓	✓	✓	✓
Current or Recent Executive Experience	-	✓	✓	✓	✓	✓	✓	✓	✓
Diversity	-	✓	✓	✓	✓	✓	✓	✓	✓
Environmental / Health / Safety	✓	✓	✓	✓	-	✓	✓	-	-
Government / Military	-	✓	-	-	-	-	✓	-	-
Industry / Manufacturing Knowledge	✓	✓	✓	✓	✓	✓	✓	✓	✓
International	✓	-	✓	✓	✓	✓	✓	✓	✓
Legal – Transactions	✓	-	-	✓	✓	-	-	-	-
Operations / Production	-	✓	✓	✓	✓	✓	✓	-	✓
Public Company Board Experience	✓	✓	✓	✓	-	-	✓	✓	-
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	-
Sales & Marketing	-	✓	✓	✓	-	✓	✓	-	✓
Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓	✓
Technology / Engineering	-	✓	-	✓	✓	-	✓	-	-

### Selection of new Directors

The Nomination and Remuneration Committee is responsible for screening and selection of new Directors to the Board. Based on defined criteria elucidated above and taking into account the need of experts from various realms, from time to time, the Nomination & Remuneration Committee decides on the qualifications and experience expected of the new Director and accordingly puts up its recommendation to the Board for approval.

### Process for appointing Independent Directors

As a first step, the Nomination and Remuneration Committee decides on the skills sets, knowledge and experience that are expected by the Board from the proposed independent director (to be appointed) and puts it up to the Board for approval. The skill sets requirement from the proposed independent director, to be appointed, is based on a number of parameters including 'board diversity'; having optimal representation of experts from various realms after understanding the gaps in skill sets in the Board from time to time.

The Chairman of NRC takes the lead in appointing professional agencies to search for suitable candidates based on the requirement sheet provided to the said professional agency. No personal connections are considered in the process of identifying suitable candidates. Not less than three profiles are shortlisted for interview by the NRC. The panel of interviewers comprises of the NRC Members, Chairman of the Board and representatives from Kennametal Inc., the ultimate Holding Company of Kennametal India Limited. Unanimous decision of the panel is presented before the NRC for recommendation of the appointment of the new independent director followed by approvals of the Board and Shareholders.

As per the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the appointed Independent Director is issued a formal letter of appointment. The formal letter of appointment issued by your Company to Independent Directors are disclosed on the website of the Company at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

All Independent Directors of the Company have registered themselves in the data bank of Independent Directors as required by the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 and the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019. Annual Declarations received from them pursuant to section 149(6) of the Companies Act 2013 and Regulation 25(8) of SEBI (LODR) Regulations for the year 2023-24 also contains affirmations regarding registrations in the data bank.

There has been no change in the circumstances affecting their status as independent directors of the Company. The Independent Directors have complied with the Code for Independent Directors prescribed in Schedule IV to the Companies Act 2013.

### Familiarization program for the Directors:

All Directors appointed go through a structured familiarization program which exhaustively covers the operations of the Company; the markets where the Company operates; the product lines; strategy of the Company and its implementation status; Enterprise Risk Management and status of mitigation plans; Governance structure; Board protocols including the manner of conducting Board meetings; the roles, responsibilities and duties expected of a Director in India as per the extant Companies Act, 2013 and SEBI (LODR) Regulations, 2015, amongst others.

The familiarization program document is also disclosed on the website of the Company at <https://www.kennametal.com/in/en/about-us/kil-financials/corporate-governance.html>

As required under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, brief profile and other particulars of the Director/s seeking re-appointment/ appointment are exhibited in the Notice convening the 59<sup>th</sup> Annual General Meeting.

### Declaration under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018

All the Directors have confirmed that they are neither debarred nor disqualified from being appointed or continuing as Director by Securities and Exchange Board of India / The Ministry of Corporate Affairs or any such statutory authority. The Company has obtained a Certificate to this effect from Mr. Vijayakrishna K.T., Practising Company Secretary, Bangalore as mandated under Schedule V, Part C, Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.

### Succession planning

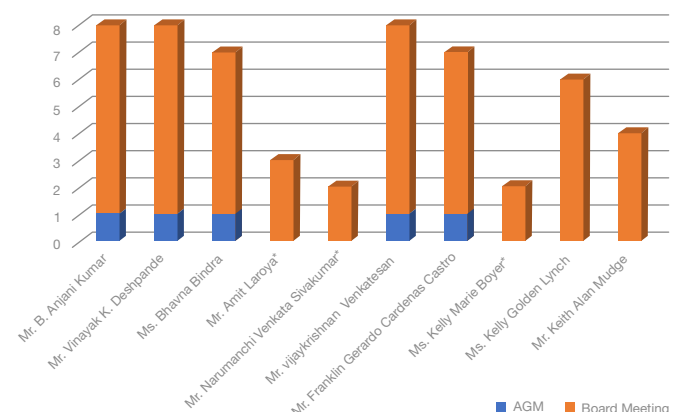
The NRC works with the Board on the leadership succession planning to ensure orderly succession in appointments to the Board and the senior management. The Company strives to maintain appropriate balance of skills and experience within the organization and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity.

### Number of Board Meetings held during the period along with the dates of the Meetings:

During the financial year under review, seven (7) Meetings of the Board of Directors were held on the following dates:

- August 11, 2023;
- August 30, 2023;
- November 9, 2023;
- February 9, 2024;
- March 11, 2024;
- May 9, 2024; and
- June 21, 2024.

### Attendance of Directors at the Board Meetings held during FY24 and the Annual General Meeting (AGM) of the Company held in the year 2023-24 are stated below:



\* Ms. Kelly Marie Boyer resigned from the office of Non-Executive Director effective closing of business hours of September 30, 2023.

\* Mr. Keith Mudge was appointed on the Board effective February 9, 2024, Mr. Amit Laroya was appointed on the Board effective March 11, 2024 and Mr. Narumanchi Venkata Sivakumar was appointed on the Board effective May 9, 2024.

#### Attendance to the Independent Directors Committee meeting

During the year, one separate Meeting of the Independent Directors was held on May 8, 2024 without the attendance of non-independent Directors and members of the Management.

#### Memberships of Directors in other company's Boards

None of the Directors is Director in more than ten (10) Public Limited Companies or holds directorship in more than seven (7) listed companies or acts as an Independent Director in more than seven (7) Listed Companies. Further, none of the Directors of the Board serves as a member of more than ten (10) Committees across all Public Limited Companies or acts as Chairman of more than five (5) Committees (Committees being Audit Committee and Stakeholders' Relationship Committee, as per Regulation 26(1) of the SEBI (LODR) Regulations, 2015) across all listed entities. The Managing Director of the Company

does not serve as an Independent Director on any listed company. There is no relationship amongst Directors inter-se.

An Executive Director may, with the prior consent of the Board, serve on the Board of two other business entities, provided that such business entities are not in direct competition with the Company's operations and the appointment shall be subject to the restrictions laid down under the Companies Act, 2013 / SEBI (LODR) Regulations, 2015. Executive Directors are also allowed to serve on the boards of corporate or government bodies whose interests are germane to the future of the similar industry or the key economic institutions of the nation, or whose prime objective is to benefit society.

Independent Directors are not expected to serve on the boards of competing companies. All procedures are adhered to ensure that the Company in which Independent Directors hold Directorship is not a material supplier or a material customer to the Company. In line with Kennametal Inc.'s protocols, efforts are put in to make sure that the companies in which Independent Directors hold directorships are compliant with Foreign Corrupt Practices Act ('FCPA') and allied legislations. There are no other limitations on the ability of the Independent Directors to take Directorships in other companies, except those imposed by law and good corporate governance practices.

#### Board's Profile of the Directors as at June 30, 2024:

Directors <sup>^</sup>	Age	Men / Women	Tenure of office as at June 30, 2024	Attendance for FY24		Directorship including KIL			Board Committees / including KIL#	
				Board	AGM	Total (LC + PC)	LC	PC	Chairmanship	Membership
<b>Independent Directors</b>										
Mr. Bidadi Anjani Kumar	72	M	9.7 years*	7/7	✓	4	2	2	2	-
Mr. Vinayak Kashinath Deshpande	67	M	9.7 years*	7/7	✓	6	4	2	2	5
Ms. Bhavna Bindra	47	W	4.5 years	6/7	✓	2	2	-	-	3
Mr. Amit Laroya	59	M	0.4 year	3/3	NA	2	2	-	-	2
Mr. Narumanchi Venkata Sivakumar	61	M	0.2 year	1/2	NA	4	1	3	1	4
<b>Non-Executive and Non- Independent Directors</b>										
Mr. Franklin Gerardo Cardenas Castro	56	M	3.4 years	6/7	✓	1	1	-	-	-
Ms. Kelly Golden Lynch	54	W	0.9 year	6/7	-	1	1	-	-	-
Mr. Keith Alan Mudge	54	M	0.4 year	4/4	NA	1	1	-	-	-
<b>Executive Director (Managing Director)</b>										
Mr. Vijaykrishnan Venkatesan	50	M	3.8 years	7/7	✓	2	1	1	-	2

<sup>^</sup> Ms. Kelly Marie Boyer has not been considered in the above table as she ceased to be a Director effective September 30, 2023

\*Appointed as an Independent Director of the Company effective November 4, 2014

#Only the Audit and Stakeholders' Relationship Committees are considered.

GM - General Meeting

LC - Listed Companies

PC - Public Companies

AC - Audit Committee

SRC - Stakeholders' Relationship Committee

NRC - Nomination & Remuneration Committee

NA - Not Applicable



As on June 30, 2024, following are the particulars of Directorships, Memberships of Board Committees held at other companies:

Name of the Directors	Other Directorships held*	Board Committees# (in other companies)		Directorship in other listed entities
		Chairperson	Member	
<b>Non-Executive, Independent Directors</b>				
Mr. Bidadi Anjani Kumar, Chairman	3	-	-	The Hi-Tech Gears Limited
Mr. Vinayak Kashinath Deshpande	4	2	4	1. Voltas Limited 2. Kirloskar Brothers Limited 3. Praj Industries Limited
Ms. Bhavna Bindra	1	-	1	Automotive Stampings and Assemblies Limited
Mr. Amit Laroya	1	-	-	3M India Limited
Mr. Narumanchi Venkata Sivakumar	3	1	4	Nil
<b>Managing Director – Executive &amp; Non-Independent</b>				
Mr. Vijaykrishnan Venkatesan	1	-	-	Nil
<b>Non-Executive Directors &amp; Non-Independent^</b>				
Mr. Franklin Gerardo Cardenas Castro	-	-	-	Nil
Ms. Kelly Golden Lynch	-	-	-	Nil
Mr. Keith Alan Mudge	-	-	-	Nil

^ Mr. Franklin Gerardo Cardenas Castro, Ms. Kelly Golden Lynch and Mr. Keith Alan Mudge represents Kennametal Inc., the Foreign Promoter. No sitting fee is paid to Non-Executive- Non-Independent Directors.

\*Excluding office of Alternate Directors, Non-Profit Associations, Private & Foreign Companies.

# Only the Audit and Stakeholders' Relationship Committees are considered.

The composition of the Board and Directorships held (all categories of companies) including Kennametal India Limited as on June 30, 2024 are as follows:

**Mr. Bidadi Anjani Kumar, Chairman and Independent Director:**

Sl. No.	Names of the Companies / bodies corporate /firms / association of individuals	Nature of interest or concern / Change in interest or concern	Shareholding	Date on which interest or concern arose / changed
1.	Kennametal India Limited	Chairman & Independent Director	10 shares	April 02, 2010
2.	The Hi-Tech Gears Limited	Director	Nil	November 03, 2015
3.	Mikrotek Machines Limited	Director	Nil	June 16, 2017
4.	Greaves Finance Limited	Additional Director	Nil	May 17, 2024
5.	Excel Controlinkage Private Limited	Additional Director	Nil	May 1, 2024

**Mr. Vinayak Kashinath Deshpande, Independent Director:**

Sl. No.	Names of the Companies / bodies corporate /firms / association of individuals	Nature of interest or concern / Change in interest or concern	Shareholding	Date on which interest or concern arose / changed
1.	Kennametal India Limited	Independent Director	Nil	September 06, 2010
2.	Voltas Limited	Director	Nil	February 14, 2012
3.	Signify Innovation India Limited	Director	Nil	April 27, 2016
4.	Universal Mep Projects and Engineering Services Limited	Director	Nil	September 15, 2021
5.	Kirloskar Brothers Limited	Director	Nil	August 2, 2023
6.	Praj Industries Limited	Director	Nil	March 31, 2024

**Ms. Bhavna Bindra, Independent Director:**

Sl. No.	Names of the Companies / bodies corporate /firms / association of individuals	Nature of interest or concern / Change in interest or concern	Shareholding	Date on which interest or concern arose / changed
1.	Kennametal India Limited	Independent Director	Nil	January 03, 2020
2.	Automotive Stampings and Assemblies Limited	Independent Director	Nil	July 15, 2019
3.	Lubrizol Advanced Materials India Private Limited	Managing Director	Nil	April 5, 2024
4.	Lubrizol Global Services Center Private Limited	Managing Director	Nil	April 5, 2024

**Mr. Amit Laroya, Independent Director:**

Sl. No.	Names of the Companies / bodies corporate /firms / association of individuals	Nature of interest or concern / Change in interest or concern	Shareholding	Date on which interest or concern arose / changed
1.	Kennametal India Limited	Independent Director	Nil	March 11, 2024
2.	3M India Limited	Managing Director Non - Executive Director	Nil	October 1, 2013 to May 31, 2016 June 1, 2016

**Mr. Narumanchi Venkata Sivakumar, Independent Director:**

Sl. No.	Names of the Companies / bodies corporate /firms / association of individuals	Nature of interest or concern / Change in interest or concern	Shareholding	Date on which interest or concern arose / changed
1.	Kennametal India Limited	Independent Director	Nil	May 9, 2024
2.	Capital Foods Private Limited	Director	Nil	February 1, 2024
3.	Tata Motors Finance Limited	Director	Nil	November 7, 2023
4.	TMF Holdings Limited	Director	Nil	November 7, 2023
5.	TMF Business Services Limited	Director	Nil	November 7, 2023
6.	Talentpro India HR Private Limited	Director	Nil	July 31, 2023
7.	Oceanic Sports Management LLP	Designated Partner	40% (effective August 24, 2023)	July 8, 2022
8.	Organic India Private Limited	Additional Director	Nil	May 22, 2024

**Mr. Vijaykrishnan Venkatesan, Managing Director:**

Sl. No.	Names of the Companies / bodies corporate /firms / association of individuals	Nature of interest or concern / Change in interest or concern	Shareholding	Date on which interest or concern arose / changed
1.	Kennametal India Limited	Managing Director	Nil	September 17, 2020
2.	Indian Machine Tool Manufacturers Association	Director	Nil	September 20, 2021
3.	Invest Karnataka Forum	Nominee Director	Nil	October 13, 2023

**Mr. Franklin Gerardo Cardenas Castro, Non-executive Director:**

Sl. No.	Names of the Companies / bodies corporate /firms / association of individuals	Nature of interest or concern / Change in interest or concern	Shareholding	Date on which interest or concern arose / changed
1.	Kennametal India Limited	Director	Nil	February 5, 2021

**Ms. Kelly Golden Lynch, Non-Executive Director:**

Sl. No.	Names of the Companies / bodies corporate /firms / association of individuals	Nature of interest or concern / Change in interest or concern	Shareholding	Date on which interest or concern arose / changed
1.	Kennametal India Limited	Director	Nil	August 8, 2023

**Mr. Keith Alan Mudge, Non-Executive Director:**

Sl. No.	Names of the Companies / bodies corporate /firms / association of individuals	Nature of interest or concern / Change in interest or concern	Shareholding	Date on which interest or concern arose / changed
1.	Kennametal India Limited	Director	Nil	February 9, 2024

**Notes:**

- There are no inter-se relationships between the Board members. The Company does not have any pecuniary relationship with any of the Non-Executive Directors.
- Directorship / Interest in Indian companies / body corporates are considered (listed, unlisted public and private limited companies).

**Compliance with the Code of Conduct and Ethics:**

The Company has adopted the KIL Code of Business Conduct and Ethics for Board Members and its Senior Management which is available on the Company website at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

All Board Members and Senior Management Personnel confirm in writing, on an annual basis, their adherence to the KIL Code of Business Conduct and Ethics.

**Erudition program for Board Members:**

Every quarter, the Board of Directors are educated on significant amendments to the legislations that have an impact on the Company and the roles of Directors. During the year under review trainings session on following programs were organised for the Directors:

- Business Responsibility and Sustainability Reporting (BRSR);
- SEBI Regulations; and

▪ Business and Human Rights.

Apart from the above plant tour along with introductory sessions were also organised for the newly inducted Directors.

**Enforcing any violation of the code of conduct:**

All and any violations to the Code of Conduct are dealt seriously with there being a formal investigation process that is set into motion to look into the merits, if any, of the alleged violations. All complaints, be it anonymous or otherwise, are investigated by the Legal Counsel. However, behaviour related issues are dealt by the Head of Human Resources and all sexual harassment complaints are looked into by the Internal Committee formulated under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act of 2013.

Periodical code of conduct trainings are conducted to remind all stakeholders (viz., distributors, suppliers, customers, job contractors etc.) of the provisions of code of conduct. In particular, specific trainings were conducted during the year under review, to all Directors and Designated Persons, during the year, on Prohibition of Insider Trading. Amongst numerous other topics that were covered during the year as part of training, personnel were trained on prevention of sexual harassment, fostering culture of speaking up for what is not right, export trade compliance regulation, training and preserving confidential information.

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated the "Policy governing inquiry in case of leak of Unpublished Price Sensitive Information", "Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information" and "Code of conduct for sharing of UPSI with Insiders and Connected Persons" which are available on the Company's website at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

For the complainants to post any grievances, your Company has a whistle blower policy in place, a copy of which is disclosed at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html> ("Whistle Blower Policy")

All stakeholders have been provided access to the Audit Committee amongst other options available to them under the Whistle Blower Policy viz., Kennametal Helpline is available 24x7 to lodge any grievance/ concern at any point in time.

Apart from access to the Audit Committee, the Company also has a dedicated hotline number and email ID to which any person (internal or external) can share their grievances.

Anonymous complaints are treated with the same care as non-anonymous complaint.

In suitable demanding cases, to maintain the independency of the investigation, the Company does engage third party investigators. The complainant (if the identity and address is mentioned by the complainant) is reported back on the investigation conducted and is made aware about the findings and the implementation of the findings.

As per the non-retaliation policy, your Company does not tolerate any retaliation, in any manner, against the complainant and/ or the witnesses or those who support the investigation.

Disciplinary actions are decided based on 'decision making tree' analysis of the findings which is a structured process to make sure that the Company

decides the same way for same kind of offences. All disciplinary actions are inflicted without hesitation on the delinquent personnel/ agency/ contractor and reported to the Audit Committee from time to time.

**2. Audit Committee**

The Audit Committee has the powers, roles and terms of reference as per SEBI (LODR) Regulations, 2015 read with the provisions of Section 177 of the Companies Act, 2013. The Company has setup a qualified and independent Audit Committee and the terms of reference of the Audit Committee are set out below:

- i. The Audit Committee shall have minimum three Directors as members. Two-thirds of the members of the Audit Committee shall be Independent Directors.
- ii. All members of Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
- iii. Chairman of the Audit Committee shall be an Independent Director.
- iv. Chairman of the Audit Committee shall be present at the Annual General Meeting to answer shareholder queries.
- v. The Audit Committee may invite such of the executives, as it considers appropriate (and particularly the head of the finance function) to be present at the Meetings of the Committee, but on occasions it may also meet without the presence of any executives of the Company. The Chief Financial Officer (CFO), the Internal Auditors and a representative of the Statutory Auditors may be present as invitees for the meetings of the Audit Committee.
- vi. The Company Secretary shall act as the Secretary to the Committee.
- v. The Audit Committee shall meet at least four times in a year and not more than 120 days shall elapse between two meetings. The quorum shall be either two members or one third of the members of the audit committee whichever is greater, but there should be a minimum of two independent Directors present.

**Powers of the Audit Committee:**

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Role of Audit Committee**

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company.
3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

4. Reviewing, with the management, the annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings. Compliance with listing and other legal requirements relating to financial statements.
  - e) Disclosure of any related party transactions.
  - f) Modified opinion(s) in the draft Audit Report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring the Auditor's Independence, performance and effectiveness of Audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the Company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors of any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To review the functioning of the Whistle Blower Mechanism.
19. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate.
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

#### Review of information by the Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations.
2. Management letters / letters of internal control weaknesses issued by the Statutory Auditors.
3. Internal audit reports relating to internal control weaknesses;
4. The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee; and
5. Statement of deviations:
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

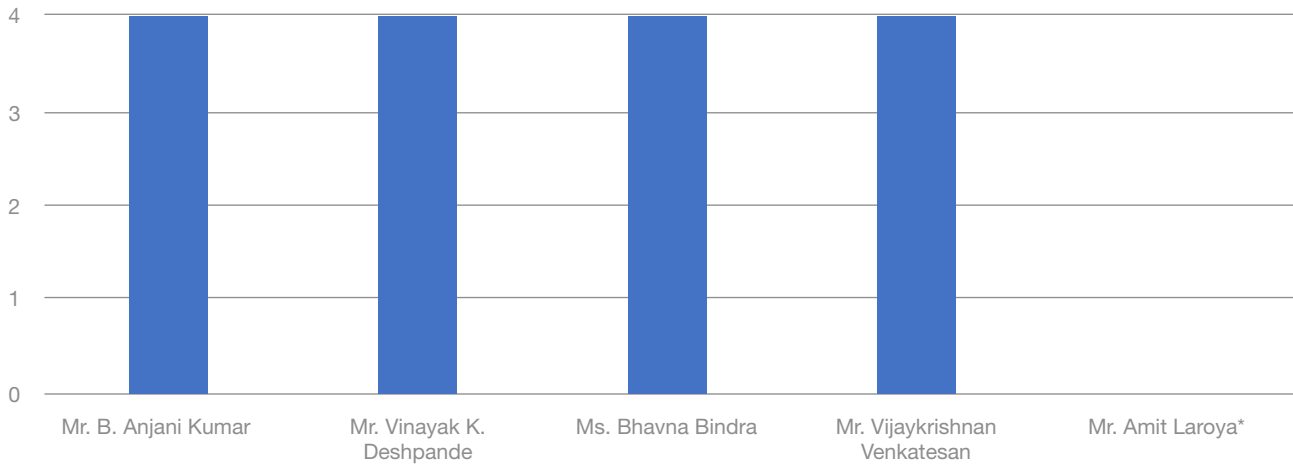
#### Composition and details of the Audit Committee Meetings during the financial year

As on June 30, 2024, the Audit Committee consists of Five (5) members inclusive of Four (4) Non-Executive Independent Directors and all of them have financial and accounting knowledge. Chairman of the Audit Committee is a financial expert with 48+ years' experience in various facets. The members of the Committee are (i) Mr. Bidadi Anjani Kumar, Chairman of the Committee (ii) Mr. Vinayak Kashinath Deshpande (iii) Ms. Bhavna Bindra and (iv) Mr. Amit Laroya (v) Mr. Vijaykrishnan Venkatesan.

During the year under review, four (4) Meetings of the Audit Committee of Directors were held on the following dates: August 11, 2023, November 9, 2023, February 9, 2024 and May 9, 2024.

The particulars of the members and their attendance at the Meetings held during the year are as below:

**Attendance at the Audit Committee Meeting held during FY 24**



\* Mr. Amit Laroya was inducted as a member of the Audit Committee by the Board of Directors at their meeting held on May 9, 2024. No Audit Committee meeting was held in the financial year 2023-24 after May 9, 2024.

The Chief Financial Officer (CFO), Internal Auditors and the Statutory Auditors are invited to attend the Meetings of the Audit Committee.

The Company Secretary is the Secretary to the Audit Committee.

The Board has accepted all recommendations of the Audit Committee during the year under review.

### 3. Nomination and Remuneration Committee

In compliance with the provisions of Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, the terms of reference of the Committee, inter alia, includes the following:

1. The Committee shall comprise of at least three Directors.
2. All Members of the Committee shall be Non-Executive Directors and at least two-thirds of the Members shall be Independent Directors.
3. Chairman of the Committee shall be an Independent Director as may be elected by the members of the Committee.
4. The quorum for a meeting of the NRC shall be either two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.
5. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries.
6. The Nomination and Remuneration committee shall meet at least once in a year.

The Nomination and Remuneration Committee has the following roles:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to

the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

- ii. For every appointment of an Independent Director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a) Use the services of an external agencies, if required;
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c) consider the time commitments of the candidates.
- iii. Formulation of criteria for evaluation of performance of Independent Directors and the Board.
- iv. Devising a Policy on Board diversity.
- v. Identifying persons who are qualified to become Directors and who may be appointed in senior management roles in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- vi. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- vii. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.

A. The Nomination & Remuneration Policy of the Company is enclosed to this report as **Annexure-A**.

**B. Performance Evaluation:**

The Nomination & Remuneration Committee carries out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals (yearly) as per the performance management system of the Company.

**Performance evaluation criteria for Independent Directors**

The Nomination and Remuneration Committee of the Board laid down the evaluation criteria for performance of all its Directors including the Independent Directors. The performance evaluation of the Independent Directors has been done by the entire Board of Directors, except the Director concerned being evaluated. Some of the performance indicators, based on which the Independent Directors, are evaluated includes:

- Knowledge of the business.
- Attendance and participations in the Meetings and timely inputs on the minutes of the meetings.
- Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings.
- Understanding regulatory and ethical issues and adhering to the highest norms.
- Generating a supportive environment in meetings, communicating effectively with others.
- Value addition to the Board and contributing significantly in his / her area of expertise.

**C. Criteria for selection of Directors/KMPs and Senior Management Personnel:**

1. The NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his /her appointment.
2. A person should possess adequate qualifications, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether the qualifications, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report.
4. The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Remuneration should be:
  - Market competitive
  - Driven by role played by the individual
  - Reflective of size of the Company, complexity of the industry in which it operates
  - Consistent with recognized best practices
  - Aligned to the regulatory requirements, if any.

**D. Board Diversity:**

The Company believes that a diverse board will enhance the decision-making ability of the Board by utilizing the different skills, experience and background, geographical and industry experience, ethnicity, gender, knowledge and length of services, and other distinguishing qualities of the members of the Board. Diversity will be considered in determining the optimum composition of the Board, and all appointments will be based on merit, having due regard to the overall effectiveness of the Board.

The Committee is responsible for reviewing and assessing the composition of the Board and will make recommendations to the Board on the appointment of new Directors. The Committee will also review the structure, size and diversity of the Board annually and make recommendations on any proposed changes to the Board to complement the Company's objectives and strategy.

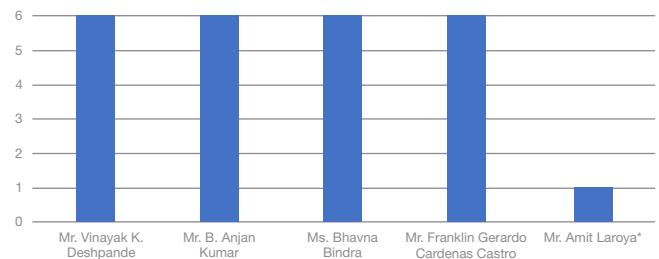
The Nomination and Remuneration Policy, Performance Evaluation and Policy on Board Diversity are available on the website of the Company at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

**E. Composition and details of the Nomination and Remuneration Committee Meetings during the financial year:**

As on June 30, 2024, the Nomination and Remuneration Committee of the Company consisted of Five (5) Non-Executive Directors. The members of the Committee are (i) Mr. Vinayak Kashinath Deshpande, Chairman of the Committee (ii) Mr. Bidadi Anjani Kumar (iii) Ms. Bhavna Bindra (iv) Mr. Amit Laroya and (v) Mr. Franklin Gerardo Cardenas Castro.

During the year under review, the Committee met six (6) times on, August 10, 2023, November 9, 2023, February 8, 2024, March 11, 2024, May 8, 2024 and June 21, 2024 and the attendance of the members at the said Meetings are given below:

**Attendance at the NRC Meeting held during FY 24**



\* Mr. Amit Laroya was inducted as a member of the NRC by the Board of Directors at its meeting held on May 9, 2024.

**Directors' Remuneration**

Remuneration paid to Directors for the year under review is provided in Table I and II.

**Table I: Remuneration paid to Managing Director in respect of financial year 2023-24:**

Managing Director	Amount (₹ in Million) *
Mr. Vijaykrishnan Venkatesan	₹ 35.52



\*Includes salary, fixed allowance, housing, leave travel allowance, contribution to retiral benefits, performance pay etc. It also includes Stock options of ₹ 10.68 Million granted by Kennametal Inc., (the ultimate holding company), which was vested during the year and the same was cross - charged to Kennametal India Limited. Performance pay is based on the results achieved against the targets and criteria as set out by the Board. The Board of Directors appointed Mr. Vijaykrishnan Venkatesan as an Additional Director and Managing Director at its meeting held on August 19, 2020 after considering the recommendation of Nomination & Remuneration Committee, for a period of five years from September 17, 2020 to September 16, 2025. The contract can be terminated with a notice period of three months or such notice as may be mutually determined as per the Agreement dated September 17, 2020 with no severance fees. The Shareholders have confirmed the appointment of Mr. Vijaykrishnan Venkatesan as a Managing Director at the 55<sup>th</sup> Annual General Meeting for the aforementioned period as recommended by the Board.

**Table II:** Remuneration paid / payable to Non-Executive Directors for the year under review:

Non-Executive Directors	Commission (₹ in Million) *	Sitting Fees (₹ in Million)
Mr. Bidadi Anjani Kumar	2.18	0.88
Mr. Vinayak Kashinath Deshpande	0.91	0.80
Mr. Bhavna Bindra	0.91	0.78
Mr. Amit Laroya	0.28	0.18
Mr. Narumanchi Venkata Sivakumar	0.13	0.05
Mr. Franklin Gerardo Cardenas Castro	Nil	Nil
Mr. Kelly Marie Boyer#	Nil	Nil
Ms. Kelly Golden Lynch	Nil	Nil
Mr. Keith Alan Mudge	Nil	Nil

\* payable in FY 2024-25

# Ms. Kelly Marie Boyer resigned from the Board of Directors of the Company effective September 30, 2024.

The criteria for determination of commission to Non-Executive Independent Directors as approved by the Board, includes Chairmanship of the Board / Committees of the Board, individual responsibilities and additional contribution to the Company.

The criteria for making payments to non-executive directors is elucidated in the Nomination & Remuneration Committee Policy of the Company which is enclosed as "Annexure A" to this report and is also available on the website of the Company at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

The Company presently has no Employee Stock Option Plan.

#### 4. Stakeholders' Relationship Committee (SRC)

In compliance with the provisions of Section 178(5) of the Companies Act, 2013 and the provisions of the SEBI (LODR) Regulations, 2015 the Board had formed the Stakeholders' Relationship Committee:

1. The quorum shall be either two members or one third of the members of the stakeholders' relationship committee whichever is greater.

2. The Chairperson of this committee shall be a non-executive director.
3. At least three directors, with at least one being an independent director, shall be members of the Committee.
4. The Chairperson of the Stakeholders' Relationship Committee shall be present at the annual general meetings to answer queries of the security holders.
5. The Stakeholders' Relationship Committee shall meet at least once in a year.

The terms of Reference/Role/Powers of the Committee are as under:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

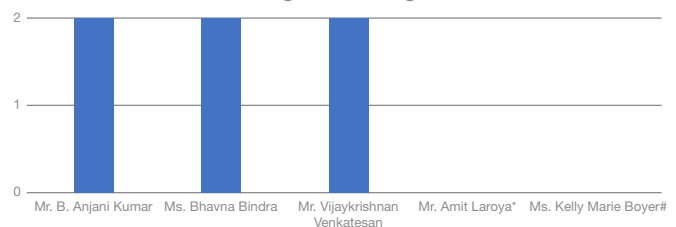
Composition and details of the Stakeholders' Relationship Committee Meeting during the financial year:

As on June 30, 2024, the Stakeholders' Relationship Committee comprises of (a) Mr. Bidadi Anjani Kumar, Chairman who heads the Committee (b) Mr. Vijaykrishnan Venkatesan (c) Ms. Bhavna Bindra and (d) Mr. Amit Laroya.

Mr. Aditya Kumar Jain is the Compliance Officer of the Company.

During the year under review, two (2) Meetings of the said Committee were held on November 9, 2023 and February 8, 2024. The particulars of the members and their attendance at the Meetings are provided herein the below Table:

**Attendance at the Stakeholders' Relationship Committee Meeting held during FY24**



# Consequent upon the resignation of Ms. Kelly Marie Boyer from the Board of Directors of the Company effective September 30, 2023, Ms. Kelly Marie Boyer ceased to be a member of the SRC.

\* Mr. Amit Laroya was inducted as a member of the SRC by the Board of Directors at their meeting held on May 9, 2024. No SRC meeting was held in the financial year 2023-24 after May 9, 2024.

During the year, the Company has not received any complaint from the shareholders of the Company.

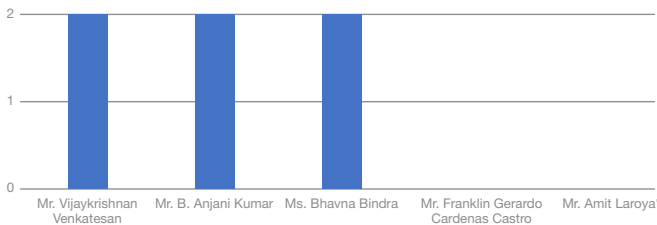
### 5. Corporate Social Responsibility Committee

The Board has constituted a Corporate Social Responsibility (CSR) Committee which shall formulate and recommend to the Board, a Corporate Social Responsibility Policy in terms of Schedule VII of the Companies Act, 2013; recommend the amount of expenditure to be incurred on the CSR activities; review the Corporate Social Responsibility Policy of the Company from time to time; and to act in terms of any consequent statutory modification(s)/amendment(s)/revision(s) to any of the applicable provisions to the said Committee.

The Committee comprises of (a) Mr. Vijaykrishnan Venkatesan, Chairman (b) Mr. Bidadi Anjani Kumar (c) Ms. Bhavna Bindra (d) Mr. Amit Laroya and (e) Mr. Franklin Gerardo Cardenas Castro as on June 30, 2024.

During the year, two (2) Meetings of the said Committee were held. The Committee met on August 10, 2023 and February 8, 2024 during the year under review and the attendance of the members at the said Meetings is provided in the below table as follows:

**Attendance at the CSR Committee Meeting held during FY24**



\* Mr. Amit Laroya was inducted as a member of the CSR effective May 9, 2024. No CSR meeting was held in the financial year 2023-24 after May 9, 2024.

The Corporate Social Responsibility Policy is also disclosed on the website of the Company at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

### 6. Risk Management Committee

The terms of reference of the Risk Management Committee (“RMC”), inter alia, include the following:

1. To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

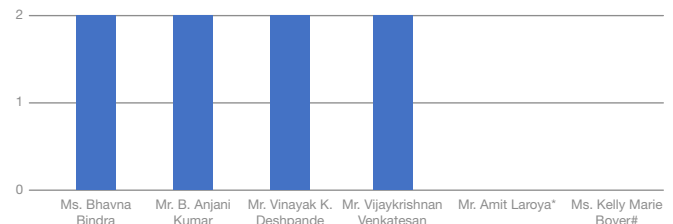
The Risk Management Committee shall coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

As of June 30, 2024, the Risk Management Committee comprised of (a) Ms. Bhavna Bindra, Chairperson of the Committee (b) Mr. Bidadi Anjani Kumar (c) Mr. Vijaykrishnan Venkatesan (d) Mr. Vinayak Kashinath Deshpande and (e) Mr. Amit Laroya.

The quorum for a meeting of the Risk Management Committee is either two members or one third of the members of the committee, whichever is higher, including at least one member of the board of directors in attendance.

The Committee met twice on October 9, 2023 and February 8, 2024 during the financial year under review and the attendance of the members at the said Meetings is provided in the below table as follows:

**Attendance at the Risk Management Committee Meeting held during FY24**



\* Mr. Amit Laroya was inducted as a member of the RMC effective May 9, 2024. No RMC meeting was held in the financial year 2023-24 after May 9, 2024.

# Consequent upon the resignation of Ms. Kelly Marie Boyer from the Board of Directors of the Company effective September 30, 2023, Ms. Kelly Marie Boyer ceased to be a member of the RMC

7. The Board has also constituted other Committees which are as follows:
  - A. Share Transfer Committee: The Share Transfer Committee deals with matters relating to transfers / transmissions / transposition / consolidation / deletion of name / issue of Share Certificates in exchange for sub – divided / consolidated / defaced share certificates / issue of duplicate Share Certificates by means of letter of confirmation, re-materialization of Shares etc.
  - B. Environmental, Social & Governance (ESG) Committee: The ESG Committee formulates, monitors and implements ESG policy and

procedures including the establishment of ESG vision, goals & targets and assess progress towards achieving those targets.

C. Stakeholders' Grievance Committee: The Stakeholders' Grievance Committee provides a channel for Stakeholders of the Company (internal & external) to voice their concerns and lay down a framework to formulate procedures for proper, fair, transparent & expeditious redressal of Stakeholders' Grievances in an efficient manner.

#### 8. Senior Management Personnel

During the year under review, the Board at their meeting based on the recommendation of Nomination & Remuneration Committee approved / took note of following changes to the Senior Managerial Personnel of the Company:

- Mr. Naveen Chandra Prakash had resigned from the post of General Manager - Legal, Company Secretary & Compliance Officer of the Company (ACS 30057) effective closing of business hours of January 15, 2024.
- Mr. Venugopal Thirumurthy had resigned from the post of Deputy General Manager - Quality Head on November 21, 2023, effective closing of business hours of February 17, 2024.
- Ms. Anupriya Garg has been appointed as Legal Counsel (Region) & Company Secretary of the Company at the Board meeting held on June 21, 2024 and her appointment was effective from July 4, 2024.

The Senior Management Personnel of Kennametal India Limited as on June 30, 2024 are as follows:

Sl. No.	Name	Position
<b>India Leadership Council</b>		
1.	Mr. Vijaykrishnan Venkatesan	Managing Director (KMP)
2.	Mr. Prashant Shetty	Director Sales – Metal Cutting
3.	Mr. M.T. Swamy	Director Sales – Infra Business
4.	Mr. Rajashekar Venkat	Director – MSG Business
5.	Mr. Suresh Reddy K V	Chief Financial Officer (KMP)
6.	Ms. Swastika Mukherjee	General Manager - Strategic Marketing
7.	Mr. Manu Kidave	General Manager – Human Resources
8.	Mr. Raghavendra S	Director - Manufacturing & Factory Manager

#### 9. General Meetings

Date and Time	Location	Special Resolutions passed
56 <sup>th</sup> AGM, November 10, 2021 12.00 Noon	Through Video Conferencing (VC)	Approval to pay commission, to the Chairman, exceeding fifty percent (50%) of the total commission payable to all Independent Directors.
57 <sup>th</sup> AGM, November 11, 2022 12.00 Noon	Through Video Conferencing (VC)	Approval to pay commission, to the Chairman, exceeding fifty percent (50%) of the total commission payable to all Independent Directors.
58 <sup>th</sup> AGM, November 10, 2023 11.00 AM	Hotel Taj Yeshwantpur, 2275, Tumkur Road, Yeshwantpur Industrial Area, Phase 1, Yeshwantpur, Bengaluru, Karnataka 560022	Approval to pay commission, to the Chairman, exceeding fifty percent (50%) of the total commission payable to all Independent Directors.

#### 10. Postal Ballot:

During the year under review, the Company had on two occasions approached the Shareholders through Postal Ballot for the following proposals:

Sl. No.	Date of postal ballot notice	Resolution passed	Type Resolution	Approval date	Scrutinizer
1.	March 11, 2024	Appointment of Mr. Keith Alan Mudge (DIN: 10462270) as a Non-Executive and Non-Independent Director of the Company.	Ordinary Resolution	April 17, 2024	Mr. Vijayakrishna KT (FCS 1788, COP 980), Practising Company Secretary
		Appointment of Mr. Amit Laroya (DIN: 00098933) as a Non-Executive and Independent Director of the Company.	Special Resolution		

2.	May 9, 2024	Appointment of Mr. Narumanchi Venkata Sivakumar (DIN: 03534101) as a Non-Executive and Independent Director of the Company	Special Resolution	June 19, 2024	Mr. Vijayakrishna KT (FCS 1788, COP 980), Practising Company Secretary
		Approval of material related party transactions with Kennametal Inc., USA	Ordinary Resolution		
		Approval of material related party transactions with Kennametal Europe GmbH, Switzerland	Ordinary Resolution		

No special resolution is proposed to be conducted through postal ballot as on the date of this report.

**Procedure for postal ballot:**

Pursuant to the provisions of Section 110 of the Act read with Rule 22 of Companies (Management and Administration) Rules, 2014 (Management Rules), as amended, the Company had issued Postal Ballot Notice dated March 11, 2024 and May 9, 2024 to the Members, seeking their consent with respect to approval of resolutions as stated above. In compliance with provisions of Section 108 and Section 110 and other applicable provisions, of the Act read with the Management Rules, the Company had provided remote e-voting facility to all the Members of the Company. The Company engaged the services of Central Depository Services Limited (CDSL) for facilitating e-voting to enable the Members to cast their votes electronically. The Board of Directors had appointed Mr. Vijayakrishna K T (FCS 1788, COP 980), Practising Company Secretary, to act as the Scrutinizer for Postal Ballot process. The voting period commenced on Tuesday, March 19, 2024, 9:00 AM IST and ended on Wednesday, April 17, 2024, 5:00 PM IST and the cut-off date for the purpose of determining the number of Members was Monday, March 11, 2024 with respect to Notice dated March 11, 2024. Further, with respect to the postal ballot notice dated May 9, 2024, the voting period commenced on Tuesday, May 21, 2024, 9:00 AM IST and ended on Wednesday, June 19, 2024, 5:00 PM IST and the cut-off date for the purpose of determining the number of Members was Thursday, May 9, 2024. The Scrutinizer, after the completion of scrutiny, submitted his report to Mr. Aditya Kumar Jain, Compliance Officer of the Company, who was duly authorised by the Chairman to accept, acknowledge and countersign the Scrutinizer's Report as well as declare the voting results in accordance with the provisions of the Act, the Rules framed thereunder and the Secretarial Standard - 2 issued by the Institute of Company Secretaries of India.

The consolidated results of the voting by Postal Ballot and e-voting were announced on April 18, 2024 and June 21, 2024 respectively for the Postal Ballot notice dated March 11, 2024 and May 9, 2024. The results were also displayed on the website of the Company at - <https://www.kennametal.com/in/en/about-us/kil-financials/general-meetings---annual-reports.html> and was also communicated to BSE Limited (BSE).

**11. Disclosures**

- The Company has adopted a Policy for determination of materiality for disclosure of Events or Information and a policy for preservation of documents and archival in accordance with SEBI (LODR) Regulations, 2015. The said policies can be accessed at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>
- The Company has in place a Code of Conduct applicable to the Board of Directors as well as the Senior Management. Managing Director have confirmed and declared that all the members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct for the financial year 2024.
- As on June 30, 2024, following Director hold the Shares of the Company:

Sl. No.	Name of the Directors	No. of Shares held as on June 30, 2024
1	Mr. Bidadi Anjani Kumar	10

No other Director holds any shares in the Company apart from the above.

- No penalties were imposed or strictures passed on the Company by BSE Limited, SEBI or any statutory authority on any matter relating to capital markets during the last three years except the following:
  - A. BSE Limited had levied a fine of INR 1,45,000 + GST on the alleged non-compliance stating that the Declaration under Regulation 33 (3)(d) of the SEBI (LODR) Regulations, 2015 on the Annual Financials for FY21 filed soon after the Board Meeting dated August 18, 2021, was not submitted for Consolidated financials of the Company for the year ended June 30, 2021. The Company has represented that, in its letter dated August 18, 2021, that it has submitted the financial results of the Company containing unmodified opinion and had further attached both Standalone & Consolidated Financial Results along with Audit Reports (Standalone & Consolidated). In this regard, the Company has contested the matter by depositing applicable fine "UNDER PROTEST".
  - B. BSE Limited had levied a fine of INR 25,000 + GST on the alleged non-compliance stating that the Annual Report for FY21 does not contain a weblink of Dividend Distribution Policy. The Company has represented that all applicable weblinks were provided in the Annual Report and that the Company has in this regard provided adequate references to BSE Limited.
- All the Equity Shares of your Company are listed with BSE Limited.
- The Company places the requisite information about related party transactions before the Audit Committee from time to time. Please refer to Notes on Accounts for materially significant related party transactions. None of the said transactions were potentially in conflict with the interest of the Company at large. The Related Party Transaction Policy of the Company can be

accessed from the website of the Company at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

- There has been no accounting treatment different from that prescribed in the Accounting Standards laid down by the Institute of Chartered Accountants of India (ICAI) or as notified under the Companies Act.
- The Company being a part of Kennametal Group ("the group") complies with the whistle blower policy of the group which is applicable to all employees of the group. A mechanism is in place whereby any employee of the Company has access to the Chairman of the Audit Committee to report any concerns. No person has been denied access to the Chairman to report any concern.
- The Senior Management personnel have declared to the Board of Directors that none of them or their relatives had any material, financial, commercial transactions that were potentially in conflict with the interests of the Company.
- Managing Director and Chief Financial Officer have furnished Certification to the Board in accordance with Regulation 17(8) of SEBI (LODR) Regulations, 2015, for the year ended June 30, 2024.
- The Company had a wholly owned subsidiary with the name WIDIA India Tooling Private Limited which was merged with your Company during the financial year 2022-23. Weblink of policy for determining 'material subsidiary' is below: <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>
- The Company has formulated Dividend Distribution Policy as required under Regulation 43A of the SEBI (LODR) Regulations, 2015 and the same is annexed to this report and also available on the website of the Company at <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>
- The Company has not made any capital issues during the financial year ended June 30, 2024.
- The details of the total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

Particulars	Amount FY24 (₹ in Million)
Audit of statutory accounts	2.15
Taxation matters	1.20
Group Reporting	0.20
Others	0.50
<b>Total</b>	<b>4.05</b>

- Disclosures relating to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 have been provided in the Board's Report forming part of this Annual Report.
- The Company has complied with all applicable mandatory requirements in terms of SEBI (LODR) Regulations, 2015. As regards the non-mandatory requirements the extent of compliance has been stated in this report against each item.

- Details of utilization of funds raised through preferential allotment or qualified institutional placement (QIP) as specified under Regulation 32(7A): The Company does not have funds raised through preferential allotment and / or QIP which are unutilised.
- Details of disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': Not applicable.
- Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries: Not applicable
- The Company has complied with Corporate Governance requirements as prescribed under SEBI (LODR) Regulations, 2015 including the requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI (LODR) Regulations, 2015.
- There are no agreements which are binding in nature to the Company pursuant to clause 5A of paragraph A of Part A of Schedule III of SEBI (LODR) Regulations, 2015.
- The Board has accepted all recommendations of all Committees.

## 12. Adoption of non-mandatory requirements

### i. Chairman's Office:

The Company has a Non-Executive Independent Director as Chairman. However, no separate Chairman's office is maintained at the Company's expense.

### ii. Shareholder Rights

The Company's quarterly/half-yearly/annual financial results including summary of the significant events are published in the newspapers and the financial results are also uploaded on the Company's website. No individual intimations have ever been sent to the Shareholders.

### iii. Audit qualifications

There are no qualifications / modified audit opinion in the Auditors' Report on the Audited Annual Accounts for the financial year ended June 30, 2024.

### iv. Separate posts of the Chairman and the CEO/MD

Mr. Bidadi Anjani Kumar, Chairman of the Board is an Independent Director who has no relationship with any other Director or management. Mr. Vijaykrishnan Venkatesan, Managing Director has no relationship with the Chairman or other Board members.

### v. Reporting of Internal Auditor

The Internal Auditor / Audit Firm report directly to the Audit Committee. The internal auditors also have a one-on-one discussion with the Chairman on their audit observations.



### 13. Means of Communication

- a) Quarterly / half-yearly / annual financial results of the Company are uploaded on the BSE Listing Centre immediately after the Board Meetings so as to enable hosting the same on the Company's website and the results are also published in Financial Express (English) and Sanjevani (Kannada) newspapers within 48 hours from the conclusion of the Board Meetings.
- b) During the financial year, the Company had one meeting with the various institutional investors / analysts on March 11, 2024 to discuss overview of the industry in which the Company operates, general matters of the economy, reports on markets developments and few elements of published financials of the Company. The Company has not made any presentations to the Institutional Investors or to the Analysts and no futuristic statements have been made during the discussions. All disclosures and compliance have been observed in this regard. The Company issues press release on a quarterly basis.
- c) As per SEBI (LODR) Regulations, 2015, the requisite details of the Company in terms of Regulation 46 are maintained on the website viz. [www.kennametal.com/kennametalindia](http://www.kennametal.com/kennametalindia)
- d) Management Discussion and Analysis Report is annexed to the Board's Report.

### 14. Disclosure with respect to demat suspense account / unclaimed suspense account

In accordance with Regulation 39 and Schedule VI of the SEBI (LODR) Regulations, 2015, a minimum of three reminders are sent to shareholders, towards the shares which remain unclaimed. In case of non-receipt of response to the reminders from the shareholders, the unclaimed shares are transferred to the Unclaimed Suspense Account. The Company maintains the details of shareholding of each individual shareholders whose shares are transferred to the Unclaimed Suspense Account. When a claim from a shareholder is received by the Company, the shares lying in the Unclaimed Suspense Account are transferred after due verification of documents submitted by the shareholder.

Further, the shares in respect of which dividend entitlements remained unclaimed for seven consecutive years will be transferred from the Unclaimed Suspense Account to IEPF Authority in accordance with Section 124(6) of the Companies Act, 2013 and rules made thereunder.

The disclosure as required under Schedule V of the SEBI (LODR) Regulations, 2015 is given below for the financial year 2023-24:

Sl. No.	Particulars	No. of Shareholders	No. of Shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	-	-
2.	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	-	-

3.	Number of shareholders to whom shares were transferred from suspense account during the year	-	-
4.	Number of shares in respect of which dividend entitlements remained unclaimed for seven consecutive years and transferred from the Unclaimed Suspense Account to the IEPF	-	-
5.	Transfer to Unclaimed Suspense Account during the year	82	18,720
6.	<b>Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year</b>	<b>82</b>	<b>18,720</b>
7.	Voting rights on these shares shall remain frozen till the rightful owner of such shares claim the same	Yes	

#### General Shareholders' information

The 59<sup>th</sup> Annual General Meeting of the Company is scheduled to be held on October 24, 2024 at Hotel Taj Yeshwantpur, 2275, Tumkur Road, Yeshwantpur Industrial Area, Phase 1, Yeshwantpur, Bengaluru, Karnataka 560022 at 12:00 Noon.

#### Dividend Payment Date:

The Company had declared Interim Dividend 2023-24 at its Board Meeting held on May 9, 2024 and the said Dividend was paid out on June 03, 2024. The Board of the Company has decided that the interim dividend is also to be treated as the final dividend for FY 24.

#### Book Closure:

The Register of Members and share transfer books will remain closed from Friday, October 18, 2024 to Thursday, October 24, 2024 (both days inclusive).

#### Financial Calendar:

The Company follows July 1 to June 30 as its financial year. Financial calendar for the financial year 2024-25 is as follows:

Event	Month (tentative)
Un-audited results for the first quarter ending September 30, 2024	November, 2024
Un-audited results for the second quarter ending December 31, 2024	February, 2025
Un-audited results for the third quarter ending March 31, 2025	May, 2025
Audited results for the fourth quarter and year ending June 30, 2025	August, 2025

#### Stock Exchange:

The Equity Shares of the Company are listed with BSE Limited, Phiroze Jeejeebhoy Towers, 18th & 19th Floor, Dalal St, Fort, Mumbai, Maharashtra 400001 (Scrip code: 505890) and the listing fee has been paid for the financial year 2024-25.

The securities are not suspended from trading.



**Annual Custody / Issuer Charges:**

The Company has paid the Annual Custody / Issuer charges for the financial year 2024-25 to NSDL and CDSL.

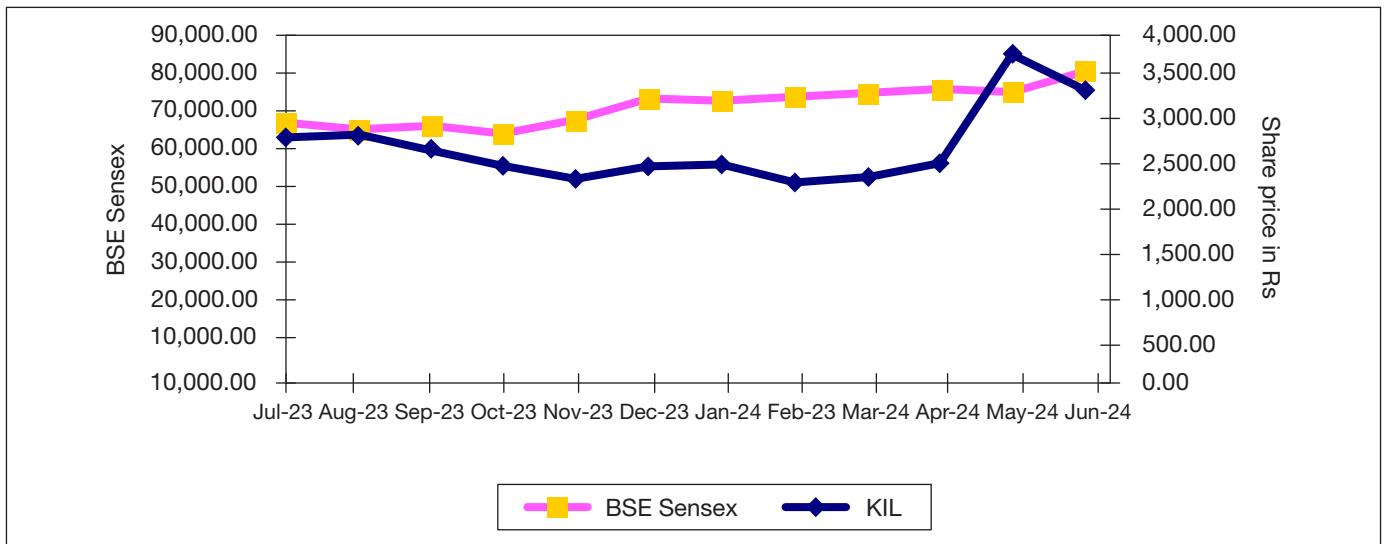
**Stock Price Data for the Financial year 2023-24:**

Market Price Data – High & Low on BSE Limited and Number of shares traded from July 01, 2023 to June 30, 2024, under review as follows:

Month and Year	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades
Jul-23	2659.7	2834	2573.25	2798.7	19505	5272
Aug-23	2823.35	2987.55	2626.1	2825.55	24049	4305
Sep-23	2832.7	3111.8	2644.95	2672.2	22405	4836
Oct-23	2672.75	2799	2211.3	2485.3	22031	3882
Nov-23	2460	2520	2099	2350	165395	10598
Dec-23	2399.95	2519.95	2211.25	2483.15	147036	8653
Jan-24	2530.95	2682.75	2340.9	2508.75	106835	8852
Feb-24	2520	2600	2220	2314.8	265904	9937
Mar-24	2314.8	2497.95	2206.55	2379.15	117210	9437
Apr-24	2379.15	2568.75	2305	2510.85	88144	12133
May-24	2538.85	3769.9	2442.5	3679.4	192276	18381
Jun-24	3750	3890	3051.15	3300.8	98789	10096

Source: Website of the BSE Limited - [www.bseindia.com](http://www.bseindia.com)

**Share price performance in comparison with BSE Sensex**



\*Based on BSE Sensex (close) / share price (close) on the last trading day of the month.

**Registrar and Share Transfer Agents**

Works related to both physical / demat shares are handled by Integrated Registry Management Services Private Limited as common Registrar & Share Transfer Agent. All correspondence relating to change of the address for Shares held in physical form, dematerialization of shares etc. are to be addressed to Integrated Registry Management Services Private Limited, No.30, "Ramana Residency", 4th Cross, Sampige Road, Malleswaram, Bengaluru – 560 003, Phone: 080 - 23460815 to 818. Fax: 080- 23460819. E-mail: [irg@integratedindia.in](mailto:irg@integratedindia.in)

**Share transfer system**

The authority relating to transmission, dematerialization of Shares etc. has been delegated to the Share Transfer Committee. The Committee meets as often as may be necessary to ensure that the transfer process is completed without any delay.

Additionally, an Independent Practicing Company Secretary undertakes audit and scrutiny of the system quarterly and furnishes requisite Reports / Certificates which are submitted to the Stock Exchange subsequently.

Pattern of shareholding as of June 30, 2024 is as follows:

Category	No. of shares	Percentage (%)
A) Promoters (Foreign)	16,483,680	75.00
Meturit AG. - 11,208,840		
Kennametal Inc. - 5,274,840		
B) Public (Institutions)		
Mutual Funds	2,943,090	13.39
Foreign Portfolio Investors	2,10,284	0.96
Alternate Investment Funds	5,808	0.02
Financial Institutions/Banks	960	0.01
Insurance	7,018	0.03
C) Public (Non-Institutions)	2,327,400	10.59
<b>Total (A+B+C)</b>	<b>21,978,240</b>	<b>100.00</b>

#### Dematerialization of shares

The Company's Shares are admitted into both the depositories viz. National Securities Depository Limited [NSDL] and Central Depository Services (India) Limited [CDSL] and the ISIN allotted for the Equity Shares of the Company is INE717A01029. 99.57% of the Equity Shares of the Company are held in demat form as on June 30, 2024.

There are no outstanding GDRs / ADRs / Warrants or any other convertible instruments.

Distribution of Shares as on June 30, 2024 is as follows:

No. of Shares	No. of Shareholders	% to Total	Shares held	% to Total
Up to 5000	10,894	99.10	13,45,265	6.12
5001 to 10000	52	0.47	3,68,446	1.68
10001 to 20000	28	0.25	4,06,282	1.85
20001 to 30000	6	0.06	1,58,679	0.72
30001 to 50000	2	0.02	69,632	0.32
50001 to 100000	3	0.03	2,16,893	0.99
100001 and above	8	0.07	1,94,13,043	88.32
<b>Total</b>	<b>10,993</b>	<b>100</b>	<b>2,19,78,240</b>	<b>100</b>

#### Commodity price risk and foreign exchange risk and hedging activities

The Company does not deal in Commodities. For a detailed note on foreign exchange risk and hedging activities, please refer to Management Discussion and Analysis Report.

#### Credit Rating:

The Company has obtained a Credit Rating during the year 2023-24 from the India Ratings & Research (the "Credit Rating Agency"). The Credit Rating Agency have assigned the Company, a Long-Term Issuer Rating of IND AA-' and the Outlook is Stable.

Plant location  
 Kennametal India Limited  
 (CIN: L27109KA1964PLC001546)  
 8/9th Mile, Tumkur Road Bengaluru - 560 073, Karnataka, India

Please write to us for all matters relating to Shares, demat, annual report etc

Address for correspondence:	For dividend queries and other general matters:
Integrated Registry Management Services Private Limited	The Company Secretary Kennametal India Limited
Unit: Kennametal India Limited No. 30, "Ramana Residency", 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560 003, Phone: 080 - 23460815 to 818. Fax: 080 - 23460819. E-mail: irg@integratedindia.in	8/9th Mile, Tumkur Road, Bengaluru - 560 073 Karnataka, India Phone: 080-28394321 and 080-22918345 Fax: 080 28390129 E-mail: in.investorrelation@kennametal.com <i>For the purpose of addressing investor complaints and also to take necessary follow-up action.</i>

## Annexure - A to the Corporate Governance Report

## Kennametal India Limited Nomination and Remuneration Policy

This Nomination and Remuneration Policy (the “Policy”) applies to the Board of Directors (the “Board”), Key Managerial Personnel (the “KMP”) and the Senior Management Personnel of Kennametal India Limited (“KIL” or the “Company”).

“India Leadership Council” means leadership team comprising of personnel holding the following positions by whatever designation conferred by the Company:

- Managing Director;
- Chief Financial Officer;
- General Counsel and Company Secretary, India;
- Business Heads representing different business segments;
- Head of Manufacturing Operations;
- Head of Human Resources;
- Head of Strategic Marketing; and
- such other senior leaders as recommended by the Managing Director and approved by the Nomination & Remuneration Committee of the Board, from time to time.

“Key Managerial Personnel” means

- Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-Time Director;
- Chief Financial Officer;
- Company Secretary; and
- such other officer as may be prescribed under the applicable laws from time to time.

“Senior Management” or “Senior Management Personnel” means personnel of the company who are members of the India Leadership Council excluding the Board of Directors, members of the management who are one level below Chief Executive Officer or Managing Director or Whole Time Director or Manager and shall also include functional heads of the Company.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 or under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as may be amended from time to time shall have the meaning respectively assigned to them therein.

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time)

### 1. Purpose

The primary objective of the Policy is to provide a framework and set standards for the nomination, remuneration and evaluation of the Directors, Key Managerial Personnel and Senior Management. The Company aims to achieve a balance of merit, experience and skills amongst its Directors, Key Managerial Personnel and Senior Management.

### 2. Nomination and Remuneration Committee

Role of Nomination and Remuneration Committee (“NRC”) include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 1A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
2. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. Devising a policy on diversity of board of directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
6. Recommend to the board, all remuneration, in whatever form, payable to senior management.
7. Periodically reviewing the size and composition of the Board to have an appropriate mix of executive non-executive and independent Directors to maintain its independence and separate its functions of governance and management and to ensure that it is structured to make appropriate decisions, with a

variety of perspectives and skills, in the best interests of the Company. The Committee shall also assist the Board in ensuring the Board nomination process is in line with the diversity policy of the Board relating to differences in thought, perspective, regional and industry experience, cultural and geographical background, age, ethnicity, race, gender, knowledge & skills.

8. Establishing and reviewing Board, KMP and Senior Management succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.
9. Carrying out any other functions required to be undertaken by the Nomination and Remuneration Committee under applicable law.

The Nomination and Remuneration Committee charter sets out the composition, membership and responsibilities of the Nomination and Remuneration Committee.

### 3. Policy for appointment and removal of Director, KMP and Senior Management

#### 3.1. Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

#### 3.2 Term / Tenure

- i) Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Managing Director or Executive Director for a term not exceeding five years at a time. No re- appointment shall be made earlier than one year before the expiry of term.

- ii) Independent Director:

- An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company, subject to approval of shareholders by passing special resolution and will be eligible for re-appointment on passing of a special resolution by the Shareholders of the Company. Every appointment of an Independent Director shall be disclosed in the Board's report.
- No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each in

compliance of the Companies Act, 2013, but such Independent Director shall be eligible for appointment after expiry 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.

- At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).
- Independent Directors shall register themselves in the databank of Independent Directors in accordance with the provisions of Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019
- Unless exempt, the Independent Directors shall pass the online proficiency self- assessment test as per the provisions of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019.

#### 3.3. Evaluation

The Committee shall carry out evaluation of performance of every Director at regular interval (yearly) as per the performance management system of the Company.

#### 3.4 Removal

Subject to the provisions of the Companies Act, 2013 and rules made thereunder or any other applicable Act, rules and regulations thereunder, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel.

#### 3.5. Retirement

- a) The Managing Director/Whole-time Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company. The Company provided retirement benefits as applicable.
- b) The retirement age for Non-executive Directors is 73 years. The extension of the retirement age shall be considered by the Board on case to case basis beyond 73 years upon the recommendation of the Nomination and Remuneration Committee with appropriate reasoning subject to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time).

4. Policy relating to the Remuneration for the Managing Director, Whole-time Director, KMP, and Senior Management Personnel

4.1. General:

- a) The remuneration / compensation /performance pay/ Variable pay etc. of the Managing/Whole-time Director, KMP and Senior Management Personnel will be recommended by the Committee to the Board for approval. The remuneration / compensation / commission etc. of directors shall be subject to the prior/post approval of the shareholders of the Company and with the limit permitted under the Companies Act, 2013 and rules made thereunder.
- b) The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Remuneration should be:
  - Market competitive
  - Driven by role played by the individual
  - Reflective of size of the Company, complexity of the industry in which it operates
  - Consistent with recognized best practices
  - Aligned to the regulatory requirements, if any.
- c) The Committee may recommend increments to the existing remuneration/ compensation structure to the Board which should be within the limit approved by the Shareholders in the case of Managing Director.
- d) Where any Director and officers liability (D&O) insurance is taken by the Company on behalf of its Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

4.2 Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

a) Annual Guaranteed Cash/Fixed Remuneration and Performance Pay:

The Managing Director/Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Nomination & Remuneration Committee. The breakup of the Annual Guaranteed Cash comprising of Basic Salary, Housing Allowance, Special allowance, LTA, Medical allowance and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees and performance/Variable pay etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing/Whole-time Director in accordance with the provisions of Schedule V of the Act, subject to the approval of shareholders of the Company in accordance with Section 197 read with Schedule V of Companies Act 2013.

Statutory requirements:

- Section 197(1) of the Companies Act, 2013 provides for the total managerial remuneration payable by the Company to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven percent of the net profits of the Company computed in the manner laid down in Section 198 in the manner as prescribed under the Act.
- The Company may with Board resolution authorise the payment of remuneration upto five percent of the net profits of the Company to its anyone Managing Director/Whole Time Director/Manager and ten percent in case of more than one such official.

c) Provisions for excess remuneration:

If any Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act, he / she shall refund such sums to the Company within two years or such lesser period as may be allowed by the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless approved by the Company by special resolution within two years from the date the sum becomes refundable.

4.3. Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be payable and fixed as per the provision of the Companies Act, 2013 and rules made thereunder as amended from time to time. Such remuneration / commission shall be based on the structure as may be determined by the Board, and is revised from time to time, depending on individual contribution, Company's performance, and the provisions of relevant laws.

b) Sitting Fees:

The Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof as approved by the Board. Provided that the amount of such fees shall not exceed the amount prescribed under the Companies Act, 2013 and rules/regulations/notification applicable thereunder.

c) Commission:

The Company may pay the Commission to Independent Directors within the limit approved by shareholders and subject to the limit not exceeding 1% of the profits of the

Company computed as per the applicable provisions of the Companies Act, 2013.

**d) Stock Options:**

An Independent Director shall not be entitled to any stock option of the Company or its promoter's company.

- e) In addition to the sitting fees and commission, the company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/Board Committee meetings, general meetings, court convened meetings, site visits, induction and training (as permitted by the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and obtaining professional advice from independent advisors in furtherance of his/her duties as Director.

**5. Succession Plan for the Board, KMP and Senior Management**

The Nomination and Remuneration Committee of the Company shall oversee and review succession plan from time to time and recommend the same to the Board.

**i) Succession Plan for the Board**

The Nomination and Remuneration Committee shall proactively review the succession requirements for the Board and carry out the due diligence process to determine the suitability of every person who is being considered for being appointed or re-appointed as a Director of the Company based on his educational qualification, relevant experience, track record, reputation etc.

The proposed candidate shall be evaluated by the Nomination and Remuneration Committee to determine the eligibility and proper criteria as per the Companies Act 2013, and if any, and thereafter such candidate shall be recommended to the Board for its consideration and approval.

**ii) Succession Plan for KMP and Senior Management Personnel**

Based on the inputs received from the Human Resource Department, the Nomination and Remuneration Committee shall periodically review any vacancy / probable vacancy in the position of KMP / Senior Management Personnel which may arise on account of retirement, resignation, death, removal, transfer, business expansion, incapacity whether temporary or permanent or otherwise.

For Key Managerial Personnel, the Nomination and Remuneration Committee shall evaluate the suitability of any person based on factors viz., educational qualification, experience, age, health, leadership qualities, suitability to external market requirement / expectation etc., and recommend his/ her candidature to the Board well before such vacancy arises to facilitate smooth transition.

The Nomination and Remuneration Committee shall also identify the competency requirements of Board/key positions, assess potential candidates and develop required competency through planned development and learning initiatives. The Nomination and Remuneration Committee may utilize the services of professional search firms to assist in identifying and evaluating potential candidates.

In the event of any unexpected occurrence in respect of any member in the core management team, the next person as per the organization chart and hierarchy or any other suitable person as may be identified shall take interim charge of the position, pending a regular appointment in terms of the succession plan.

In addition to the above, the appointment of Key Managerial Personnel shall be made in compliance with all applicable provisions of the Companies Act, 2013 (including the rules made there under), SEBI Listing Regulations and applicable laws for the time being in force.

Succession planning for the critical roles be it, KMP or the Senior Management shall be discussed, deliberated at the Nomination & Remuneration Committee and suitable directions shall be passed from time to time to the management for any corrective actions as may be necessary.

**6. Policy review:**

- (a) This Policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- (b) In case of any subsequent changes in the provisions of the Act or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.
- (c) This policy shall be reviewed by the Nomination and Remuneration Committee, periodically. Any changes or modification to the policy as recommended by the Committee would be placed before the Board of Directors for its approval.



## Annexure II B to the Board's Report

### AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS REQUIRED UNDER SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To  
The Members  
Kennametal India Limited  
Bengaluru

I have examined all the relevant records of Kennametal India Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company for the year ended 30th June 2024 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bengaluru  
Date: August 9, 2024

Vijayakrishna K T  
Practising Company Secretary  
FCS: 1788 CP: 980  
UDIN: F001788F000939527  
Peer review certificate No. 1883/2022

**Annexure III to the Board's Report**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI**  
**(Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To  
The Members  
Kennametal India Limited  
8/9, Mile, Tumkur Road  
Bangalore - 560073

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Kennametal India Limited having CIN: L27109KA1964PLC001546 and having its Registered Office at 8/9, Mile, Tumkur Road, Bangalore – 560073 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para Sub clause 10(i) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended on 30<sup>th</sup> June, 2024 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any such other Statutory Authority:

Sl. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Bidadi Anjani Kumar	00022417	02.04.2010
2.	Mr. Vinayak Kashinath Deshpande	00036827	06.09.2010
3.	Ms. Bhavna Bindra	07314422	03.01.2020
4.	Mr. Venkatesan Vijaykrishnan	07901688	17.09.2020
5.	Mr. Franklin Gerardo	09050884	05.02.2021
6.	Ms. Kelly Golden Lynch	10270042	11.08.2023
7.	Mr. Amit Laroya	00098933	11.03.2024
8.	Mr. Narumanchi Venkata Sivakumar	03534101	09.05.2024
9.	Mr. Keith Alan Mudge	10462270	09.02.2024

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bangalore  
Date: August 9, 2024

Vijayakrishna K T  
Practising Company Secretary  
FCS.: 1788 C P.: 980  
UDIN: F001788F000939494  
Peer review certificate No. 1883/2022

**Annexure IV to the Board's Report**

**SECRETARIAL COMPLIANCE REPORT OF  
KENNAMETAL INDIA LIMITED  
FOR THE FINANCIAL YEAR ENDED 30TH JUNE 2024**

I, Vijayakrishna K T, Practising Company Secretary have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by KENNAMETAL INDIA LIMITED (hereinafter referred as 'the listed entity') having CIN: L27109KA1964PLC001546 and having its Registered Office at 8/9, Mile, Tumkur Road, Bangalore 560073, Karnataka, India. Secretarial Review was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and to provide my observations thereon. Based on my verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, I hereby report that the listed entity has, during the review period covering the financial year ended on 30.06.2024 complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

I, Vijayakrishna K T, Practising Company Secretary have examined:

- (a) all the documents and records made available to me and explanation provided by Kennametal India Limited ("the listed entity"), the filings/ submissions made by the listed entity to the stock exchanges,
- (b) website of the listed entity,
- (c) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 30th June, 2024 ("Review Period") in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

- (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (d) Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;
- (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- (g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- (h) circulars/ guidelines issued thereunder;

Based on the above examination, I hereby report that, during the review period:

- I.
  - (a) I hereby report that, during the Review Period: The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulations/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practising Company Secretary	Management Response	Management Response
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NIL

- (a) The listed entity has taken the following actions to comply with the observations made in previous reports: **Not applicable**

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulations/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practising Company Secretary	Management Response	Management Response
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NIL

II. Compliances related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS
1.	<b>Compliances with the following conditions while appointing/ re-appointing an auditor</b>		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	During the period under review, there has been no change in the Statutory Auditors
2.	<b>Other conditions relating to resignation of Statutory Auditor</b>		
	i. Reporting of concerns by Auditor with respect to the listed entity/ its material subsidiary to the Audit Committee: a. In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information/ non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information/ explanation from the company, the auditor has informed the Audit Committee the details of information /explanation sought and not provided by the management, as applicable. c. The Audit Committee / Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor.	NA	During the period under review, there has been no change in the Statutory Auditors
	ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI/ NFRA in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	Nil
3.	The listed entity / its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.	NA	Nil

III. I hereby report that during the review period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS
1.	<b>Secretarial Standards:</b> The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under Section 118 (10) of the Companies Act, 2013 and mandatorily applicable.	YES	Nil
2.	<b>Adoption and timely updation of the Policies:</b> <ul style="list-style-type: none"> <li>All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities</li> <li>All the policies are in conformity with SEBI Regulations and have been reviewed &amp; updated on time, as per the regulations/ circulars/ guidelines issued by SEBI</li> </ul>	YES	Nil

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS
3.	<b>Maintenance and disclosures on Website:</b> <ul style="list-style-type: none"> <li>The Listed entity is maintaining a functional website</li> <li>Timely dissemination of the documents/ information under a separate section on the website</li> <li>Web-links provided in annual corporate governance reports under Regulation 27 (2) are accurate and specific which re-directs to the relevant document(s)/ section of the website</li> </ul>	YES	Nil
4.	<b>Disqualification of Director:</b> None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	YES	Nil
5.	<b>Details related to Subsidiaries of listed entities have been examined w.r.t.:</b> (a) Identification of material subsidiary companies (b) Disclosure requirement of material as well as Other subsidiaries	NA	Nil
6.	<b>Preservation of Documents:</b> The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	YES	Nil
7.	<b>Performance Evaluation:</b> The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/ during the financial year as prescribed in SEBI Regulations.	YES	Nil
8.	<b>Related Party Transactions:</b> (a) The listed entity has obtained prior approval of Audit Committee for all related party transactions; or (b) The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	YES NA	Nil
9.	<b>Disclosure of events or information:</b> The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	YES	Nil
10.	<b>Prohibition of Insider Trading:</b> The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	Nil
11.	<b>Actions taken by SEBI or Stock Exchange (s), if any:</b> No action (s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein.	YES	Nil
12.	<b>Additional Non-compliances, if any:</b> No additional non compliance observed for any SEBI regulation/ circular/ guidance note etc.	YES	Nil

**Assumptions & Limitation of scope and Review:**

- Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
- My responsibility is to report based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
- I have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
- This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

Place: Bengaluru

Date: August 9, 2024

Vijayakrishna K T  
Company Secretary  
FCS: 1788 CP: 980  
UDIN: F001788F000939441  
Peer review certificate No. 1883/2022

## Annexure V to the Board's Report

### **MANAGING DIRECTOR AND COMPANY SECRETARY CERTIFICATION** **(Code of Conduct for Directors and Senior Management)**

To  
The Members  
Kennametal India Limited

We, Mr. Vijaykrishnan Venkatesan, Managing Director and Ms. Anupriya Garg, Legal Counsel (Region) & Company Secretary of Kennametal India Limited, do hereby confirm that the Directors & Senior Management Personnel of the Company have affirmed the following for the year ended June 30, 2024:

- compliance with the Code of Conduct of the Company; and
- they have not engaged in any transactions relating to material financial and commercial matters in which they are personally interested that may potentially conflict with the Company.

For Kennametal India Limited

Vijaykrishnan Venkatesan  
Managing Director  
DIN: 07901688

Anupriya Garg  
Legal Counsel (Region) &  
Company Secretary

Bengaluru  
August 9, 2024



**Annexure VI to the Board's Report**

**CHIEF EXECUTIVE OFFICER (CEO) / MANAGING DIRECTOR (MD) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION**

To  
The Members  
Kennametal India Limited

We, Vijaykrishnan Venkatesan, Managing Director and KV Suresh Reddy, Chief Financial Officer of Kennametal India Limited, to the best of our knowledge and belief, certify that:

- A. We have reviewed the Audited financial results for the fourth quarter and year ended June 30, 2024, and that to the best of our knowledge and belief:
1. Audited financial results do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. Audited financial results together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the quarter and year ended June 30, 2024, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps that we have taken or propose to take to rectify the identified deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
1. significant changes in internal control over financial reporting during the Quarter;
  2. significant changes in accounting policies during the Quarter and year that the same have been disclosed in the notes to the Audited financial results; and
  3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

We declare that all Board members and Senior Management personnel have affirmed compliance with the Code of Conduct for the year ended June 30, 2024.

For Kennametal India Limited

Vijaykrishnan Venkatesan  
Managing Director

Bengaluru  
August 1, 2024

K. V. Suresh Reddy  
Chief Financial Officer

Bengaluru  
August 1, 2024

**Annexure VII to the Board's Report**

# **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

**(Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies  
(Accounts) Rules, 2014)**

**A. Conservation of Energy**

Your Company continued to undertake various energy conservation initiatives during the year. Some of the energy conservation measures taken by the Company are given below:

**Energy Conservation Measures implemented in FY24:**

1. Replaced CFL / Fluorescent Lighting fixtures with LED lights in the plant.
2. Installed Variable Frequency Drive (VFD) controlled Heating, ventilation, and air conditioning (HVAC) system which reduces power consumption based on the load.
3. Installed compressed air boosters to increase the air pressure without use of new additional compressor which helped in bringing down the power requirement to larger extent.
4. Around 85.6% of facilities power was catered by Solar Power.
5. Installed motion sensors / time switches for auto switching of the room lightings, where the personal interference is very rare.
6. Initiated installation of solar operated streetlights across the plant.
7. MIP oil filtration / chiller units - automated for switching OFF on non-working days.
8. Lifting pumps of 8 numbers Eliminated by Creating Gravity flow in PU7 coolant circulation system.

**Impact of the Above Measures:**

Due to the above energy conservation measures, your Company conserved about 2,60,393 units which contributed to savings of 213.50 ton of CO<sub>2</sub>.

The total annual CO<sub>2</sub> reduction, inclusive of energy conservation and usage of green power was 2,254 mT.

**B. Technology Absorption**

The Research, Development and Engineering (RD&E), works on new product and process developments with specific focus on materials, coatings and machining technology.

RD&E, Bengaluru works on the market requirements in terms of new products, custom solutions, cost saving projects, product benchmarking and basic research. It is also recognized by the Ministry of Science & Technology - Department of Scientific and Industrial Research - Government of India.

**I. Research, Development and Engineering (RD&E)**

The Research, Development and Engineering (RD&E) of your Company continues in its endeavor to develop and indigenize products and processes with specific focus on materials, processes, coatings and

machining technology in collaboration with the parent company - Kennametal Inc., to reduce cost, develop and improve processes, improve product efficiency and enhance performance of its products.

RD&E department of your Company has the following objectives:

1. Development of new range of products contributing to better market penetration, conversion and retention
2. New process development and improvement in powder metallurgy processes, surface treatments, hard coatings and joining.
3. Support to manufacturing for improved quality and reduced cost of production for better customer experience through process developments.
4. Support marketing for developing custom solution products by leveraging the combination of Kennametal's strength in substrates, coatings and engineering.
5. Support Kennametal Knowledge Centre to train customers and sales engineers on cutting tool material.
6. Basic research on new material and new manufacturing processes
7. Rapid product development by conducting benchmarking test and simulating field machining condition in the lab.
8. Exploring new technologies in machining & grinding processes and automation.

**ii. Specific areas in which RD&E is carried out:**

1. Implementation of new CVD coating recipes and upgrade of grades
2. Qualification and implementation of new equipment for manufacturing of inserts
3. Qualification and establishing the process for manufacturing close tolerance tools
4. Indigenization and implementation of refractory carbide manufacturing
5. Process development and implementation for inhouse powder manufacturing as an import substitution
6. Process development to reduce raw material powder cost
7. Benchmarking of new PVD coating for cutting tool
8. Qualification of global grades
9. Continued research and process development on powder metallurgy processes & coatings to improve quality & performance
10. New product testing and validation tests for tools
11. Benchmarking tests for assessment of product performance
12. Analysis and evaluation of test results for product compliances to standards
13. Reverse engineering work for both metal cutting and infrastructure product lines
14. Process improvement of brazing of carbide on steel
15. Improvement of steel surface properties by different techniques

**iii. Benefits derived**

1. New processes contributed to the improvement in product quality and

consistency, reduction in material cost and manufacturing lead time. New products and improvement in performance of existing products yielded a good value proposition for customers. Our efforts led to standardization of products and processes and developed new capabilities in the manufacturing process.

2. Established quality standards for the products, cost and cycle time assessment.
3. Process development to help manufacturing to stream line the activities to achieve quality product.

**iv. Future plan of action**

1. Develop improved powder metallurgy and coating manufacturing processes
2. Establish product and process for import substitution
3. Continue efforts towards quality enhancement, evolution of new products aligned with customer needs and with reduction in costs and lead time
4. Global consolidation & standardization of grades including substrates & coatings
5. Continued focus on basic research and open innovation
6. Work on advanced technology processes and instrumentation for improving the quality of products and manufacturing processes
7. Continued efforts to recycle and re-use materials
8. Develop competency in steel material and establish manufacturing guidelines
9. Reverse engineering and validation of design requirement to prototype tools and components
10. Develop competency in different material and establish manufacturing guidelines

**v. Expenditure on R&D (₹ in Million):**

Particulars	FY24	FY23
Capital Expenditure	0	28
Recurring Expenditure	44	46
Total Expenditure	44	74
Total R&D expenditure (as a percentage of turnover)	0.40%	0.69%

**vi. Technology absorption, adaptation and innovation**

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:
  - Establishment of standardized and improved manufacturing processes
  - Continued modernization of analytical techniques in metallography lab, process equipment in manufacturing plants, prototype lab capabilities in machining technology lab.
2. **Benefits derived as a result of the above efforts:**

Up-gradation of products and process performance, increased alignment with global process standardization, import substitution, cost reduction opportunities, supporting raw material qualification and basic research activities.

In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information is furnished:

Sl. No.	Processes/Products	Technology From	Year	Status of Implementation / Absorption From
1.	New CVD Coatings	Kennametal Inc.	2014-15	Full
2.	New CVD Coatings	Kennametal Inc.	2015-16	Full
3.	New CVD Coatings	Kennametal Inc.	2016-17	Full
4.	Sintering Cycles	Kennametal Inc.	2017-18	Full
5.	New Coating Process	Kennametal Inc.	2018-20	Full
6.	New CVD Coatings	Kennametal Inc.	2020-21	Full
7.	New CVD Coatings	Kennametal Inc.	2021-22	Full
8.	New Brazing Cycles	Kennametal Inc.	2022-23	Full
9.	Sintering Cycles	Kennametal Inc.	2023-24	Full

**C. Foreign Exchange earnings and outgo**

**i. Initiatives taken to increase exports**

1. MSG business is focused on developing new overseas markets for its products with machines positioned at competitive price points and continues to seek global opportunities for further growth.
2. Surplus manufacturing capacities are being leveraged to support global requirements as and when opportunity exists for exports.

**ii. Foreign Exchange used (₹ in Million):**

Particulars	FY24	FY23
Capital Expenditure	166	222
Raw Materials	4,975	4,710
Cross Charge	223	222
Royalty	34	20
Expenditure	9	20
<b>Total</b>	<b>5,407</b>	<b>5,194</b>

**iii. Total foreign exchange used and earned: FY24 (₹ in Million)**

i. Foreign Exchange earned:	1,708
ii. Foreign Exchange used:	5,407

For and on behalf of the Board of Directors of  
Kennametal India Limited

Bidadi Anjani Kumar  
Chairman & Independent Director  
DIN: 00022417

Vijaykrishnan Venkatesan  
Managing Director  
DIN: 07901688

Bengaluru  
August 9, 2024

**Annexure VIII to the Board's Report**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 30.06.2024**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To  
 The Members  
 Kennametal India Limited  
 Bengaluru

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kennametal India Limited (CIN: L27109KA1964PLC001546) (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 30.06.2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 30.06.2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
- (h) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations');
- (j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013
- (k) Circulars/Guidelines issued thereunder;

- (vi) There are no specific laws applicable to the Company pursuant to the business carried by the Company.
- (vii) The other general laws as may be applicable to the Company including the following:

**(1) Employer/Employee Related laws & Rules:**

- i. The Factories Act, 1948;
- ii. The Employees State Insurance Act, 1948
- iii. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
- iv. The Contract Labour (Regulation & Abolition) Act, 1970;
- v. The Minimum Wages Act, 1948;
- vi. The Payment of Wages Act, 1936;
- vii. The Payment of Gratuity Act, 1972;
- viii. The Payment of Bonus Act, 1965;
- ix. The Maternity Benefits Act, 1961;
- x. The Equal Remuneration Act, 1976;
- xi. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959;
- xii. The Karnataka Labour Welfare Fund Act, 1965;
- xiii. The Apprentices Act, 1961;
- xiv. The Industrial Employment (Standing Orders) Act, 1946;
- xv. The Sexual Harassment of Women at Work Place (Prevention, Prohibition & Redressal) Act, 2013;
- xvi. The Karnataka Industrial Establishments (National and Festival Holidays) Act, 1963;
- xvii. The Karnataka Public Safety (Measures) Enforcement Act, 2017;
- xviii. The Karnataka Shops & Establishments Act, 1961;

**(2) Environment Related Acts & Rules:**

- i. The Environment Protection Act, 1986;
- ii. The Water (Prevention & Control of Pollution) Act, 1974;
- iii. The Air (Prevention & Control of Pollution) Act, 1981;
- iv. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
- v. The Karnataka Ground Water (Regulation for Protection of Sources of Drinking Water) Act, 1999;

**(3) Economic/Commercial Laws & Rules:**

- i. The Competition Act, 2002;
- ii. The Indian Contract Act, 1872;
- iii. The Sales of Goods Act, 1930;
- iv. The Forward Contracts (Regulation) Act, 1952;
- v. The Indian Stamp Act, 1899;
- vi. The Transfer of Property Act, 1882;
- vii. The Patents Act, 1970;
- viii. The Trade Marks Act, 1999;
- ix. The Explosives Act, 1884;
- x. The Legal Metrology Act, 2009;

I have also examined compliances with the applicable clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS - 2.

I further state that during the period under review and based on my verification of the records maintained by the Company and also on the review of compliance reports/statements by respective department heads/Chief Financial Officer/ Company Secretary taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable Labour Laws, environmental laws and other applicable laws as mentioned above.

Further, I report that with regard to financial and taxation matters, I have relied on the Audit Report, Limited Review Report and the Internal Audit Report provided by the Statutory/Internal Auditor as the case may be.

It is represented that in terms of proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), the Company has taken steps to maintain books of accounts in accounting software having required feature of recording audit trails.

My report of even date is to be read along with this letter:

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, Goods and Service Tax Act.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting Members' views are captured and recorded as part of the minutes as per the practice followed. However, during the period under report, there was no such case instance.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Bengaluru  
Date: August 9, 2024

**Vijayakrishna K T**  
Practising Company  
Secretary  
FCS: 1788 C P.: 980  
UDIN: F001788F000939406  
Peer review certificate No. 1883/2022

Note: This report is to be read with my letter of even date which is annexed as Annexure and forms an integral part of this report.

**'Annexure'**

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.

The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bengaluru  
Date: August 9, 2024

**Vijayakrishna K T**  
Practising Company Secretary  
FCS: 1788 C P.: 980

**Annexure IX to the Board's Report**

**Form AOC – 2**

**Form for disclosure of particulars of Contracts / Arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto. (Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)**

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL
2. Details of material contracts or arrangement or transactions at arm's length basis

- a) Name(s) of the related party and nature of relationship:
1. Kennametal Inc., USA, Ultimate Holding (Parent) Company of the Company
  2. Kennametal Europe GmbH, Switzerland

- b) Nature of Contracts/arrangements/transactions-

Sl. No.	Nature of Transactions
1.	Purchase
2.	Sales
3.	IT
4.	Royalty
5.	Cross Charge-Debits
6.	Cross Charge-Revenue
7.	Professional Service

The above transactions are in the ordinary course of business and at arm's length basis.

- c) Duration of the Contracts / Arrangements / Transactions:  
**Ongoing, will be continuous year after year.**

- d) Salient terms of the Contracts or Arrangements or Transactions, including the value, If any:

Sl No.	Nature of Transactions	Salient terms
1.	Purchase	Payment in respective country currency made within 30 days from date of receipt of material
2.	Sales	Billing in country currency; Within 21 days from end of the month billing
3.	IT	Payment in respective country currency made within 30 days of issue of debit note
4.	Royalty	Payment in respective country currency made within 30 days of issue of credit note
5.	Cross Charge-Debits	Payment in respective country currency made within 30 days of issue of debit note
6.	Cross Charge-Revenue	Billing in country currency; Within 21 days from end of the month billing
7.	Professional Service	Payment in respective country currency made within 30 days of issue of debit note

- c) Date of approval by the Audit Committee / Board, if any - Omnibus approval for the estimated value of the transactions for the year 2023-2024 was obtained at the Audit Committee / Board Meeting held on May 12, 2023 and supplementary approval of the additional transactions were obtained at the Audit Committee / Board meetings held on August 11, 2023, November 9, 2023, February 9, 2024 and May 9, 2024.

- d) Amounts paid as advances, if any: Nil

1. Particulars of transactions with Kennametal Inc., USA (₹ In Mn)

Sr. No.	Nature of Transactions	Actual Transaction value for financial year July 01, 2023 to June 30, 2024 i.e., FY24 amount	Approved Value of Estimated Transactions per Annum effective financial year commencing July 1, 2024 to June 30, 2025 i.e., FY25 amount
1.	Sales of products/components (receipts)	557.8	850
2.	Cross Charge Revenue	41.0	59
3.	Cross Charge- Debits expenses (Payable)	43.4	70
4.	IT Cross charges (payment)	187.6	234
5.	Professional Services- Expenses	10.8	20
6.	Purchase of components/raw materials (payment)	1,253.1	2,000
7.	Purchase- Capital Goods	-	100
8.	Royalty (payment)	27.3	90



2. Particulars of transactions with Kennametal Europe GmbH, Switzerland (₹ In Mn)

Sr. No.	Nature of Transactions	Actual Transaction value for financial year July 01, 2023 to June 30, 2024 i.e., FY24 amount	Approved Value of Estimated Transactions per Annum effective financial year commencing July 1, 2024 to June 30, 2025 i.e., FY25 amount
1.	Sales of products / components (receipts)	637.8	1,000
2.	Purchase of components / raw materials (payment)	2121.3	2,640
3.	Cross Charge-Revenue	-	10

For and on behalf of the Board of Directors of  
Kennametal India Limited

Bidadi Anjani Kumar  
Chairman & Independent Director  
DIN: 00022417

Vijaykrishnan Venkatesan  
Managing Director  
DIN: 07901688

Bengaluru  
August 9, 2024

Bengaluru  
August 9, 2024

## Annexure X to the Board's Report

### Statement Pursuant to Section 197(12) of the Companies Act, 2013 Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The Board of Directors of the Company consists of 1 Managing Director, 3 Non-Executive Directors and 5 Independent Directors.
2. The Non-Executive Directors were not paid any remuneration. The Independent Directors were paid sitting fees and commission only. Details of the remuneration, sitting fees and Commission paid to the Directors are provided under the Corporate Governance Report.
3. Disclosure as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:
  - i. the ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year: 1:26.20.
  - ii. the percentage increase / (decrease) in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:
    - Managing Director: 28.19 %
    - CFO: 2.00 %
    - Company Secretary\*: -30.99 %
  - iii. the percentage increase / (decrease) in the median remuneration of employees in the financial year: 5.21 %
  - iv. the number of permanent employees on the rolls of Company: 756
  - v. average percentile increase / (decrease) already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 0.41 %
  - vi. It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees.

\* Mr. Naveen Chandra P has resigned from the position of Company Secretary of the Company effective closing of business hours of January 15, 2024 and for rest of the financial year the position of Company Secretary was vacant. Therefore, the percentage of increase / (decrease) in remuneration of Company Secretary is in negative figures.

**Annexure XI to the Board's Report**

**Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended June 30, 2024**

Name	Mr. Vijaykrishnan Venkatesan	Mr. Suresh Reddy K V	Mr. Prashant Ramesh Shetty	Mr. Swamy Mahanthappa	Mr. Rajashekar Venkat
Designation / Nature of duties	Managing Director	Chief Financial Officer	Senior Director Sales	Director Sales	Director - MSG Business
Age (in years)	50	53	53	53	50
Qualifications	B.E. (Mechanical) and MBA (Marketing)	ICAI- Institute of Chartered Accountants of India	B.E (Mechanical) and Post Graduate Certificate in Business Management	B.E (Mechanical) and M.B.A (Marketing & Finance)	B.Sc. Mathematics with a PGDBA & Certified Software Engineer
Experience (in years)	26	28	32	29	29
Date of Joining	17-09-2020	15-06-2016	30-11-2015	23-07-2007	01-06-2022
Remuneration Received (₹ in Million) ^	₹35.52	₹12.10	₹13.50	₹10.76	₹11.16
Nature of employment	Permanent employment	Permanent employment	Permanent employment	Permanent employment	Permanent employment
Particulars of last employment held	3M India Limited	Sun Pharmaceutical Industries Limited	Castrol India Limited	Castrol India Limited	Markem-Imaje India Limited

^ Including following stock options granted by Kennametal Inc, which was vested during the year and the same was cross-charged to Kennametal India Limited:

Mr. Vijaykrishnan Venkatesan : ₹ 10.68 million  
 Mr. Suresh Reddy K V : ₹1.76 million  
 Mr. Prashant Ramesh Shetty : ₹ 3.08 million  
 Mr. Swamy Mahanthappa : ₹ 2.19 million  
 Mr. Rajashekar Venkat : ₹0.91 million

**Notes:**

- Designation of the employee indicates the nature of his / her duties.
- Other terms and conditions are as per rules of the Company
- None of above employees, himself or along with spouse and dependent children, hold more than 2% equity shares of the Company.
- None of these employees is relative of any Director of the Company

## ANNUAL REPORT ON CSR ACTIVITIES

### 1. Brief Outline of the Corporate Social Responsibility (CSR) Policy of the Company

Your Company's CSR policy is in line with the CSR activities permitted by the Companies Act, 2013 and rules made thereunder.

Kennametal India Limited's CSR strategy is in line with the guidelines adopted by your ultimate holding Company, Kennametal Inc. Kennametal has several policies and standards in place in line with its Core Values, covering Business Ethics and Governance, the Code of Conduct, and policies such as Environment, Health, and Safety (EHS); Quality; Living Our Values, Protecting our planet.

Your Company's CSR is focused on enhancing the lives of the local community in which it operates. This takes shape by way of providing new skills and in general, creating a better quality of life for the people in the communities in which the Company operates. We strongly believe in contributing towards the betterment of society and endeavour to create a positive impact, while achieving our business goals.

**Kennametal focuses on these areas:**

- a. **Promotion of Tech Education** - Includes the support for Secondary, Post-Secondary and University Educational opportunities with an emphasis on studies in the areas of technical engineering, machine skill training and materials and environmental sciences.
- b. **Kennametal in the Community** - Focusing on the importance of our employees' volunteering in the communities where they live and work. We encourage and recognize volunteerism as a key component of our culture. The goal is to create a partnership in which a community organization may be supported monetarily by the Company when it offers a significant volunteering opportunity for our employees.
- c. **Protecting Our Planet** - Providing sustainable solutions by reducing the total environmental impact of our products and operations. We will protect our planet by continuously improving our management of energy and natural resources, promoting recycling and recovery of materials, and preventing pollution across our global footprint.

Kennametal Employees have been voluntarily participating actively in the activities of Sparsha Trust. "NERALU" is an NGO which has brought new hope and opportunities for a bright future into the lives of around 500 underprivileged kids over the past 13 years. Kennametal has joined hands with this organization to attain the aims and objectives of:

- Eradication of child labour
- Helping poor children to get access to quality education
- Empowerment of street children and women by providing them with education and skills-oriented training.

As part of our continued engagement with Sparsha Trust, Kennametal India Limited sponsored Library books for the children at 'Makkala Dhama' which is an accommodation for

the underprivileged girls at Devanahalli. Your Company also supported basic needs and educational expenses of 30 children who are staying in the Kennametal sponsored accommodation at Nisarga Grama.

Your Company has joined hands with the NGO, India Literacy Project (ILP) for its Multi- Dimensional Learning Space (MDLS) program which is a during-school and after-school program that provides multi-dimensional learning opportunities for school children to explore, experiment, discover, and learn in multiple ways.

The concept of schools as multi-dimensional learning space is based on the foundation that:

- Equal importance should be given to all aspects of the curriculum
- Learning is not restricted to a curriculum. It should extend to help holistic and balanced development of a child
- One learning style doesn't work for all. Learning should involve visual, auditory and experiential methods
- Learning does not stop at school, and it can happen anywhere and anytime

During the year, Kennametal India Limited continued to support 8 Government schools around its vicinity with MDLS facility by providing infrastructure for smart classrooms through ILP. Kennametal India Limited also sponsored computer labs, library, science kits for experimentation and continued support of a computer teacher and a science teacher for the 8 Government schools to assist in teaching students and training teachers on the MDLS concept.

The vision of schools with MDLS is to offer a wide variety of academic inputs and non-academic exposure to children so that they do well not only in studies, but also learn about themselves, discover their interests and abilities. Through this effort, the Company hopes to develop individuals who are capable, confident, inquisitive and value conscious.

To promote STEM education in Government schools, Kennametal India distributed science experiment kits to 503 government schools covering 88,733 children in Chitradurga & Kolar districts, Karnataka, in partnership with India Literacy Project. This initiative aims to promote STEM education among high school students, who can use these kits to easily perform science experiments and gain hands-on learning experience. The Science experiment Kits with a product life of 3 years can cover 150 experiments. Teachers were trained at taluk level to implement experiential learning for children in schools in the districts of Chitradurga & Kolar.

Kennametal India, through its CSR initiative of promoting Tech Education have extended support to 'Katalyst' by sponsoring professional degree education expense for 20 young girls from lower income communities till they complete the professional degree course of 4 years and qualify as graduates.

Katalyst India is an award-winning non-governmental organization (NGO) that stands for the economic empowerment of women. The Katalyst program supports meritorious young girls whose family income is less than ₹4,00,000 per annum to pursue their ambition of acquiring professional education. In the last decade, Katalyst has impacted the lives of 900 girls, who went on to positively catalyze their families, their communities and the society at large. This initiative of empowering girls from low-income communities, aims to create an enabling environment, helping them fulfil goals of higher education leading towards economic empowerment and self-reliance.

Katalyst follows an innovative enrolment process to evaluate the eligibility of each student. The process involves a thorough background verification by a third-party agency on the family's income and is further assessed through indicators such as household assets and consumption patterns. Each parameter is scored and evaluated through a proprietary scorecard for final selection.

Through this intervention program of 4 years, Katalyst achieves its objective through a blend of unique development interventions, including 600-hour proprietary and scientifically researched curriculum. Over their four years in the program, they also provide one-to-one mentorship, access to best-in-class technology, assistance with internships, world-class industry exposure and corporate interactions. Established in 2007 with 10 young women, Katalyst now has chapters in Mumbai, Pune, Bangalore and Delhi, and has impacted the lives of almost 1200 girls, with 650 currently in the program.

Kennametal Leaders extend their support to these girls by mentoring them, guiding them and exposing them to new set of experiences and perspectives. The mentoring program thus aims at helping the girls define themselves, learn essential life skills and evaluate various career options. Kennametal India is exploring to provide Internship to the Katalyst girls which will give them an exposure to the practical side of what they have learnt so far in the course, and help validate their decision. It further enhances their hard skills and soft skills and helps them build network of people to eventually succeed in life. This intervention bridges the gap between academic curriculum and industry.

The support provided to Katalyst prepares the young girls to lead change in their professional and personal sphere to achieve success and empower themselves. This initiative definitively prepares young women for leadership roles, thereby creating a wider talent pool for India Inc and helping bridge the gender divide.

Kennametal India Limited through its CSR initiative of 'Protect our Planet' has identified the following projects.

▪ **Lake Restoration project:**

Lakes in Bengaluru are the source of life. Unfortunately, they are depleting at a very rapid rate. Kennametal India in partnership with Planet Sutra would like to enhance the soil moisture conservation and improve ground water levels in Harokethanahalli village of Adakamaranahalli Panchayat within Bengaluru Rural District by conserving rainwater and improving ground water. The proposed output of the projects is to ensure water security, storage of rainwater from being wasted and lost, rise in ground water level and ensures clean air and healthy flora & fauna in and around Bengaluru and impact of this project would be to mitigate floods, erosion control, improved vegetation and good oxygen supply.

During Phase 1 of the Lake restoration project, we implemented the following:

- Desilting and cleaning of Lake inlet
- Cleaning and Weed Removal from the lake periphery
- Strengthened the embankments as a double bund and to regulate the inlet and outlet canals.
- Stone pitching on the lake bund and grass turfing
- Walk path with curb stones for approx. 1.5 kms
- Plantation on the Lake periphery
- Lakebed clean up
- Community Mobilization and awareness building.

Kennametal India completed the final phase of Devanahalli Lake restoration during FY24 and obtained the Outcome Assessment report which indicated the following results:

- Increase in ground water table : From the results obtained after the water table assessment tests for the 3 borewells and 1 Open well which are near the Devanahalli lake, we can determine that the position of the ground water table is high and we found that the water depth ranges from 50 metres to 130 metres (before lake rejuvenation, it was 35mtr as per secondary data) which is evident that the water table has increased in these 3 borewells.
- Increase in water holding capacity of the Lake : Water holding capacity of the lake has increased from 47,66,17,382 litres to 48,70,07,641 litres after the rejuvenation as majority of the de-weeding and bund extension was carried out during the rejuvenation.
- From the flora and fauna study conducted during the site visit, we found out that Devanahalli lake region does not contain any endangered species.

The above projects are aligned with Jalshakthi Abhiyan of Central Govt, Forest Conservation and Water Security policies of Karnataka and aligns with the Sustainable Development Goals as well.

▪ **Urban Afforestation project:**

The need for the hour is to stop cutting down trees and start planting more trees day after day. Kennametal India in partnership with United Way India planted 10,000 local and native varieties of tree saplings in Government approved land at Bingipura, Anekal Taluk. These saplings will grow to become a natural forest in time. The objective of this project is to bring back the lost flora and fauna and set-up ecological balance. The forest will attract bees, birds and butterflies and will raise the water table slowly over time. The impact of this project would be to improved green cover / vegetation around the site, rise in ground water and reduction in carbon pollution and a clear and pollutant free environment. During FY24, Kennametal completed the final phase of the Afforestation project by monitoring and maintaining the 10,000 saplings.

The objective & expected outcome of this project is to sequester carbon, stabilize soil, filter water & air, regulate water flow and perform other ecological services. Planted trees will provide shade to cool microclimates, absorb some air pollutants, beautify



green spaces, provide nesting and habitat for birds and other small animals, help to regulate stormwater, and contribute to human well-being. The project will play a small role and support the Government of India (Gol) in increasing the country's forest cover to 33.33 per cent.

2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Vijaykrishnan Venkatesan	Chairman	2	2
2	Mr. Bidadi Anjani Kumar	Member	2	2
3	Ms. Bhavna Bindra	Member	2	2
4	Mr. Amit Laroya*	Member	2	Not Applicable*
5	Mr. Franklin Gerardo Cardenas	Member	2	0

\* Mr. Amit Laroya was inducted as a member of CSR Committee effective May 9, 2024.

3. Web-link where Composition of CSR Committee, CSR policy and CSR projects approved by the Board are disclosed on the website of the Company:

Composition of CSR committee, CSR policy and CSR projects approved by the Board of the Company is available at the Company's website [www.kennametal.com/kennametalindia](http://www.kennametal.com/kennametalindia)

4. Details of executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **Not Applicable**

5. Average net profit of the Company as per Section 135(5): ₹ 1,232.86 million

Sl. No.	Particulars	Amount (₹ in Million)
5a	Two percent of average net profit of the Company as per section 135(5)	24.657
5b	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
5c	Amount required to be set off for the financial year, if any	-
5d	Total CSR obligation for the financial year (5a+5b-5c).	24.657

- 6.
- a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹24.663 million
  - b) Amount spent in Administrative Overheads: Nil
  - c) Amount spent on Impact Assessment, if applicable: **Not Applicable**
  - d) Total amount spent for the Financial Year (6a+6b+6c): ₹24.663 million

e) CSR amount spent or unspent for the Financial Year:

Total amount spent for the financial year (In ₹million)	Amount unspent (In ₹ million)				
	Total amount transferred to unspent CSR account as per subsection (6) of Section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of Section 135		
	Amount (In ₹million)	Date of transfer	Name of the fund	Amount (In ₹million)	Date of transfer
24.663	Not applicable				

f) Excess amount for set-off, if any:

Sl.No.	Particular	Amount (In ₹ million)
I.	Two percent of average net profit of the company as per sub-section (5) of Section 135	24.657
II.	Total amount spent for the financial year	24.663
III.	Excess amount spent for the financial year [(ii)-(I)]	0.006
IV.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
V.	Amount available for set off in succeeding financial years [(iii)-(iv)]	0.006

7. Details of unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding financial year(s)	Amount transferred to unspent CSR account under sub-section (6) of Section 135 (In ₹ million)	Balance amount in unspent CSR account under sub-section (6) of Section 135 (1) (In ₹ million)	Amount spent in the financial year (In ₹ million)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any (In ₹ million)	Amount remaining to be spent in succeeding financial years (In ₹ million)	Deficiency, if any
1	2020-21	-	-	-	-	-	-
2	2021-22	-	-	-	2.41	11.08.2022	-
3	2022-23	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**

If yes, enter the number of capital assets created/acquired: **Not Applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year: **Not Applicable**



Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner
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Not applicable

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5):  
**Not applicable.**

Vijaykrishnan Venkatesan  
 Managing Director & Chairman of CSR Committee  
 DIN: 07901688

Bidadi Anjani Kumar  
 Director & Member of CSR Committee  
 DIN: 00022417

Bengaluru  
 August 9, 2024

## Business Responsibility and Sustainability Reporting

### Section A: General disclosures

#### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	:	L27109KA1964PLC001546
2.	Name of the Listed Entity	:	Kennametal India Limited
3.	Year of incorporation	:	September 21, 1964
4.	Registered office address	:	8/9 <sup>th</sup> Mile, Tumkur Road, Bengaluru, Karnataka - 560073, India
5.	Corporate address	:	8/9 <sup>th</sup> Mile, Tumkur Road, Bengaluru, Karnataka - 560073, India
6.	E-mail	:	k-bngs-investor.relation@kennametal.com
7.	Telephone	:	080-28394321
8.	Website	:	<a href="https://www.kennametal.com/in/en/about-us/kil-financials.html">https://www.kennametal.com/in/en/about-us/kil-financials.html</a>
9.	Financial year for which reporting is being done	:	FY 2023-24 (July 1, 2023 to June 30, 2024)
10.	Name of the Stock Exchange(s) where shares are listed	:	BSE Limited (Scrip code: 505890, Scrip Name: KENNAMET)
11.	Paid-up Capital	:	₹ 219,782,400 /-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	:	DIN: 07901688 Mr. Vijaykrishnan Venkatesan Managing Director +91-80-28394321 vijaykrishnan.venkatesan@kennametal.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	:	Disclosures made in this report are on a standalone basis and pertain to Kennametal India Limited (KIL). There are no subsidiaries.
14.	Name of assurance provider	:	Not Applicable
15.	Type of assurance obtained	:	Not Applicable

#### II. Products/Services

##### 16. Details of business activities (accounting for 90% of the turnover):

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing and Trading	Manufacture and trading of other fabricated metal products; metalworking service activities	87%
2.	Manufacturing	Manufacture of special-purpose machinery	13%

##### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
3.	Hard Metal Products	25910	87%
4.	Machining Solutions Group	282	13%

#### III. Operations

##### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	5	6
International*	NA	NA	NA

\*KIL has operations within India only.

##### 19. Markets served by the entity:

###### a. No. of locations

Locations	No.
National (No. of states)	28
International (No. of countries)	18

###### b. What is the contribution of exports as a percentage of the total turnover of the entity?

Along with pan-India domestic operations, KIL exports products to Asia Pacific, European, Middle East and American markets. The exports account for around 16% of KIL's total turnover.

###### c. A brief on type of customers

KIL has successfully positioned itself as a reliable industrial technology leader in materials science, tooling, and wear-resistant solutions for customers across the aerospace, earthworks, energy, general engineering and transportation industries across India, Asia Pacific, European, Middle East and American markets.

## IV. Employees

## 20. Details as at the end of the Financial Year:

a. Employees and workers (including differently abled):						
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Employees</b>						
1.	Permanent (D)	451	418	92.68%	33	7.32%
2.	Other than Permanent (E)	19	11	57.89%	8	42.11%
3.	<b>Total employees (D + E)</b>	<b>470</b>	<b>429</b>	<b>91.28%</b>	<b>41</b>	<b>8.72%</b>
<b>Workers</b>						
4.	Permanent (F)	305	305	100%	0	0%
5.	Other than Permanent (G)	91	91	100%	0	0%
6.	<b>Total workers (F + G)</b>	<b>396</b>	<b>396</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

b. Differently abled Employees and workers:						
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>Differently Abled Employees</b>						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	<b>Total Differently abled employees (D+E)</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Differently Abled Workers</b>						
4.	Permanent (F)	3	3	100%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	<b>Total Differently abled workers (F + G)</b>	<b>3</b>	<b>3</b>	<b>100%</b>	<b>0</b>	<b>0%</b>

## 21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	9	2	22.22%
Key Management Personnel	2	0	NA

## 22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY 2023-24)			FY 2022-23 (Turnover rate in previous FY 2022-23)			FY 2021-22 (Turnover rate in the year prior to the previous FY 2021-22)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	16.23%	12.9%	16.00%	16.18%	8.51%	15.78%	11.40%	0	10.96%
Permanent Workers	8.71%	NA	8.71%	7.17%	NA	7.17%	3.67%	NA	3.67%

NA: Not Applicable as there are no permanent female workers.

KIL's turnover rate has remained flat over last year though it continues to face attrition related challenges that are consistent with the trends in the Indian manufacturing sector. The company deploys robust mechanisms to attract, develop and retain talent, including initiatives such as regular

discussion on succession planning through the People Development Council, competency development through trainings, a work flexibility program called 'That Works', driving diversity and inclusiveness, 'On Our Mind' sessions with employees conducted by management, mentoring program for key talent and involving high potential employees in strategic projects, among others.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Kennametal Inc., USA	Holding	24%	Yes
2	Meturit A.G., Switzerland*	Holding	51%	Yes

Note: The ultimate holding company of Meturit A.G., Switzerland is Kennametal Inc., USA that also participates in the BRSR activities of KIL. Kennametal Inc. USA holds 24% and Meturit A.G., Switzerland holds 51% equity shares in Kennametal India Limited.

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (in Rs.)	10,998,562,101
(iii) Net worth (in Rs.)	7,335,000,000

VII. Transparency and disclosure compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redressal policy)	Current Financial Year (FY 2023-24)			Previous Financial Year (FY 2022-23)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes <a href="https://images.kennametal.com/is/content/Kennametal/policy-on-redressal-of-stakeholders-grievancespdf">https://images.kennametal.com/is/content/Kennametal/policy-on-redressal-of-stakeholders-grievancespdf</a>	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)		Nil	Nil	Nil	Nil	Nil	Nil
Shareholders		Nil	Nil	Nil	Nil	Nil	Nil
Employees and workers		527*	38	Nil	506^	1	Nil
Customers		770	91	Nil	540	17	Nil
Value Chain Partners		170	13	Nil	256	37	Nil

^The numbers for FY23 have been recalibrated based on the new format of data collation from the GENSUITE EHS MIS portal.

\*The data recorded in the above table includes number of observations/suggestions on occupational health and safety hazards captured in the GENSUITE EHS MIS portal to ensure a safe working environment. These observations/suggestions are reviewed in weekly meetings and necessary actions are taken for closure.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Energy	Opportunity <ul style="list-style-type: none"> <li>Transition to green energy is expected to reduce overall Greenhouse Gas emissions and energy costs in the long run.</li> </ul>	KIL is partially reliant on grid power and sources renewable energy through Power Purchase Agreements (PPAs). The consumption is bound to increase to meet the growing market demands, which would impact its energy efficiency. The reliance on grid energy consumption is a potential risk to business in case of grid-outage/browning of grid.	The company seeks to continuously enhance its systems and processes along with the transition to green energy consumption, thus ensuring an increase in its energy efficiency. During the previous year, the company increased its solar energy consumption to ~85% from 73% in the previous year.	Positive
2.	Occupational Health and Safety (OHS)	Risk and Opportunity <ul style="list-style-type: none"> <li>Health and Safety hazards are intrinsic to the engineering industry. Despite implemented systems and controls by KIL, any slippage can result into an incident and injury.</li> </ul>	The health, safety, and well-being of employees is of paramount importance to KIL. The company has implemented safety management systems and initiatives in line with the best industry standards. Considering the intrinsic nature of the material issue, OHS is an ever-prevailing risk. There is always a possibility of slippage in the compliance to systems and controls considering the business and external circumstances. Any fatality or cases of serious injuries due to workplace issues would have a direct negative impact to business sustenance.	The company conducts Hazard Identification and Risk Assessment (HIRA) and Job Safety Assessment (JSA) as per international standards to identify potential risks per job/role. This enables KIL to develop adequate corrective and preventive measures in creating an employee safe workplace. As a result of establishing robust mechanisms to enhance safety standards such as fall protection mitigation, rigor in the usage of various safety tools, AI based safety controls for all Power Industrial Vehicles, celebrating Safety Month and other important days to recognize and create awareness on the importance of safety, the company achieved a significant milestone of injury free 365 days.	Positive and Negative
3.	Product Safety and Quality	Risk <ul style="list-style-type: none"> <li>KIL products are used as key components in aerospace, earthworks, energy, general engineering, and transportation industries.</li> <li>While KIL has implemented a quality management system consistent with global and industry standards, any rare incident of slippage can impact customers.</li> </ul>	KIL products can impact the performance of critical components and processes of customers from aerospace, earthworks, energy, general engineering, and transportation industries. Bearing this in mind, KIL has long brought into effect robust mechanisms to ensure consistent global quality. At the same time, KIL focuses on continuous improvement while maintaining consistent product safety standards. Any deviation in product quality or minor lapse in product safety would result in loss of customers and impact the business.	The company adheres to global standards of quality management. This would augment its product quality and in-turn its safety while also contributing to business growth. The company has invested in technology, equipment, and people to build capabilities, better serve customers, compete, and grow. It has established a Quality Clinic that enables the team to address customer complaints faster while also conducting proactive outreach to mitigate any issues.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Employee engagement & wellbeing	<p>Opportunity</p> <ul style="list-style-type: none"> <li>Close engagement with the workforce has helped to build a strong relationship between management and the workforce. This is expected to further help retain skilled employees and attract talent.</li> </ul>	<p>Employee well-being is critical to business operations and productivity. Multiple facets of employee well-being are adequately managed and incorporated by the company in various employee-centric initiatives. A highly productive workforce would augment business growth.</p>	<p>The company continues to implement employee-centric initiatives such as periodic health check-ups, regular leadership communication, People Development Council to retain and grow the talent pool, engaging employees through Reward and Recognition programs, celebration of important days, sports tournaments, and cultural activities – all aimed at ensuring a vibrant workforce, propelling its business growth.</p>	Positive
5.	Diversity & Equal Opportunity	<p>Opportunity</p> <ul style="list-style-type: none"> <li>To attract broader pool of talent and contribute to employee satisfaction and retention.</li> </ul>	<p>KIL seeks to foster an inclusive and diverse workplace that organically propels business growth. KIL embraces diversity in its entirety to tap innovative ideas and new opportunities. It strives to be an equal opportunity provider, thus instilling a work culture underpinned by a sense of belonging, fairness, and equity. Through its approach towards diversity &amp; equal opportunity, it seeks to achieve operational efficiency</p>	<p>The company continues to implement and actively embrace diversity, equity, and inclusion through the pillars of “Acquisition”, “Awareness”, “Development” and “Community” to be an equal opportunity provider. During the year, the company steered various initiatives that has been highlighted in the message from the Managing Director in the Annual Report on page no. 11.</p>	Positive
6.	Ethics and Compliance	<p>Risk</p> <ul style="list-style-type: none"> <li>The intrinsic nature of this material issue has the potential of severe consequences in the event of minor deviation from protocols.</li> <li>While KIL has a strong Code of Conduct and ethics for employees, suppliers and senior management, there can be a possibility of slippage due to external environment issues beyond the control of the organization.</li> </ul>	<p>KIL holds itself accountable for all relevant ethical and compliance requirements, as it is ingrained in its business ethos. The company is mindful that these matters pose significant reputational risks and raise questions on the organizational conduct with respect to integrity, business relationship problems, conflicts of interest, etc.</p>	<p>KIL adheres to strong ethical standards of integrity. Its Board of Directors, top management, and workers follow a strict code of conduct and ethics. An effective surveillance mechanism and a whistle blower policy are in place to guarantee that such regulations are properly followed. The company continues to periodically and scrupulously monitor inconsistencies and non-alignment pertaining to relevant ethics and compliance requirements.</p>	Negative



S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Data security and information security	Risk <ul style="list-style-type: none"> <li>This is an evolving global risk, and the organization keeps assessing its vulnerability from time to time.</li> </ul>	KIL maintains compliance with global and local regulations with respect to data privacy, as any deviations would result in legal, reputational, and financial implications. As is the case with most manufacturing organizations, the company is exposed to ever-emerging IT risks in its operations, including R&D and patents, design of engineering processes, etc.	As a business process, the company ensures adherence to the global policy <a href="https://www.kennametal.com/in/en/about-us/data-privacy.html">https://www.kennametal.com/in/en/about-us/data-privacy.html</a> along with global monitoring of data privacy and cyber security, to avoid any misalignment.	Negative

**Section B: Management and process disclosures**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

**Policy and Management Processes**

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	<a href="https://www.kennametal.com/in/en/about-us/kil-financials/policies.html">https://www.kennametal.com/in/en/about-us/kil-financials/policies.html</a>								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
4.	Name of the national and international codes/certifications/labels standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle			ISO 45001			ISO 14001			ISO 9001
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.	As of date, we have not defined any specific ESG goals and targets.								
6.	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Not Applicable								

**Governance, Leadership, and Oversight**

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements. (Listed entity has flexibility regarding the placement of this disclosure.)	This has been covered in the Managing Director's message in the Annual Report on page no. 11.								
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	The ESG Committee of Board of Directors monitors the implementation of the Business Responsibility (BR) policies. The Managing Director of the Company is the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).								
9.	Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, an ESG committee of the Board of Directors has been constituted comprising six Directors – responsible for decision making on sustainability related issues.								

10. Details of review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, Committee of the Board									Half yearly								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes, Committee of the Board									Half yearly								

11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
No	No	No	No	No	No	No	No	No

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable, as KIL has developed policies against each principle.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Section C: Principle-wise Performance

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

Essential Indicators

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness program
Board of Directors	4	All Principles	100%
Key Managerial Personnel	11	All Principles	100%
Employees other than BoD and KMPs	186	Principle 1, 3, 5 & 6	100%
Workers	27	Principle 1, 3, 5 & 6	100%

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and

Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

There were no instances of material fines/penalties/punishment/ award/ compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies / Judicial institutions
NA	NA

Yes, Kennametal India Limited has a well-defined policy on Anti-Corruption and Anti-Bribery. The policy is applicable to all directors, officers and employees of Kennametal India Limited, and its sales agents, representatives and distributors (collectively referred to as "Third Parties") operating or located in the regions where Kennametal operates.

<https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	Nil	NA

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable. During the reporting period, there were no instances of fines / penalties imposed by regulators/ law enforcement agencies/ judicial institutions on KIL, pertaining to cases of corruption and conflicts of interest.

8. Number of days of accounts payables ((Accounts payable 365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	81	79

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	0	0
	b. Number of trading houses where purchases are made from	0	0
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	0	0

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	60%	59%
	b. Number of dealers / distributors to whom sales are made	345	379
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	17%	18%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	44%	42%
	b. Sales (Sales to related parties / Total Sales)	13%	15%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0	0
	d. Investments (Investments in related parties / Total Investments made)	0	0

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current financial Year	Previous financial Year	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Kennametal India Limited leverages the R&D developments of its parent company, Kennametal Inc. to improve environmental and social impacts. For example, Kennametal Inc. is evolving with the fast-growing hybrid and electric vehicle market to identify and tackle e-mobility challenges and create new machining solutions for the industry. It prioritizes innovation, high performance and reliability. It specializes in the application of additive manufacturing processes like innovative 3D printing design.  More details are available in the Kennametal Inc. ESG report <a href="https://investors.kennametal.com/corporate-governance/corporate-responsibility">https://investors.kennametal.com/corporate-governance/corporate-responsibility</a>
Capex	Nil	2.8%	Not Applicable

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)
  - If yes, what percentage of inputs were sourced sustainably?

No, KIL does not have an entity level procedure for sustainable sourcing. The mechanism to track and monitor sustainably sourced inputs is yet to be designed for the entity.

- Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

KIL has a B2B business model selling products to industrial customers. Therefore, waste generated due to disposal of plastics, e-waste, etc. at the end of life of the product by end-consumers is not applicable to KIL. However, the company has a buy back policy for used carbide powder, the details of which can be accessed at: <https://www.kennametal.com/in/en/services/carbide-recycling.html> Accordingly, waste carbide generated at KIL is sent to other Kennametal sites for recycling.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. KIL has obtained EPR registration for plastic waste under 'Importer and Brand Owner' category. The waste collection plan is in line with the EPR plan submitted to the Pollution Control Board.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

1. A. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Employees</b>											
Male	418	418	100%	418	100%	NA	NA	418	100%	418	100%
Female	33	33	100%	33	100%	33	100%	NA	NA	33	100%
Total	451	451	100%	451	100%	33	100%	418	100%	451	100%
<b>Other than Permanent employees*</b>											
Male	11	11	100%	11	100%	NA	NA	NA	NA	0	0%
Female	8	8	100%	8	100%	8	100%	NA	NA	8	100%
Total	19	19	100%	19	100%	8	100%	0	0%	8	42.11%

\*These numbers also include employees covered under the ESIC Act.

B. Details of measures for the well-being of workers:

Category	% of Workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent Workers</b>											
Male	305	305	100%	305	100%	NA	NA	NA	NA	305	100%
Female	0	0	0%	0	0%	0	0%	NA	NA	0	0%
Total	305	305	100%	305	100%	0	0%	0	0%	305	100%
<b>Other than permanent worker</b>											
Male	91	91	100%	91	100%	NA	NA	NA	NA	NA	NA
Female	0	0	0%	0	0%	0	0%	NA	NA	0	0%
Total	91	91	100%	91	100%	0	0%	0	0%	91	100%

NA: Not applicable

C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Cost incurred on well-being measures as a % of total revenue of the company	1.23%	1.32%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/NA)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	2.34%	17.42%	Y	1.93%	16.75%	Y
Others – please specify	NA	NA	NA	NA	NA	NA

NA: Not applicable

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. KIL's administration building, and Master Inserts Plant are accessible to differently abled employees through infrastructure such as ramps and dedicated washrooms.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

We believe in the power of diverse talents and capabilities to propel our business. To that end, we are committed to ensuring a fair and equitable workplace, free from harassment and discrimination, where advancement is based on job-related qualifications, accomplishments, and experience. Kennametal India Limited has an Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016, approved by the Board of Directors of KIL in FY24.

<https://www.kennametal.com/in/en/about-us/kil-financials/policies.html>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	2	100%	0	0
Female	0	0	0	0
Total	2	100%	0	0

\*Note: 2 male employees availed paternity leave and returned to work post leave

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No
Permanent Workers	Yes
Other than Permanent Workers	Yes
Permanent Employees	Yes
Other than Permanent Employees	Yes

KIL has in place a robust grievance redressal mechanism for employees and workers which has been detailed in the policy on redressal of Stakeholders' Grievances (Link:

<https://www.kennametal.com/in/en/about-us/kil-financials/policies.html> Employees and workers of KIL can share their concerns initially to their points of contacts at KIL, and if dissatisfied with the grievance redressed at this stage, the employees are encouraged to write in detail about their grievance to the grievance redressal officer at [anupriya.garg@kennametal.com](mailto:anupriya.garg@kennametal.com). Within 30 days of the receipt of the grievance, the officer shall ensure due resolution of said grievance. In the event the resolution is taking longer than the assigned time of 30 days, the officer shall bring up the grievance to the Stakeholders' Grievance Committee for grant of more time for resolution OR in the event the grievance cannot be resolved to the satisfaction of the stakeholders, shall bring it to the notice of the said committee for further direction.



## 7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	451	0	0%	447	0	0%
Male	418	0	0%	419	0	0%
Female	33	0	0%	28	0	0%
Total Permanent Workers	305	305	100%	291	291	100%
Male	305	305	100%	291	291	100%
Female	0	0	0%	0	0	0%

## 8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On health and safety measures		On skill upgradation		Total (D)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	429	410	95.57%	305	71.10%	433	397	91.69%	382	88.22%
Female	41	31	75.60%	29	70.73%	34	29	85.29%	23	67.65%
Total	470	441	93.83%	334	71.06%	467	426	91.22%	405	86.72%
<b>Workers</b>										
Male	396	395	99.75%	102	25.76%	400	400	100%	228	57%
Female	0	0	NA	NA	NA	0	0	NA	0	NA
Total	396	395	99.75%	102	25.76%	400	400	100%	228	57%

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>Employees</b>						
Male	418	418	100%	433	418	96.53%
Female	33	33	100%	34	25	73.53%
Total	451	451	100%	467	443	94.86%
<b>Workers</b>						
Male	305	0	0%	400	0	0%
Female	0	0	0%	0	0	0%
Total	305	0	0%	400	0	0%

Note: Not Applicable for workers. As of today, production employees (Union members) are not covered under performance management process.

10. Health and safety management system:

	Response
a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	Yes. Our manufacturing facility and head office at Bengaluru are certified to the international standards ISO 45001:2018 Occupational Health and Safety Management System which is valid up to November 12, 2026. During the last recertification process, no non-conformance was flagged. This demonstrates KIL's consistent effort to reduce accidents and illnesses related to the workplace. Internal audits are conducted regularly to ensure continuous improvement in safety standards and performance.
b. What are the processes used to identify work-related hazards and assess risks on a routine and non- routine basis by the entity?	Being certified to ISO 45001:2018, KIL has a robust procedure for Hazard Identification and Risk Assessment (HIRA). The findings from dynamic Job Safety Assessment (JSA) for non-routine work along with the work permit system and Static JSA for routine work are considered while developing the HIRA. Daily walk-through audits, leadership safety walkthrough, internal audits, safety campaigns, toolbox talks, and quantitative risk assessment, etc. along with employee concerns are considered during the risk identification process. This register is frequently reviewed and duly updated. As on date of this report, the company has identified several hazards and risks, for which mitigation measures have been implemented. As a business practice, any process change or incident would instigate necessary changes to the HIRA and associated procedures. Necessary KPIs have been designated against all mitigation measures which are frequently reported to the top management. Necessary corrective actions and preventive actions are implemented as part of continuous improvement of our processes.
c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks?	Kennametal India, through its established HIRA register, has well-defined processes for both routine and nonroutine jobs, which are integrated into the respective SOPs. Dynamic Job Safety Assessment (JSA) for non-routine work along with the work permit system and Static JSA for routine work are implemented to ensure safety. These procedures are frequently reviewed and updated. All employees are sensitized on all salient safety aspects through trainings. Furthermore, the employees and workers can escalate any safety related concerns in their tier meetings. Details of some of the processes in place for workers to report work-related hazards is described as follows: Stop Work Authority: It is one of the best ways to engage the workforce in preventing Fatality & Serious Injury (FSI). KIL has empowered any staff, employee, worker, contractor or visitor to stop any work which is hazardous in nature, and which may cause injury to a person or damage to the company assets. It is a six-step process of Stop, Notify, Investigate, Correct, Communicate and Follow up. Once the correction is complete, the work can be resumed with the corrected method. The person who has successfully issued a Stop Work is recognized and rewarded. Find and Fix: It is another important process to ensure engagement of the workmen and staff in the prevention of FSIs. The worker / staff who identifies any FSI will take up the work to correct the gap. Once the gap is closed, he/she will communicate back to EHS in a template on his/her work on Find & Fix (F & F). KIL's manufacturing facility has a target for F&F, however it has exceeded the requirement by more than 3 to 4 times in the last reporting periods.
d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?	Kennametal India Limited has contracted with a local hospital at Bengaluru for healthcare emergencies and with laboratories for annual medical check-up.  Additionally, all our employees and workers and their direct dependent family members (including employee parents) are covered under medical insurance (for hospitalization). Additionally, all employees and workers are also covered under group personal accident and group term life insurance.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	4.17
Total recordable work-related injuries	Employees	0	0
	Workers	0	1
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Kennametal India has a strong safety culture. The operational factory has a dedicated department safety committee, to review the policy, procedures, key performance indicators and systems of Health, Safety and Environment. The tier board meetings and walk-through audits are instrumental in addressing the safety concerns and conditions at the factory. Various kinds of initiatives, drives/campaigns along with trainings are regularly provided to all employees. These ensure continual improvement in the safety performance.

- i. KIL has an OHS Policy, the briefing of which is included as part of its induction training, general trainings and drills for relevant stakeholders including but not limited to employees, workers, and contractors.
- ii. KIL conducts webinars on health-related topics (e.g., ergonomics, hypertension, etc.) regularly.
- iii. The operational plant has a department-level EHS safety committee that ensures compliance with the Standard Operating Procedure (SOP) developed as per ISO 45001:2018.
- iv. KIL has developed SOPs for all major activities within its plant to ensure a safe working environment.
- v. All staff and visitors are empowered to use Stop Work Authority for identifying hazardous work conditions and taking corrective actions.

- vi. Daily tier board meetings with fixed agenda on safety are conducted. All incidents within KIL are investigated thoroughly for Root Cause Analysis (RCA) and taking preventive as well as corrective actions. Incidents of Kennametal Inc. are studied to take proactive actions for preventing potential hazards within the KIL facility.
- vii. OHS inspections are conducted daily.
- viii. Procedure is in place for non-routine activities. Work Permits are issued for these activities and procedure is defined for approval of the same.
- ix. KIL ensures all chemicals are provided with a material safety data sheet (SDS) for awareness of all staff.
- x. Safety Kaizen is highly encouraged for process modification and upgradation.
- xi. KIL encourages all staff to report near-miss incidents (IFE – Injury Free Events) along with first-aid cases, recordable injuries, and fatalities.
- xii. KIL includes a clause on safety for contract workmen in the purchase order which will act as a guiding mechanism for the contractors.
- xiii. The Occupational Health Centers (OHC) are equipped with dedicated doctors and staff nurses, and first aid facilities are available for both employees and workers. First aid trainings are regularly conducted for employees and workers by certified agencies.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	-	-		6	1	-
Health & Safety	527*	38	-	500^	0	-

^The numbers for FY23 have been recalibrated based on the new format of data collation from the GENSUITE EHS MIS portal.

\*The data recorded in the above table includes number of observations/suggestions on occupational health and safety hazards captured in the GENSUITE EHS MIS portal to ensure a safe working environment. These observations/suggestions are reviewed in weekly meetings and necessary actions are taken for closure.

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The typical process followed by KIL to address safety-related incidents is described below.

1. An incident alert report is developed which details the hazard category, incident description, and RCA is done and CAPA (Corrective Action and Preventive Action) is implemented.
2. Incident alert report is shared globally to communicate the incident with all internal stakeholders.
3. The completion of actions is tracked in the GENSUITE portal.

Following instances highlight Kennametal India's initiatives towards improving safety at the workplace:

1. Proactive approach was initiated to build safety leadership and culture at KIL. There were increased number of leadership safety walks, stop work, identification and closure of FSIR and FSIP action, safety committee meetings and closure of identified unsafe actions in the action tracking system which clearly indicates the involvement of plant team to enhance the safety culture in the facility.
2. Kennametal EHS elements' self-assessment was completed and actions were identified.
3. Machine guarding initiatives were implemented, where high risk machines were provided with 100% safety interlocks, sensors and guards to provide 100 % safety during operations. 100% of the machines were assessed in FY 2023 – 24 for machine guarding with area owners to check the effectiveness and operability of guarding.
4. Phase 2 PIV assessment was done across campus for identifying person and vehicle intersections using Spaghetti diagram. Corrective actions were implemented to avoid intersection of person and vehicle in the plant area.
5. A total of 26 machines have been identified for integration of safety features in Powered Industrial Vehicles (PIVs) - Biometric control provided, installation of warning zone red light, provision for seat belt interlock system and load cell sensor.
6. A new scrap yard with modern day facilities was constructed and put to operation for systematic waste storage and disposal, meeting statutory requirements.
7. FSI skill builder was implemented for increasing awareness of the shopfloor team on EHS elements.

8. All lifting tool, tackles, cranes, lifts, pressure vessels were inspected and load tested using dummy load by a competent person from the Department of Factories.
9. Flame proof cabinets each with 90 gallon capacity were procured for paint storage area.
10. A survey was conducted to ensure that the monitoring of all stacks/chimneys is done as per KSPCB (Karnataka State Pollution Control Board) norms.
11. Contractor safety was enhanced with regular site rounds, awareness and job observations. Works not meeting the safety criteria were given stop work and rectification was done before restarting the work.
12. Confined space assessment was completed for KIL campus.
13. Engineering controls were enhanced to increase the suction of vacuum and reduction in powder exposure.
14. Qualitative assessment for industrial hygiene was completed.
15. New SCBA (Self-Contained Breathing Apparatus) units have been added at critical areas and old units have been replaced.
16. Occupational Health Centre (OHC) has been upgraded by enhancing equipment.
17. KIL celebrated various important days such as Safety Month, Road Safety Week, World Earth Day and Chemical Disaster Prevention Day to create awareness on the importance of EHS (Environment, Health and Safety).

**Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

Stakeholder engagement is essential in identifying sustainability risks, the mitigation of which is ingrained in the business growth strategy. KIL acknowledges the importance of stakeholder identification. It has identified relevant stakeholder groups based on their material influence on the business strategy. The results from a desk-based sector analysis also contributed to the finalization of its stakeholders,

namely: customers, employees and workers, suppliers, contractors / sub-contractors, supply chain partners, channel partners / distributors, shareholders and investors, regulatory and government agencies, media, and implementation partners and communities by the India Leadership Council (ILC) of Kennametal. The engagement approach entails identifying and capturing stakeholders; assessing and evaluating their responses; prioritizing key material issues; and identifying sustainability indicators. KIL then incorporates the identified material topics into its business strategy.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS Newspaper, Pamphlets, Advertisement, community meetings, Notice Board, Website), other	Frequency of engagement (Annually/Half yearly/ Quarterly/ others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors	No	Press releases and media interactions, emails, Annual General Meeting, stock exchange filings, analyst calls, updates on the Company's website	Annually through Annual Report, quarterly through financial results, continuous engagement: investor / shareholder page on website, investor calls and stock exchange updates	Economic & industry outlook, strategic outlook, Company overview, business update and queries on published financials
Shareholders	No	Press releases and media interactions, emails, Annual General Meeting, stock exchange filings, analyst calls, updates on the Company's website	Annually through Annual Report, quarterly through financial results, continuous engagement: investor / shareholder page on website, investor calls and stock exchange updates	Company's performance, dividend confirmation, financial performance, event-based compliance matters, strategic initiatives
Customers	No	Customer meet, exhibitions, digital marketing (websites, social media, newsletters, emails), trainings, etc.	Event-based, continuous engagement, periodic customer satisfaction survey	Company overview, new product launches, product promotions, success stories, product displays, product trainings, ESG and other strategic initiatives, etc.
Employees and Workers	No	Periodic newsletters, long service awards, notice on bulletin boards, Reward & Recognition, monthly connect, townhalls, daily shopfloor meetings, emailers	Quarterly, monthly, event-based, continuous engagement	Company overview, strategic initiatives, awareness on programs / policies / processes/ ESG, key management decisions, updates on company performance and initiatives, training courses, etc.
Regulatory and Government Agencies	No	Notices, circulars, etc.	Event-based	Regulatory / statutory compliance
Implementation Partners	No	Emails, in-person and virtual interactions and on-ground CSR activities	Event-based	Implementation partners (NGOs) identify projects based on the needs of communities and in alignment with KIL's CSR strategy
Communities	Yes	In-person interaction, employee volunteering activities, implementation partners, etc.	Event-based	CSR activities, ESG initiatives, company overview and relevant updates
Supply chain partners	No	Supplier meets, trainings, emails / letters, etc.	Annually, event-based	Supplier code of conduct and other allied matters, company initiatives, ESG initiatives, etc.

Principle 5: Businesses should respect and promote human rights

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. employees / workers covered (B)	% (B / A)	Total (A)	No. employees / workers covered (B)	% (B / A)
<b>Employees</b>						
Permanent	451	451	100.0	447	412	92.2
Other than permanent	19	3	15.8	20	2	10.0
<b>Total Employees</b>	<b>470</b>	<b>454</b>	<b>96.6</b>	<b>467</b>	<b>414</b>	<b>88.7</b>
<b>Workers</b>						
Permanent	305	296	97.0	291	14	4.8
Other than permanent	91	80	87.9	109	0	0.0
<b>Total Workers</b>	<b>396</b>	<b>376</b>	<b>94.9</b>	<b>400</b>	<b>14</b>	<b>3.5</b>

Note: The above training sessions include coverage of all mandatory courses available on Kennametal Global Learning Platform.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (c)	% (C/A)		No.(E)	% (E/D)	No. (F)	% (F / D)
<b>Employees</b>										
Permanent	451	0	0	451	100	447	0	0	447	100
Male	418	0	0	418	100	419	0	0	419	100
Female	33	0	0	33	100	28	0	0	28	100
Other than Permanent	19	0	0	19	100	20	0	0	20	100
Male	11	0	0	11	100	14	0	0	14	100
Female	8	0	0	8	100	6	0	0	6	100
<b>Workers</b>										
Permanent	305	0	0	305	100	291	0	0	291	100
Male	305	0	0	305	100	291	0	0	291	100
Female	0	0	0	0	0	0	0	0	0	100
Other than Permanent	91	0	0	91	100	109	0	0	109	100
Male	91	0	0	91	100	109	0	0	109	100
Female	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration / wages:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	7	INR 1,709,200	2	1,684,200
Key Managerial Personnel	2	INR 25,770,785	0	NA
Employees other than BoD and KMP	416	INR 1,686,824	33	INR 843,514
Workers	305	INR 1,162,512	0	NA



\*Note: Mr. Franklin Cardenas, Mr. Keith Alan Mudge and Ms. Kelly Golden Lynch, being Non-Executive Directors have not been considered for calculating median remuneration since they do not receive any pecuniary benefits from the company. Mr. Vijaykrishnan Venkatesan, Managing Director, who draws remuneration and the Independent Directors who receive sitting fee and commission have been considered for calculating median remuneration.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Gross wages paid to females as % of total wages	NA	NA

NA: Not Applicable as KIL does not have any female workers

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, KIL has set up a mechanism to address grievance/concerns related to human rights violations which has been detailed in the Policy on redressal of Stakeholders' Grievances. As per the policy, the primary responsibility of redressing human rights related grievances lies with the Grievance Redressal officer and the Stakeholders' Grievance Committee. Furthermore, KIL has the following committees which address specific aspects of human rights impacts or issues:

1. Internal Committee: Aggrieved female and male employees who believe that they have been subjected to an act of sexual harassment can file a complaint with the Internal Committee for women and men. The committee investigates each complaint in a fair and expeditious manner. The investigations are kept confidential except when the nature of investigation makes it necessary to disclose certain information.
2. Grievance Committee: comprising five members who are union office bearers. They discuss workers' issues through fortnightly grievance meeting.

3. Business Ethics and Compliance Code (BECC): Issues raised by employees are categorized into the following: behavioral, ethical/legal. Behavioral issues are directed to HR whereas financial/ethical issues are directed to legal. HR has the overall responsibility of corrective actions.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

KIL has set up a mechanism to address grievance/concerns related to human rights violations, which has been detailed in the policy on redressal of Stakeholders' Grievances. All the stakeholders of KIL can share their concerns initially to their points of contacts at KIL, and if dissatisfied with the grievance redressed at this stage, the employees are encouraged to write in detail about their grievance to the grievance redressal officer at anupriya.garg@kennametal.com. Within 30 days of the receipt of the grievance, the officer shall ensure due resolution of the said grievance. In the event the resolution is taking longer than the assigned time of 30 days, the officer shall bring up the grievance to the Stakeholders' Grievance Committee for grant of more time for resolution OR in the event the grievance cannot be resolved to the satisfaction of the stakeholders, shall bring it to the notice of the said committee for further direction.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	Nil	1	Nil	NA
Discrimination at workplace	Nil	Nil	Nil	Nil	Nil	Nil
Child Labour	Nil	Nil	Nil	Nil	Nil	Nil
Forced Labour/Involuntary Labour	Nil	Nil	Nil	Nil	Nil	Nil
Wages	Nil	Nil	Nil	Nil	Nil	Nil
Other human rights related issues	Nil	Nil	Nil	Nil	Nil	Nil

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	1
Complaints on POSH as a % of female employees / workers	0	2.9
Complaints on POSH upheld	Nil	Nil

**8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

Kennametal India Limited has an established Whistle Blower / Vigil Mechanism Policy <https://www.kennametal.com/in/en/about-us/kil-financials/policies.html> as well as Global Non-Retaliation and Reporting Obligation Policy: <https://s7d2.scene7.com/is/content/Kennametal/KMT-OGC-01-0001%20Global%20Non-Retaliation%20and%20Reporting%20Obligation%20Policy.pdf> which can be accessed by all employees to appraise us of any concerns, inclusive of discrimination and harassment. In the global non-retaliation and reporting obligation policy, the following modes are available for employees to raise their concerns:

1. Kennametal Helpline (confidential and anonymous) at 1- 877-781-7319
2. Office of Ethics and Compliance mailbox: [k-corp.ethics@kennametal.com](mailto:k-corp.ethics@kennametal.com)
3. Submitting a report online at <https://kennametal.alertline.com/gcs/welcome>

In the whistleblower policy, the following modes are provided for employees to raise their concerns:

1. Ethics Alert Line India (toll-free and anonymous): 000-800-100-1704
2. K-Corp Ethics Mailbox: [k-corp.ethics@kennametal.com](mailto:k-corp.ethics@kennametal.com)

**3. Directly approach the Office of Ethics and Compliance, via telephone or consultation**

The 'Global Human Rights Policy Statement' also directs employees to approach Kennametal's Office of Ethics and Compliance.

KIL has a strict no retaliation policy that protects employees and directors who report concerns to the Office of Ethics and Compliance. This policy protects KIL employees and directors from having their job negatively impacted as a result of raising an ethics or compliance concern. Violations of the no retaliation policy may result in discipline or termination.

Complaints pertaining to harassment are directed to the Internal Committee, formulated as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. While concerns pertaining to discrimination are directed to the Audit Committee for review and resolution. Kennametal India ensures that concerns received are appropriately investigated, within a stipulated timeframe.

**9. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:**

Yes. KIL has incorporated human rights related requirements and clauses as part of its business agreements and contracts.

**10. Assessments for the year**

Criteria	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100
Forced/involuntary labour	100
Sexual harassment	100
Discrimination at workplace	100
Wages	100

The company internally monitors compliance for all applicable laws and policies pertaining to human rights issues.

**11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not applicable

**Principle 6: Businesses should respect and make efforts to protect and restore the environment**

**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	60696 GJ	47376 GJ
Total fuel consumption (B)	0	0
Energy consumption through other sources ©	0	0
Total energy consumed from renewable sources (A+B+C)	60696 GJ	47376 GJ
<b>From non-renewable sources</b>		
Total electricity consumption (D)	9896 GJ	17763 GJ
Total fuel consumption (E)	1902 GJ	1855 GJ
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	11798 GJ	19618 GJ
Total energy consumed (A+B+C+D+E+F)	72494 GJ	66994 GJ
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	6.59 GJ/million-INR	6.22 GJ/million-INR
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	6.59 GJ/million-INR	6.22 GJ/million-INR
Energy intensity in terms of physical output	NA	NA
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial year)
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	0	0
(ii) Groundwater	42266	32624
(iii) Third party water	13752	13018
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	56018	45642
Total volume of water consumption (in kiloliters)	56018	45642
Water intensity per rupee of turnover (Water consumed / turnover) KL/million INR	5.09 KL/million-INR	4.24 KL/million-INR
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	5.09 KL/million-INR	4.24 KL/million-INR
Water intensity in terms of physical output	NA	NA
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

4. Provide the following details related to water discharged

Parameter	FY 2023-2024 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	NA	NA
- With treatment - please specify level of treatment		
(ii) To Groundwater		
- No treatment	NA	NA
- With treatment - please specify level of treatment		
(iii) To Seawater		
- No treatment		
- With treatment - please specify level of treatment		
(iv) Sent to third-parties		
- No treatment	NA	NA
- With treatment - please specify level of treatment		
(v) Others		
- No treatment	NA	NA
- With treatment - please specify level of treatment		
<b>Total water discharged (in kilolitres)</b>	<b>0</b>	<b>0</b>
	0	0

Note: 100 % treated water is utilized for the purpose of gardening within the company premises.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation?

Yes, Kennametal India Limited utilizes 100% of treated water from STP and ETP for gardening purpose. Also, we have a RO unit for treatment of process effluent. Effluent generated from processes is sent to a recovery plant comprising Sequential Batch Reactor (SBR) followed by Reverse Osmosis (RO).

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial year)
NOx	PPM(v)	19	14.10
SOx	PPM(v)	0	0.36
Particulate matter (PM)	mg/m <sup>3</sup>	14	13.47
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify- Carbon Monoxide (CO)	mg/m <sup>3</sup>	59	47.11

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	137	130.2
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	1968	3527.9
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO <sub>2</sub> /million INR	0.19	0.34
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO <sub>2</sub> /million INR	0.19	0.34
Total Scope 1 and Scope 2 emission intensity in terms of physical output		NA	NA
Total Scope 1 and Scope 2 emission intensity (optional)– the relevant metric may be selected by the entity		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details:

Yes. The project undertaken for renewable energy was replacing grid electricity with offsite solar energy. Presently KIL has ~85 % of total electricity from solar energy. KIL has also implemented solar street lights as a part of renewable energy projects to reduce greenhouse gas emissions.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial year)
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	5.22	8.8
E-waste (B)	0.56	0.49
Bio-medical waste (c)	0.018	0.15
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify*, if any. (G)	345.29	339.1
Other Non-hazardous waste generated (H). Please specify*, if any. (Break-up by composition i.e. by materials relevant to the sector)	183.25	269.07
Total (A+B + C + D + E + F + G + H)	534.34	617.61
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.049 mt/million-INR	0.057 mt/million-INR
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.049 mt/million-INR	0.057 mt/million-INR
Waste intensity in terms of physical output	NA	NA

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial year)
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	NA

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste		
(i) Recycled	341	602
(ii) Re-used	149	0
(iii) Other recovery operations	45	0
<b>Total</b>	<b>535</b>	<b>602</b>

For each category of waste generated, total waste disposed by nature of disposal method (in MT)

Category of waste		
(i) Incineration	0.018	9.6
(ii) Landfilling	0	5.52
(iii) Other disposal operations	0	602
<b>Total</b>	<b>0.018</b>	<b>617.12</b>

\*Non hazardous waste includes Aluminum scrap, MS items, scrap motors, steel brazed with carbide, steel swarf – boring and turning, wood scrap, graphite, scrap cable, brass wire (EDM) and scrap electrical cable. Hazardous waste includes used spent oil, waste residues containing oil, contaminated aromatic, aliphatic or naphthalic solvents may or may not be fit for reuse, process wastes, residues and sludges, empty barrels/containers/liners contaminated with hazardous chemicals/wastes, process waste sludge/ residues containing acid, toxic metals, organic compounds, ETP sludge and Tungsten compound.

For FY 2023 – 24, KIL plant has increased recycling and reuse option of waste. Preprocessing of Hazardous Waste was initiated, eliminating the waste disposal through landfilling and incineration.

your products and processes and the practices adopted to manage such wastes.

Waste generated from the process is stored at the plant in a separate storage area. Hazardous Waste and Non-Hazardous Waste are segregated at the source itself. The Hazardous Waste is further segregated based on the Hazardous Waste Category. Once a day, the hazardous waste is moved to the Central Hazardous Waste storage area with a slip indicating the date of generation, quantity, etc. The storage inventory is updated. Within 90 days of the arrival, the waste is disposed of to the KSPCB approved vendor by managing the online e-manifest. The manifest is submitted to the KSPCB on a monthly basis. The general Waste (Non-Hazardous) is shifted to the central waste storage area on a daily basis. This includes paper, plastics, metals, etc., which is sold to authorized vendor on periodic basis based on the load. A new scrap yard has been constructed for systematic storage of waste with modern day design as well as compliance with required norms.

KIL puts continuous efforts in identifying such process(es) and works on substitution by introducing an alternative process which is less hazardous and toxic in nature, which will eventually reduce the exposure to our employees.

**Note:** Indicate if any independent assessment/ evaluation /assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of Operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
			Not Applicable

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link

Not Applicable



13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

1. A. Number of affiliations with trade and industry chambers/ associations.
- B. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to

Eight affiliations are present as of now.

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	National
2	Confederation of Indian Industry -Indian Women Network (CII-IWN)	National
3	Indian Valve and Actuator Manufacturers Association (IVAMA)	National
4	Indian Machine Tool Manufacturers' Association (IMTMA)	National
5	Indian Cutting Tools Manufacturers' Association (ICTMA)	National
6	Indian Construction Equipment Manufacturers' Association (ICEMA)	National
7	Automotive Component Manufacturers Association of India (ACMA)	National
8	National Institute of Personnel Management (NIPM)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

There were no issues related to anti- competitive conduct by the entity.

**Principle 8: Businesses should promote inclusive growth and equitable development**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Not Applicable					

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Name of project for which R&R in ongoing	State	District	No. of Project Affected Families (PAF)	% of PAFs covered by R&R	Amounts No. paid to PAFs in the FY (in INR)
None					

**3. Describe the mechanisms to receive and redress grievances of the community.**

KIL has set up a mechanism to address grievance/concerns related to community, which has been detailed in the policy on redressal of Stakeholders' Grievances. All the stakeholders of KIL can share their concerns initially to their points of contacts at KIL, and if dissatisfied with the grievance redressed at this stage, the employees are encouraged to write in detail about their grievance to the grievance

redressal officer at anupriya.garg@kennametal.com. Within 30 days of the receipt of the grievance, the officer shall ensure due resolution of the said grievance. In the event the resolution is taking longer than the assigned time of 30 days, the officer shall bring up the grievance to the Stakeholders' Grievance Committee for grant of more time for resolution OR in the event the grievance cannot be resolved to the satisfaction of the stakeholders, shall bring it to the notice of the said committee for further direction.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial year)
Directly sourced from MSMEs/small producers	7%	7%
Directly from within India	42%	42%

**5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-2024 Current Financial Year	FY 2022-2023 Previous Financial Year
Rural	NA	NA
Semi-urban	NA	NA
Urban	NA	NA
Metropolitan	100%	100%

Note: Place to be categorized as per RBI Classification System - rural / semi-urban pri/ urban / metropolitan

**Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

At KIL with B2B model, customer complaints are received by sales engineers, the same is updated in Customer Complaint Information Form (CCIF) and shared to head office. Kennametal's Customer Experience Centre (CEC) team raises the complaint in SAP CRM portal using CCIF data. The manufacturing complaints are daily reviewed with quality clinic approach & cause analysis done using 8D methodology. Quality clinic is a concept which was developed and initiated to enhance the speed of response to customer considering the improvement opportunities identified in the earlier

approach with weekly Cross Functional Team (CFT) calls. Quality clinic mainly revolves around seven elements namely physical location, visuals, daily review, response, defined flow, inspection setup and people. This focused one cell approach is implemented to assure the first response within 24 hours. Immediate analysis is completed within 2 days and complaint resolution with complete update within 15 days of average time. It is a single front end for handling complaints of all Bengaluru plant, with daily summary provided to the business team. Quality clinic daily handles the open complaints, reasons and actions with ageing track, proactive customer connect is the highlight of this new approach which builds the relationship with customer technical team.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

Sr. No.	Category	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 (Previous Financial Year)		Remarks
		Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
1	Data privacy	0	0	Nil	0	0	Nil
2	Advertising	0	0	Nil	0	0	Nil
3	Cyber-security	0	0	Nil	0	0	Nil
4	Delivery of essential services	NA	NA	Not applicable to KIL based on the definition of essential services per the Karnataka Essential Services Maintenance Act, 2013	NA	NA	Not applicable to KIL based on the definition of essential services per the Karnataka Essential Services Maintenance Act, 2013
5	Restrictive Trade Practices	0	0	Nil	0	0	Nil
6	Unfair Trade Practices	0	0	Nil	0	0	Nil
7	Others	NA	NA	NA	NA	NA	NA

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	NA
Forced recalls	0	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

Yes. An IT Security framework has been established based on NIST framework. Data Privacy Policy: KIL ensures adherence with the global data privacy policy along with global monitoring of data privacy and cyber security, to avoid any misalignment.


Weblink: <https://www.kennametal.com/in/en/about-us/data-privacy/privacy-statement.html>

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on the safety of products / services.

No corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

7. Provide the following information relating to data breaches:

	Response
Number of instances of data breaches	0
Percentage of data breaches involving personally identifiable information of customers	0
Impact, if any, of the data breaches	NA



**Financial Statements  
and Notes**

# INDEPENDENT AUDITOR'S REPORT

To the Members of Kennametal India Limited

## Report on the Audit of the Financial Statements

### Opinion

1. We have audited the accompanying financial statements of Kennametal India Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at June 30, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

4. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of ongoing income tax litigations</b></p> <p>Refer Note 29 "Contingent liabilities" to the financial statements.</p> <p>As at June 30, 2024, the Company has income tax demands aggregating to ₹197 million (June 30, 2023: ₹321 million), which have been disclosed under Contingent liabilities. The Company has certain disputed income tax matters with the Income tax authorities, which include demands in respect of transfer pricing adjustments related to margin earned on the manufacturing segment of the Company. The Company has filed appeals against these demands with various appellate forums including the Dispute Resolution Panel of the Income Tax Department, which are currently pending for adjudication.</p> <p>Management judgement is involved in evaluation of the likelihood of ultimate outcome of these disputes and the probable amount of the provision to be recognised or contingent liabilities to be disclosed, based on the application of significant judgement, favourable orders received and related external advice including those relating to interpretation of income tax law, wherever applicable, unless the probability of outflow of resources is considered remote.</p> <p>Considering that the ultimate outcome of the matters is contingent in nature and the positions adopted by the management are based on the application of significant judgement, the matter has been determined to be a key audit matter.</p>	<p><b>Our procedures included the following:</b></p> <ul style="list-style-type: none"> <li>Understood, evaluated and tested the design and operating effectiveness of controls in respect of identifying income tax exposures, its accounting and disclosure thereof.</li> <li>Obtained a listing of the income tax disputed matters and read the correspondence with income tax authorities and where relevant, the advice received by management from its external tax consultants.</li> <li>Evaluated the independence, objectivity and competence of the management experts involved.</li> <li>Along with the auditor's tax experts, gained an understanding of the current status of income tax disputes through our inquiries with management and determined the impact, if any, based on recent judicial rulings and latest developments in the income tax law.</li> <li>Along with the auditor's tax experts, evaluated management's assessment of the probability of outcome and the magnitude of potential outflow of economic resources in respect of provisions for uncertain tax exposures based on case history and other available evidence to challenge the valuation and completeness of the provisions recognised by the management.</li> <li>Evaluated the relevant accounting policies with respect to provisions and contingent liabilities and assessed whether they are in compliance with applicable accounting standards.</li> <li>Evaluated the adequacy of disclosures made in the financial statements with respect to Contingent liabilities.</li> </ul> <p>Based on the above procedures, we did not note any significant exceptions to the management assessment in determining and disclosing Contingent liabilities in respect of the aforesaid income tax disputed matters.</p>

## Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, Management Discussion and Analysis Report, Corporate Governance Report and Business Responsibility and Sustainability Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the financial statements

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit

conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all



relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except that the backup of certain books of account and other books and papers maintained in electronic mode has not been maintained on a daily basis on servers physically located in India for part of the year; and for certain books of account and other books and papers maintained in electronic mode, the backup has not been maintained on a daily basis on servers physically located in India during the year.

Also, refer to the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended) ("the Rules").

- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on June 30, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Rules.

- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 29 to the financial statements.

- ii. The Company was not required to recognise a provision as at June 30, 2024, under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any derivative contracts as at June 30, 2024.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note 40(b)(vii)(A) to the financial statements];

- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the

Ultimate Beneficiaries [Refer Note 40(b)(vii)(B) to the financial statements]; and

- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that the audit log is not maintained in case of modification by users with specific

access and for direct database changes. Further, the Company has used an accounting software for payroll records, which is operated by a third-party software service provider, for maintaining its books of account and in the absence of audit trail reporting in the service organization auditor's report, we are unable to comment whether the audit trail feature of the aforesaid software was enabled. During the course of performing our procedures, other than the aforesaid instances where the question of our commenting whether the audit trail was tampered with does not arise, we did not notice any instance of the audit trail feature being tampered with. (Refer Note 40A to the financial statements).

- 15. The Company has provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

Bengaluru  
August 9, 2024

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E300009

**Shivakumar Hegde**  
Partner  
Membership Number: 204627  
UDIN: 24204627BKGYAG9015

## Annexure A to Independent Auditor's Report

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of Kennametal India Limited on the financial statements as of and for the year ended June 30, 2024

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Kennametal India Limited ("the Company") as of June 30, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at June 30, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E300009

**Shivakumar Hegde**  
Partner  
Membership Number: 204627  
UDIN: 24204627BKGYAG9015

Bengaluru,  
August 9, 2024

## Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Kennametal India Limited on the financial statements as of and for the year ended June 30, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
(B) The Company is maintaining proper records showing full particulars of Intangible Assets.
  - (b) The Property, Plant and Equipment are physically verified by the management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
  - (c) The title deeds of all the immovable properties including investment properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Notes 3A and 4 to the financial statements, are held in the name of the Company.
  - (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right-of-Use assets) and Intangible Assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or Intangible Assets, does not arise.
  - (e) Based on the information and explanations furnished to us, no proceedings have been initiated or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the management during the year and, in our opinion, the coverage and procedure of such verification by management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
  - (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
  - iii. The Company has not made any investments, granted secured/unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
  - iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
  - v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
  - vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
  - vii.(a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, service tax, duty of customs, duty of excise, cess and other material statutory dues, as applicable, with the appropriate authorities. Also, refer Note 29(c) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) The particulars of statutory dues referred to in sub-clause (a) as at June 30, 2024, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. million)	Amount paid "under protest" (Rs. million)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Income tax	0.75	-	April 1993 to March 1994	Income Tax Appellate Tribunal ("ITAT"), Bengaluru
		19.11	-	April 1999 to March 2000	ITAT, Bengaluru (remanded back to Assessing Officer)
		2.20	-	April 1999 to March 2000	Supreme Court of India (*)
				April 2000 to March 2001	
		10.81	-	April 2011 to March 2012	Commissioner of Income Tax ("CIT") (Appeals), Bengaluru
		24.81	-	April 2013 to March 2014	The High Court of Karnataka (remanded back to Assessing Officer)
		36.24	-	April 2016 to March 2017	ITAT, Bengaluru
		27.51	-	April 2017 to March 2018	
		16.30	-	April 2019 to March 2020	CIT (Appeals), Bengaluru
		70.00	-	April 2020 to March 2021	Dispute Resolution Panel, Bengaluru
The Customs Act, 1962	Customs duty	15.91	15.91	April 2009 to October 2013	The Customs Excise and Service tax Appellate Tribunal, Bengaluru
The Central Excise Act, 1944	Excise duty/ Service tax	8.75	4.14	April 2006 to June 2013	
The Finance Act, 1994	Service tax	1.15	0.58	April 2007 to March 2008	
Goods and Services Tax, 2017	Goods and Services Tax	1.55	-	July 2017 to March 2018	Goods and Services Tax Appellate Tribunal, Bengaluru

(\*) Subsequent to the year end, the Supreme Court has dismissed the appeal filed by the Income Tax Officer.

viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. (a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.

(b) On the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not obtained any term loans. Accordingly, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.

- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short-term basis. Accordingly, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year. Accordingly, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3 (xvi) (c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable.
- xix. On the basis of the financial ratios [Also, refer Note 40(a) to the financial statements], ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.



- xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) The Company has not undertaken any ongoing projects in pursuance of its Corporate Social Responsibility policy. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.

Bengaluru  
August 9, 2024

- xxi. The reporting under clause 3(xx) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E300009

**Shivakumar Hegde**  
Partner  
Membership Number: 204627  
UDIN: 24204627BKGYAG9015

## Balance Sheet as at June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	Notes	As at June 30, 2024	As at June 30, 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3A	2912	2718
Right of use assets	32	27	25
Capital work-in-progress	3B	79	341
Investment property	4	0	0
Intangible assets	5	1	3
<b>Financial assets</b>			
(i) Other financial assets	6(d)	24	25
Deferred tax assets (net)	7	5	24
Current tax assets (net)	8(a)	126	420
Other non-current assets	9	20	107
<b>Total non-current assets</b>		<b>3194</b>	<b>3663</b>
<b>Current assets</b>			
Inventories	10	2709	2444
<b>Financial assets</b>			
(i) Trade receivables	6(a)	1781	1420
(ii) Cash and cash equivalents	6(b)	1128	892
(iii) Bank balances other than (ii) above	6(c)	3	3
(iv) Other financial assets	6(d)	47	41
Current tax assets	8(b)	208	-
Other current assets	11	204	47
<b>Total current assets</b>		<b>6080</b>	<b>4847</b>
<b>Total assets</b>		<b>9274</b>	<b>8510</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	220	220
Other equity	13	7115	6663
<b>Total Equity</b>		<b>7335</b>	<b>6883</b>

## Balance Sheet as at June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	Notes	As at June 30, 2024	As at June 30, 2023
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Lease liabilities	32	21	18
(ii) Other financial liabilities	14B	0	0
Provisions	15	9	78
<b>Total non-current liabilities</b>		<b>30</b>	<b>96</b>
<b>Current Liabilities</b>			
<b>Financial liabilities</b>			
(i) Lease liabilities	32	9	9
(ii) Trade payables	14A		
Total outstanding dues of micro enterprises and small enterprises		56	41
Total outstanding dues of creditors other than micro enterprises and small enterprises		1033	708
(iii) Other financial liabilities	14B	265	239
Other current liabilities	16	356	326
Provisions	15	190	208
<b>Total current liabilities</b>		<b>1909</b>	<b>1531</b>
<b>Total equity and liabilities</b>		<b>9274</b>	<b>8510</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/ E300009

Shivakumar Hegde  
Partner  
Membership Number: 204627  
Bengaluru  
August 9, 2024

For and on behalf of Board of Directors of  
Kennametal India Limited

Venkatesan Vijaykrishnan  
Managing Director  
DIN - 07901688  
Bengaluru  
August 9, 2024

Bidadi Anjani Kumar  
Chairman  
DIN - 00022417  
Bengaluru  
August 9, 2024

Suresh Reddy KV  
Chief Financial Officer  
Bengaluru  
August 9, 2024

Anupriya Garg  
Company Secretary  
Bengaluru  
August 9, 2024

## Statement of Profit and Loss for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	Notes	Year ended June 30, 2024	Year ended June 30, 2023
<b>INCOME</b>			
Revenue from operations	17	10999	10771
Other income	18	115	52
<b>Total income</b>		<b>11114</b>	<b>10823</b>
<b>EXPENSES</b>			
Cost of materials consumed	19	2939	2915
Purchases of stock-in-trade	20	3081	2886
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(143)	200
Employee benefits expense	22	1515	1485
Finance costs	23	6	2
Depreciation and amortisation expense	24	436	389
Other expenses	25	1894	1770
<b>Total expenses</b>		<b>9728</b>	<b>9647</b>
<b>Profit before exceptional item and tax</b>		<b>1386</b>	<b>1176</b>
Exceptional item - Interest income	26	127	-
<b>Profit before tax</b>		<b>1513</b>	<b>1176</b>
<b>Tax expense</b>			
Current tax	27	370	286
Current tax relating to earlier years		19	11
Deferred tax charge / (credit)		19	2
<b>Total tax expense</b>		<b>408</b>	<b>299</b>
<b>Profit after tax</b>		<b>1105</b>	<b>877</b>



## Statement of Profit and Loss for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	Notes	Year ended June 30, 2024	Year ended June 30, 2023
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation		4	(20)
Income tax relating to above item		(1)	5
<b>Total other comprehensive income/ (loss) for the year, net of tax</b>		<b>3</b>	<b>(15)</b>
<b>Total comprehensive income for the year</b>		<b>1108</b>	<b>862</b>
<b>Earnings per equity share in ₹ [Nominal Value per share ₹ 10 (June 30, 2023 ₹10)]</b>	31		
Basic		50.28	39.91
Diluted		50.28	39.91

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.  
As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/ E300009

For and on behalf of Board of Directors of  
Kennametal India Limited

Shivakumar Hegde  
Partner  
Membership Number: 204627  
Bengaluru  
August 9, 2024

Venkatesan Vijaykrishnan  
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August 9, 2024

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Bengaluru  
August 9, 2024

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Company Secretary  
Bengaluru  
August 9, 2024

## Statement of Changes in Equity for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### (A) Equity Share Capital

	Amount
Balance as at July 1, 2022	220
Changes in equity share capital during the year	-
Balance as at June 30, 2023	220
Changes in equity share capital during the year	-
Balance as at June 30, 2024	220

### (B) Other equity

	Securities premium	Share based compensation reserve	General reserve	Retained earnings	Total
Balance as at July 1, 2022	1	11	1488	4742	6243
Profit for the year	-	-	-	877	877
Other comprehensive Income/(loss), net of tax	-	-	-	(15)	(15)
<b>Other transactions</b>					
Interim dividend (refer note 12A)	-	-	-	(440)	(440)
Share based compensation expense	-	27	-	-	27
Recharge for share based compensation from ultimate holding company	-	(29)	-	-	(29)
Balance as at June 30, 2023	1	9	1488	5165	6663
Profit for the year	-	-	-	1105	1105
Other comprehensive Income/(loss), net of tax	-	-	-	3	3
<b>Other transactions</b>					
Interim dividend (refer note 12A)	-	-	-	(659)	(659)
Share based compensation expense	-	33	-	-	33
Recharge for share based compensation from ultimate holding company	-	(30)	-	-	(30)
Balance as at June 30, 2024	1	12	1488	5614	7115

The above statement of changes in equity should be read in conjunction with accompanying notes.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP Firm  
Registration Number: 304026E/ E300009

Shivakumar Hegde  
Partner  
Membership Number: 204627  
Bengaluru  
August 9, 2024

For and on behalf of Board of Directors of  
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Venkatesan Vijaykrishnan  
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Bengaluru  
August 9, 2024



## Statement of Cash Flows for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	Notes	Year ended June 30, 2024	Year ended June 30, 2023
<b>Cash flow from operating activities</b>			
Profit before exceptional item and tax		1386	1176
<b>Adjustments for:</b>			
Depreciation and amortisation expense	24	436	389
Gain on sale of mutual funds	18	(36)	(15)
Provision for product support	25	11	19
Allowance for loss on financial assets (net)	25	1	1
Loss on sale of property, plant and equipments (net)	25	-	(1)
Interest paid on lease liabilities	23	2	2
Other interest expense	23	4	-
Interest income on bank deposits	18	(13)	(2)
Exceptional item - Interest income	26	127	-
Interest on income tax refund receivable	18	(27)	-
Unrealised foreign exchange loss/(gain), (net)	25	0	1
Share based compensation expense	22	33	27
<b>Operating profit before working capital changes</b>		<b>1924</b>	<b>1597</b>
<b>Adjustment for working capital changes:</b>			
(Increase)/ decrease in inventories		(265)	221
(Increase)/ decrease in trade receivables		(361)	(51)
(Increase)/ decrease in other receivables		(134)	26
(Increase)/ decrease in financial assets		(5)	(5)
(Increase)/ decrease in bank balances other than cash and cash equivalents		0	8
Increase/ (decrease) in trade payables		340	(276)
Increase/ (decrease) in provisions and other liabilities		(53)	(44)
<b>Cash generated from operations</b>		<b>1446</b>	<b>1476</b>
Taxes paid (net of refunds)		(303)	(318)
<b>Net cash generated from operating activities (1)</b>		<b>1143</b>	<b>1158</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment and intangible assets		(294)	(478)

## Statement of Cash Flows for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	Notes	Year ended June 30, 2024	Year ended June 30, 2023
Gain on sale of mutual funds, net of purchase ₹ 3340, June 30, 2023: ₹ 3440		36	15
Proceeds from sale of property, plant and equipment		9	11
Purchase of bank deposits with maturity of more than twelve months		-	(3)
Interest on income tax refund		2	-
Interest income on bank deposits		13	2
<b>Net Cash (used in) investing activities (2)</b>		<b>(234)</b>	<b>(453)</b>
<b>Cash flow from financing activities</b>			
Interim dividends declared and paid		(659)	(440)
Unclaimed dividend paid		(0)	(0)
Principal repayment of lease liabilities		(8)	(5)
Interest paid on lease liabilities		(2)	(2)
Other interest paid		(4)	-
<b>Net Cash (used in) financing activities (3)</b>		<b>(673)</b>	<b>(447)</b>
<b>Net (decrease)/increase in cash and cash equivalents (1+2+3)</b>		<b>236</b>	<b>258</b>
Add: Cash and cash equivalents at the beginning of the year		892	634
<b>Cash and cash equivalents at the end of the year</b>		<b>1128</b>	<b>892</b>
<b>Note:</b>			
<b>Non-cash financing and investing activities</b>			
Acquisition of right-of-use assets		11	32

The above statement of cash flows has been prepared under indirect method as set out in the Ind AS 7 "Statement of Cash Flows"  
The above statement of cash flows should be read in conjunction with the accompanying notes.

As per our report of even date

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/ E300009

Shivakumar Hegde  
Partner  
Membership Number: 204627  
Bengaluru  
August 9, 2024

For and on behalf of Board of Directors of  
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Chief Financial Officer  
Bengaluru  
August 9, 2024

Anupriya Garg  
Company Secretary  
Bengaluru  
August 9, 2024

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 1 Background and basis of preparation

#### 1.1 Background

Kenametal India Limited ("the Company") incorporated under the Companies Act, 1956 (CIN: L27109KA1964PLC001546), is in the business of manufacturing and trading of hard metal products and manufacturing of capital intensive machines along with fixtures and spares. The Company has its manufacturing facility in Bengaluru and sells its products and services through sales and support offices. The Company is a public limited company incorporated and domiciled in India and has its registered office at 8/9th Mile, Tumkur Road, Bengaluru 560 073. The Company's shares are listed on the Bombay Stock Exchange Limited (BSE).

The financial statements are approved for issue by the Board of Directors of the Company on August 9, 2024.

#### 1.2 Basis of preparation:

##### (i) Compliance with Ind AS :

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act.

##### (ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities measured at fair value;
- Defined benefit plans - plan assets measured at fair value; and
- Share based payments - measured at fair value.

##### (iii) Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/ non-current classification of assets and liabilities.

##### (iv) New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated March 31, 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023 ('the Rules'), which amended certain accounting standards (see below), and are effective April 1, 2023.

(i) Disclosure of accounting policies - amendments to Ind AS 1 - Presentation of Financial Statements

(ii) Definition of accounting estimates - amendment to Ind AS 8 - Accounting policies, changes in accounting estimates and errors

(iii) Deferred tax related to assets and liabilities arising from a single transaction - amendments to Ind AS 12 - Income taxes

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognized in prior periods and not expected to significantly affect the current or future periods.

##### (v) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions of Indian rupees (₹) except share and per share data as per the requirement of Schedule III, unless otherwise stated. The sign "0" in these financial statements indicate that the amounts involved are below the rounding off norms and the sign "-" indicates that the amount is 'Nil'.

### 2 Significant estimates, judgements and assumptions

The key accounting estimates and judgements used in the preparation of the financial statement relates to:

#### Direct and Indirect Taxes - Provisions and contingent liabilities (Refer Note 29)

The Company has disputed claims under direct and indirect tax laws. Management discloses amounts claimed by the tax authorities as either contingent liabilities or recognises them as provisions unless the cash outflow estimated to settle the claim is expected to be remote, based on subject matter under dispute, management's experience with disputes of a similar nature and advice from tax experts. Recognition and disclosure of such disputed claims may vary subsequently.

### 3A Property, plant and equipment

#### Accounting policy

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation.

#### Depreciation method, estimated useful life and residual value

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful life of the assets. The useful life has been determined based on technical evaluation done by the management's expert which are different from useful life specified by Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets. The assets' residual value and useful life are

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are

determined by comparing proceeds with carrying amount. These are included in profit or loss within other income / other expenses.

Particulars	Estimated range of useful life (in years)
Buildings	3 - 40
Data processing equipment	2 - 5
Plant and machinery	3 - 15
Furniture and fixtures	5 - 10
Office equipment	2 - 5

Machinery spares of irregular usage are depreciated over the estimated useful life of the respective plant and machinery. Also, refer note 41.1 for other accounting policies.

### 3A Property, plant and equipment

	Freehold land	Buildings	Data processing equipment	Plant and machinery	Furniture and fixtures	Office equipment	Total
<b>Year ended 30 June 2023</b>							
<b>Gross carrying Amount</b>							
Opening gross carrying amount	1	326	80	3245	31	71	3754
Additions	-	526	27	397	4	12	966
Disposals	-	-	(20)	(66)	(2)	(48)	(136)
Closing gross carrying amount	1	852	87	3576	33	35	4584
<b>Accumulated depreciation</b>							
Opening accumulated depreciation	-	57	56	1436	12	52	1613
Depreciation expense during the year (refer note 24)	-	27	19	323	3	9	381
Disposals	-	-	(20)	(57)	(2)	(48)	(128)
Closing accumulated depreciation	-	84	55	1702	13	13	1866
Net carrying amount	1	768	32	1874	20	22	2718
<b>Year ended 30 June 2024</b>							
<b>Gross carrying Amount</b>							
Opening gross carrying amount	1	852	87	3576	33	35	4584
Additions	-	54	34	532	3	6	629
Disposals	-	(3)	(27)	(20)	(2)	(1)	(53)
Closing gross carrying amount	1	903	94	4088	34	40	5160

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 3A Property, plant and equipment (Cont'd)

	Freehold land	Buildings	Data processing equipment	Plant and machinery	Furniture and fixtures	Office equipment	Total
<b>Accumulated depreciation</b>							
Opening accumulated depreciation	-	84	55	1702	13	13	1867
Depreciation expense during the year (refer note 24)	-	30	21	363	3	8	425
Disposals	-	(2)	(26)	(13)	(2)	(1)	(44)
Closing accumulated depreciation	-	112	50	2052	14	20	2248
<b>Net carrying amount</b>	<b>1</b>	<b>791</b>	<b>44</b>	<b>2036</b>	<b>20</b>	<b>20</b>	<b>2912</b>

#### Contractual obligations:

Refer note 28 for contractual commitments for the acquisition of property, plant and equipment.

	As at June 30, 2024	As at June 30, 2023
<b>3B Capital work-in-progress</b>		
Opening Balance	341	772
Additions during the year	367	535
(Less): Capitalised during the year	(629)	(966)
Closing Balance	79	341

#### Ageing of Capital work-in-progress (CWIP)\*

Amount in CWIP as at June 30, 2024	Less than 1 Year	1–2 years	2–3 years	More than 3 Years	Total
Projects in progress	37	39	3	-	79
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>37</b>	<b>39</b>	<b>3</b>	<b>-</b>	<b>79</b>

\*It includes projects whose completion is overdue compared to its original plan. Following is the completion schedule of such projects:

	To be Completed in				Total
	Less than 1 Year	1–2 years	2–3 years	More than 3 Years	
Building	5	-	-	-	5
Plant and machinery	70	-	-	-	70
Data processing equipment	4	-	-	-	4
<b>Total</b>	<b>79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>79</b>

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 3B Capital work-in-progress (Cont'd)

#### Ageing of Capital work-in-progress (CWIP)\*\*

Amount in CWIP as at June 30, 2023	Less than 1 Year	1–2 years	2–3 years	More than 3 Years	Total
Projects in progress	205	136	-	-	341
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>205</b>	<b>136</b>	<b>-</b>	<b>-</b>	<b>341</b>

\*\*It includes projects whose completion is overdue compared to its original plan. Following is the completion schedule of such projects:

	To be Completed in				Total
	Less than 1 Year	1–2 years	2–3 years	More than 3 Years	
Building	42	-	-	-	42
Plant and machinery	54	-	-	-	54
<b>Total</b>	<b>96</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>96</b>

	As at June 30, 2024	As at June 30, 2023
<b>4 Investment property</b>		
Opening gross carrying amount	0	0
Additions	-	-
Disposals	-	-
Closing gross carrying amount	0	0
Opening accumulated depreciation		
Depreciation charge for the period	-	-
Disposals	-	-
Closing accumulated depreciation	0	-
Net carrying amount	0	0

#### Note:

##### a) Fair Value

###### Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. The Company considers current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

The fair value of investment property has been determined by a valuation expert who holds relevant professional qualification and experience. The market value of the investment property has been assessed on an open market basis with the benefit of vacant possession.

- There is no rental income derived from investment properties. Further, no direct operating expenses have been incurred to maintain the investment property.
- Fair value of investment property is ₹ 140 (June 30, 2023: ₹ 152).
- The Company has no restriction on the realisability of the investment property, and no contractual obligation to purchase, construct or develop investment properties or for repair, maintenance and enhancement.



## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	As at June 30, 2024	As at June 30, 2023
<b>5 Intangible assets</b>		
Computer software (acquired)		
Opening gross carrying amount	9	10
Additions	-	1
Disposals	-	(2)
Closing gross carrying amount	9	9
Opening accumulated amortisation	6	6
Amortisation expense for the year	2	2
Disposals	-	(2)
Closing accumulated amortisation	8	6
Net carrying amount	1	3

### 6 Financial Assets

#### 6 (a) Trade receivables

##### Accounting policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflect the Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

For trade receivables, the Company applies the simplified approach required by Ind AS 109 "Financial Instruments", which requires expected lifetime losses to be recognized from initial recognition of the receivables.

	As at June 30, 2024	As at June 30, 2023
At amortised cost		
Trade receivables from contract with customers – billed (refer note below)	1632	1274
Trade receivables from contract with customers – related parties*	155	153
(Less): Expected credit loss allowance	(6)	(7)
<b>Total</b>	<b>1781</b>	<b>1420</b>
Current portion	1781	1420
Non-current portion	-	-
<b>Break-up of security details</b>		
Trade receivables considered good - secured	-	-

\* Includes receivables from related parties, refer note 39.

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

6 (a) Trade receivables (Cont'd)	As at June 30, 2024	As at June 30, 2023
Trade receivables considered good - unsecured	1787	1427
Trade receivables which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
<b>Total</b>	<b>1787</b>	<b>1427</b>
Expected credit loss allowance	(6)	(7)
<b>Total</b>	<b>1781</b>	<b>1420</b>

Note:

### Offsetting of financial assets and financial liabilities

The Company gives volume based incentives and rebates to certain customers. Amounts payable by Company are offset against receivables from such customers and only the net amounts are settled. The relevant amounts have therefore been presented net in the balance sheet. Details of such offset is given in the below table:

Trade receivables from contract with customers – billed (gross)	1733	1402
(Less): Volume based incentives and rebates payable	(107)	(135)
Trade receivables from contract with customers – related parties	155	153
<b>Trade receivables as reported</b>	<b>1781</b>	<b>1420</b>

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 6(a) Trade receivables (cont'd)

	Outstanding for following periods							Total
	Unbilled	Not Due	Less than 6 months	6 months – 1 year	1–2 years	2–3 years	More than 3 years	
Ageing of trade receivables as at June 30, 2024								
<b>Undisputed trade receivables</b>								
considered good	-	1635	117	24	8	-	3	1787
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit Impaired	-	-	-	-	-	-	-	-
<b>Disputed trade receivables</b>								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit Impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1635</b>	<b>117</b>	<b>24</b>	<b>8</b>	<b>-</b>	<b>3</b>	<b>1787</b>
Ageing of trade receivables as at June 30, 2023								
<b>Undisputed trade receivables</b>								
considered good	-	530	854	30	7	4	2	1427
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit Impaired	-	-	-	-	-	-	-	-
<b>Disputed trade receivables</b>								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit Impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>530</b>	<b>854</b>	<b>30</b>	<b>7</b>	<b>4</b>	<b>2</b>	<b>1427</b>

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	As at June 30, 2024	As at June 30, 2023
<b>6(b) Cash and cash equivalents*</b>		
Balances with banks		
In current accounts	824	891
Bank deposits with original maturity of three months or less	303	0
Cheques on hand	1	1
Cash on hand	0	0
<b>Total</b>	<b>1128</b>	<b>892</b>

\*There are no repatriation restriction with regard to cash and cash equivalent at the end of the reporting years and prior years.

<b>6 (c) Bank balances other than cash and cash equivalents</b>		
Unclaimed dividends	3	3
<b>Total</b>	<b>3</b>	<b>3</b>

### 6(d) Other financial assets

At amortised cost. Unsecured, considered good unless otherwise stated

#### Non-current

Bank deposits with maturity more than 12 months**	3	3
Security deposits	3	4
Other deposits	18	18
<b>Total</b>	<b>24</b>	<b>25</b>

\*\*held as lien by bank against bank guarantee ₹ 3 (June 30, 2023: ₹ 3)

<b>Current</b>		
Export benefits receivable	35	36
Other deposits	4	0
Employee advances	5	5
Other receivables	3	-
<b>Total</b>	<b>47</b>	<b>41</b>

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	As at June 30, 2024	As at June 30, 2023
7 Deferred tax assets (net)		
<b>Deferred tax (liabilities)</b>		
Difference between book balance and tax balance of property, plant and equipment and intangible assets	(50)	(39)
Right of use assets	(7)	(7)
<b>Deferred tax assets</b>		
Provision for gratuity, compensated absences, long service award	34	53
Provision for overtime, workmen variable	3	-
Allowance for loss on financial assets (net)	2	2
Voluntary retirement scheme/ employee separation	-	1
Lease liabilities	7	7
Others	16	7
<b>Deferred tax assets/ (liabilities), net</b>	<b>5</b>	<b>24</b>

### Movement in the deferred tax assets/ (liabilities)

	As at July 1, 2023	(Charge)/ Credit to Statement of Profit and Loss	Charge/ (credit) to other comprehensive income	As at June 30, 2024
<b>Deferred tax assets</b>				
Provision for gratuity, compensated absences, long service award	53	(18)	(1)	34
Provision for overtime, workmen variable	-	3	-	3
Allowance for loss on financial assets (net)	2	(0)	-	2
Voluntary retirement scheme/ employee separation	1	(1)	-	-
Lease liabilities	7	0	-	7
Others	7	9	-	16
<b>Deferred tax (liabilities)</b>				
Difference between book balance and tax balance of property, plant and equipment and intangible assets	(39)	(11)	-	(50)
Right of use assets	(7)	(0)	-	(7)
<b>Total</b>	<b>24</b>	<b>(18)</b>	<b>(1)</b>	<b>5</b>

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 7 Deferred tax assets (net) (cont'd)

	As at July 1, 2022	(Charge)/ Credit to Statement of Profit and Loss	Charge/ (credit) to other comprehensive income	As at June 30, 2023
<b>Deferred tax assets</b>				
Provision for gratuity, compensated absences, long service award	54	(6)	5	53
Allowance for loss on financial assets (net)	2	(0)	-	2
Voluntary retirement scheme/ employee separation	3	(2)	-	1
Lease liabilities	-	7	-	7
Others	16	(8)	-	7
<b>Deferred tax (liabilities)</b>				
Difference between book balance and tax balance of property, plant and equipment and intangible assets	(53)	14	-	(39)
Right of use assets	-	(7)	-	(7)
<b>Total</b>	<b>22</b>	<b>(2)</b>	<b>5</b>	<b>24</b>

	As at June 30, 2024	As at June 30, 2023
<b>8 Current tax assets (net)</b>		
<b>8(a) Non-current</b>		
Advance income tax [net of provision ₹ 2739 (June 30, 2023: ₹ 3347)*]	126	212
Income taxes paid under protest**	-	208
<b>Total</b>	<b>126</b>	<b>420</b>
<b>8(b) Current</b>		
Income taxes paid under protest**	208	-
<b>Total</b>	<b>208</b>	<b>-</b>

\*Also, refer note 27.

\*\*In connection with the assessment years 2008-09 to 2011-12, disputed matters related to Information Technology (IT) cross charge, the Company had remitted the tax "under protest" aggregating to ₹ 208 (June 30, 2023: ₹ 208), which is recorded as income tax asset. During the year, the management has received favourable orders and amounts are refundable along with the interest. Also refer Note 26.

	As at June 30, 2024	As at June 30, 2023
<b>9 Other non-current assets</b>		
Unsecured, considered good unless otherwise stated		
Capital advances	3	91
Prepaid expenses	13	12
Deposits with government authorities	4	4
<b>Total</b>	<b>20</b>	<b>107</b>

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 10 Inventories

#### Accounting policy

Inventories are stated at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Costs are assigned to individual items of raw materials, stores and spares, work in progress and stock-in-trade on the basis of weighted average method whereas manufactured goods are ascertained on first-in-first-out method. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Also, refer note 41.6 for other accounting policies.

	As at June 30, 2024	As at June 30, 2023
Raw materials [Including goods in transit ₹ 160 (June 30, 2023: ₹ 80)]	704	564
Work-in-progress	1005	923
Finished goods	632	618
Stock-in-trade [Including goods in transit ₹ 65 (June 30, 2023: ₹ 55)]	330	283
Stores and spares	38	56
<b>Total*</b>	<b>2709</b>	<b>2444</b>

\*Inventories are net of provision on account of obsolescence, slow moving inventory and lower of net realisable value amounted to ₹ 122 (June 30, 2023: ₹ 125) recognised as an expense and included in "Changes in inventories of finished goods, work in progress and stock in trade" in the Statement of Profit and Loss.

### 11 Other current assets

Unsecured, considered good unless otherwise stated		
Interest on income tax refund receivable**	152	-
Balances with government authorities	27	9
Advance to suppliers	9	12
Prepaid expenses	15	23
Travel advances to employees	1	3
<b>Total</b>	<b>204</b>	<b>47</b>

\*\*Also, refer note 17 and 26.

	As at June 30, 2024	As at June 30, 2023
<b>12 Equity share capital</b>		
<b>Authorised</b>		
23,978,240 nos. (June 30, 2023: 23,978,240 nos.) equity shares of ₹ 10 each	240	240
<b>Issued, subscribed and fully paid up</b>		
21,978,240 nos. (June 30, 2023: 21,978,240 nos.) equity shares of ₹ 10 each	220	220
<b>Total</b>	<b>220</b>	<b>220</b>

Note: Consequent to a scheme of arrangement, the authorised capital of the Company increased by ₹ 20 made up of 20,00,000 Equity Shares of ₹ 10 each with effect from December 7, 2022.



## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 12 Equity Share Capital (Cont'd)

	As at June 30, 2024		As at June 30, 2023	
	Number of shares	Amount	Number of shares	Amount
<b>(a) Reconciliation of number of equity shares</b>				
Balance as at the beginning of the year	21,978,240	220	21,978,240	220
Add: Issued and subscribed during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>21,978,240</b>	<b>220</b>	<b>21,978,240</b>	<b>220</b>

### (b) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

	As at June 30, 2024		As at June 30, 2023	
	Number of equity shares	Amount	Number of equity shares	Amount
<b>(c) Shares held by ultimate holding company, holding company and subsidiaries of holding company</b>				
Kennametal Inc. USA, the ultimate holding company	5,274,840	53	5,274,840	53
Meturit AG., Zug, Switzerland, the holding company	11,208,840	112	11,208,840	112
<b>Total</b>	<b>16,483,680</b>	<b>165</b>	<b>16,483,680</b>	<b>165</b>

	As at June 30, 2024		As at June 30, 2023	
	Number of equity shares	Percentage	Number of equity shares	Percentage
<b>(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>				
Kennametal Inc. USA, the ultimate holding company	5,274,840	24.00%	5,274,840	24.00%
Meturit AG., Zug, Switzerland, the holding company	11,208,840	51.00%	11,208,840	51.00%
Nippon Life India Trustee Limited	1,954,675	8.89%	2,026,242	9.22%
<b>Total</b>	<b>18,438,355</b>	<b>83.89%</b>	<b>18,509,922</b>	<b>84.22%</b>

<b>(e) Shares held by promoters at the end of the year*</b>				
Kennametal Inc. USA, the ultimate holding company	5,274,840	24.00%	5,274,840	24.00%
Meturit AG., Zug, Switzerland, the holding company	11,208,840	51.00%	11,208,840	51.00%
<b>Total</b>	<b>16,483,680</b>	<b>75.00%</b>	<b>16,483,680</b>	<b>75.00%</b>

\* There have been no change in the percentage held by the promoters in the current year and the prior year.

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 12 Equity share capital (cont'd)

- (f) During five years immediately preceding June 30, 2024, there are no shares allotted as fully paid up pursuant to contracts without payment being received in cash or shares allotted as fully paid up by way of bonus shares or shares bought back.
- (g) There are no shares of the Company reserved for issue under any option, contracts, commitments for the sale of share or disinvestment.

	As at June 30, 2024	As at June 30, 2023
<b>12A Dividends</b>		
Interim dividend for the year ended June 30, 2024 of ₹ 30 (June 30, 2023 – ₹ 20) per fully paid equity share (refer note 39)	659	440
<b>Total</b>	<b>659</b>	<b>440</b>
<b>13 Other equity</b>		
Securities premium	1	1
Share based compensation reserve	12	9
General reserve	1488	1488
Retained earnings	5614	5165
<b>Total</b>	<b>7115</b>	<b>6663</b>

#### Nature and purpose of reserve:

##### Securities premium

Securities premium is used to record the premium on issue of shares. This reserve is utilised in accordance with provisions of the Act.

##### Share based compensation reserve

This reserve relates to share based compensation received by the employees of the Company from Kennametal Inc., USA, the ultimate holding company, net of recharge received. The reserve is created to recognise grant date fair value of awards issued to the employees (refer note 30).

##### General reserve

The general reserve is created by way of transfer of profits from retained earnings for appropriation purposes. This reserve is utilised in accordance with the provisions of the Act.

##### Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve and dividends or other distributions paid to shareholders.

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	As at June 30, 2024	As at June 30, 2023
<b>14A Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises (MSME) (refer below)	56	41
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Due to related parties (also refer note 39)	453	327
Due to other creditors	580	381
<b>Total</b>	<b>1089</b>	<b>749</b>
<b>Disclosure of dues/payments to micro and small enterprises to the extent such enterprises are identified by the Company:</b>		
Principal amount due to suppliers registered under the Micro, Small and Medium Enterprises and Development Act, 2006 (MSMED) and remaining unpaid as at year end	53	39
Interest due to suppliers registered under MSMED and remaining unpaid as at year end	3	2
Principal amounts paid to suppliers registered under MSMED, beyond the appointed day during the year	70	38
Interest paid, under Section 16 of MSMED, to suppliers registered under MSMED, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED, to suppliers registered under MSMED, beyond the appointed day during the year	-	-
Amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED	1	1
Interest accrued and remaining unpaid at the end of the accounting year	2	1
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of MSMED	-	-
<b>Total</b>	<b>56</b>	<b>41</b>

Ageing of trade payables as at June 30, 2024	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade payables - MSME	-	46	8	1	1	-	56
(ii) Undisputed trade payables - related parties	-	376	77	-	-	-	453
(iii) Undisputed trade payables - others	279	183	118	0	-	-	580
<b>Total</b>	<b>279</b>	<b>605</b>	<b>203</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1089</b>

Ageing of trade payables as at June 30, 2023	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade payables - MSME	-	38	2	0	1	0	41
(ii) Undisputed trade payables - related parties	-	290	37	-	-	-	327
(iii) Undisputed trade payables - others	99	187	95	-	-	0	381
<b>Total</b>	<b>99</b>	<b>515</b>	<b>134</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>749</b>

The Company did not have any disputed dues as at June 30, 2024 and June 30, 2023.

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	As at June 30, 2024		As at June 30, 2023	
	Non-current	Current	Non-current	Current
<b>14B Other financial liabilities</b>				
Deposit from customers	-	2	0	-
Capital creditors	0	19	-	34
Unpaid dividends	-	3	-	3
Employee benefits payable	-	236	-	198
Other current liabilities	-	5	-	4
<b>Total</b>	<b>0</b>	<b>265</b>	<b>0</b>	<b>239</b>
<b>15 Provisions</b>				
<b>Provisions for employee benefits</b>				
Gratuity [refer note (d) below]	0	0	68	12
Compensated absences [refer note (e) below]	0	133	0	133
Long service award	4	1	4	2
<b>Other provisions</b>				
Product support [refer note (a) and (c) below]	5	46	5	51
Disputed taxes and duties [refer note (b) and (c) below]	0	10	0	10
<b>Total</b>	<b>9</b>	<b>190</b>	<b>78</b>	<b>208</b>

**(a) Product support**

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year (12 months) for Hard Metal products segment and 15 months for Machining Solutions segment. However in exceptional cases, the Company provides a general warranty upto 36 months (June 30, 2023: 24 months). Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

**(b) Disputed taxes and duties:**

Provision for disputed taxes and duties is towards service tax and excise duty that are expected to materialise.

**(c) Movement in other provisions:**

	Product support		Disputed taxes and duties		Total	
	Non-current	Current	Non-current	Current	Non-current	Current
<b>Balance as at July 1, 2022</b>	<b>5</b>	<b>49</b>	<b>-</b>	<b>10</b>	<b>5</b>	<b>59</b>
Addition*	3	32	-	-	3	32
Utilisation*	(1)	(19)	-	-	(1)	(19)
Reversal*	(2)	(11)	-	-	(2)	(11)
<b>Balance as at June 30, 2023</b>	<b>5</b>	<b>51</b>	<b>-</b>	<b>10</b>	<b>5</b>	<b>61</b>
Addition*	0	14	-	-	0	14
Utilisation*	(0)	(16)	-	-	(0)	(16)
Reversal*	(0)	(3)	-	-	(0)	(3)
<b>Balance as at June 30, 2024</b>	<b>5</b>	<b>46</b>	<b>-</b>	<b>10</b>	<b>5</b>	<b>56</b>

\*Included under various heads in the Statement of Profit and Loss.

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 15 Provisions (Cont'd)

#### (d) Defined benefit obligation (Gratuity - Funded)

##### Accounting policy

The Company provides for gratuity, a defined benefit plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees a retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by a valuation, performed by an independent actuary at each Balance Sheet date using the projected unit credit method. The Company contributes all ascertained liabilities to the Kennametal India Limited Employees Gratuity Fund Trust (the Trust). The Trustees administer the contributions made to the Trust which are invested in a scheme with an insurance company as permitted by law.

The Company recognises the net obligation of a defined benefit plan in its Balance Sheet as an asset or liability. Gains and losses through re-measurements of the net defined liability / (asset) are recognised in other comprehensive income and are not reclassified to profit or loss in subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the Statement of Profit and Loss.

Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at time of separation from the Company or retirement, whichever is earlier. The benefits vest after 5 years of continuous service. The Board of Trustees is responsible for the administration of the Plan assets and the investment strategy.

	As at June 30, 2024	As at June 30, 2023
<b>i) Movement in defined benefit obligation</b>		
Opening defined benefit obligation	359	338
Current service cost	21	20
Interest on defined benefit obligation	24	24
Benefit payments from plan assets	(55)	(50)
<b>Remeasurement (gain)/loss due to</b>		
Change in demographic assumptions	2	2
Change in financial assumptions	2	9
Experience adjustments	4	16
<b>Closing defined benefit obligation</b>	<b>357</b>	<b>359</b>
<b>ii) Opening fair value of plan assets</b>	<b>279</b>	<b>262</b>
Investment income	18	19
Employer contribution	103	41
Benefit payments from plan assets	(55)	(50)
<b>Remeasurements:</b>		
Returns on assets (excluding interest income)	12	7
<b>Closing fair value of plan assets</b>	<b>357</b>	<b>279</b>

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 15 Provisions (Cont'd)

(d) Defined benefit obligation (Gratuity - Funded) (Cont'd)	As at June 30, 2024	As at June 30, 2023
<b>iii) Net liabilities recognised in the balance sheet:</b>		
Present value of defined benefit obligations	357	359
(Less): Fair value of plan assets	(357)	(279)
<b>Net defined benefit liability recognised in the balance sheet</b>	<b>0</b>	<b>80</b>
Current	0	12
Non-current	0	68
<b>Total</b>	<b>0</b>	<b>80</b>
<b>iv) Expense recognised in the statement of profit and loss</b>		
<b>Remeasurement of other long term benefits</b>		
Current service cost	21	20
Past service cost	-	-
<b>Total Service cost</b>	<b>21</b>	<b>20</b>
Net interest cost		
Interest expense on defined benefit obligation	24	25
Interest income on plan assets	(18)	(19)
<b>Total net interest cost</b>	<b>6</b>	<b>6</b>
<b>A. Defined benefit cost included in statement of profit and loss (Refer Note 22)</b>	<b>27</b>	<b>26</b>
<b>Remeasurement recognised in other comprehensive income (OCI)</b>		
<b>Actuarial (gains)/ losses due to</b>		
Change in demographic assumptions	2	2
Change in financial assumptions	(10)	2
Experience adjustments	4	16
<b>B. Total remeasurement in other comprehensive income (OCI)</b>	<b>(4)</b>	<b>20</b>
<b>Total defined benefit cost recognised in statement of profit and loss</b>	<b>23</b>	<b>46</b>
<b>v) Significant actuarial assumptions</b>		
Discount rate per annum	7.19%	7.31%
Expected salary increase per annum		
Officers	Year 1 8.00%, thereafter 5.00%	Year 1 8.00%, thereafter 5.00%
Workmen	5.00%	5.00%
Mortality rate per annum	100% of IALM 2012-14	100% of IALM 2012-14

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 15 Provisions (Cont'd)

#### (d) Defined benefit obligation (Gratuity - Funded) (Cont'd)

#### v) Significant actuarial assumptions (Cont'd)

	As at June 30, 2024	As at June 30, 2023
Attrition (rate of employee turnover)		
Officers	16.00%	11.00%
Workmen	0.00%	0.00%
Retirement age	60	60

#### Notes:

The estimates of future increase in salary, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The discount rate is based on the prevailing market yield of India Government securities as at the Balance sheet date for the estimated term of the obligation.

Expected contributions to benefit plans for the year ending June 2025 is ₹ 20 (June 2024: ₹ 50).

vi) Major categories of plan assets as percentage of total plan assets		
Equities	0.00%	0.00%
Bonds	0.00%	0.00%
Pooled assets with an insurance company	100.00%	100.00%

#### vii) Sensitivity analysis

Gratuity is a lumpsum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The actuarial assumptions to which the benefit obligations results are particularly sensitive to are discount rate, salary escalation rate, attrition rate and mortality rate. The following table summarises impact on the reported defined benefit obligation arising on account of an increase or decrease in the reported assumptions.

	Change in assumption (basis points)	Year ended June 30, 2024		Year ended June 30, 2023	
		Increase/ (decrease) due to positive change	Increase/ (decrease) due to negative change	Increase/ (decrease) due to positive change	Increase/ (decrease) due to negative change
Discount rate	+100 / -100	(16)	18	(17)	19
Salary increase rate	+100 / -100	18	(17)	20	(18)
Attrition rate	+50 / -50	2	(4)	3	(4)
Mortality rate	+10 / -10	0	(0)	0	(0)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation assuming there are no other changes in market condition as at the Balance Sheet date.

#### viii) The expected maturity analysis of undiscounted gratuity is as below:

	1 year	2-5 year	6-10 year	More than 10 years	Total
June 30, 2024	56	209	159	173	597
June 30, 2023	55	185	179	194	613



## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 15 Provisions (Cont'd)

#### (d) Defined benefit obligation (Gratuity - Funded) (Cont'd)

#### ix) Risk exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary overtime. Thus, the Company is exposed to various risks in providing the above benefit which are as follows:

##### Interest rate risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability as shown in financial statements.

##### Salary escalation risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of employees in future. Deviation in the increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

##### Demographic risk

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

##### Liquidity risk

The Company does not perceive any liquidity risk as the Company has investments in Government Securities and Corporate Bonds offers the best returns over the long term, within an acceptable level of risk.

#### (e) Compensated absences

The leave obligation cover the Company's liability for sick and earned leave. The amount of the provision of ₹ 133 (June 30, 2023: ₹133) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all the employees to avail leave accrued to their credit or require payment within next 12 months.

Also, refer note 41.9 for other accounting policies.

#### (f) Defined benefits plan (Provident Fund - Trust set by employer)

##### Accounting policy

Eligible employees of the Company receive benefits from a provident fund, which is a defined benefit plan. Both, the eligible employee and the Company, make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes to Kennametal India Limited Employee's Provident Fund Trust ('the PF Trust'). The PF Trust invests in specific designated instruments as permitted by law. The rate at which the annual interest is payable to the beneficiaries by the PF Trust is stipulated by the Government. The Company has an obligation to make good the shortfall, if any, between the return from investments of the PF Trust and the notified interest rate by the Government.

The contribution by the employer and the employee together with the interest accumulated thereon are payable to the employees at the time of their separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee. The Company currently does not have any unfunded plans. The Board of Trustees of the PF Trust are responsible for the administration of the plan assets and the investment strategy.

	As at June 30, 2024	As at June 30, 2023
i) Changes in present value of defined benefits plan		
Opening defined benefit obligation	1638	1496
Current service cost	50	50
Interest expense	138	122
Benefit payments from plan assets	(251)	(191)
Employee contributions	119	125
Transfer in/ out	9	25

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 15 Provisions (Cont'd)

#### (f) Defined benefit plan (Provident Fund - Trust Setup by employer) (Cont'd)

	As at June 30, 2024	As at June 30, 2023
Remeasurement loss/ (gain) due to		
Change in financial assumptions	5	4
Change in experience adjustments	(33)	8
<b>Closing defined benefit obligation</b>	<b>1675</b>	<b>1638</b>
<b>ii) Changes in plan assets</b>		
<b>Opening fair value of plan assets</b>	<b>1645</b>	<b>1507</b>
Investment income	139	122
Employer contribution (Refer Note 39)	50	50
Employee contribution	119	125
Benefit payments from plan assets	(251)	(191)
Transfer in/ out	9	25
Returns on assets (excluding interest income)	(26)	7
<b>Closing fair value of plan assets</b>	<b>1685</b>	<b>1645</b>
<b>iii) Net (assets)/ liabilities (refer Note below)</b>		
Present value of defined benefit obligations	1675	1638
Fair value of plan assets	(1685)	(1645)
<b>Total</b>	<b>(10)</b>	<b>(7)</b>
Non-current provision	1524	1491
Current provision	151	147
<b>Total</b>	<b>1675</b>	<b>1638</b>

#### Note:

The Provident fund expense, other than contribution, is not recognised in Statement of Profit and Loss if the fair value of plan assets exceeds the present value of obligation. Accordingly, the excess of plan assets over present value of obligation has not been recorded in financial statements.

Provident fund expense, excluding contribution towards national pension scheme, recognised in the books for the year ended June 30, 2024 amounts to ₹ 62 (June 30, 2023: ₹ 62).

<b>iv) Major categories of plan assets as percentage of total plan assets</b>		
Government bonds	53.24%	52.50%
Equity in public sector undertakings	36.58%	36.94%
Equity in other than public sector undertakings	7.64%	8.23%
Others : Funds managed by an insurance company	2.54%	2.33%

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 15 Provisions (Cont'd)

#### f) Defined benefits plan (Provident Fund - Trust set by employer) (cont'd)

	As at June 30, 2024	As at June 30, 2023
v) Significant Actuarial Assumptions		
Discount rate per annum	7.19%	7.31%
Expected salary increase per annum		
Officers	Year 1 8.00%, thereafter 5.00%	Year 1 8.00%, thereafter 5.00%
Workmen	5%	5%
Mortality rate per annum	100% of IALM 2012-14	100% of IALM 2012-14
Attrition (rate of employee turnover)		
Officers	16.00%	11.00%
Workmen	0.00%	0.00%
Retirement age	60	60
Interest rate guarantee	8.25%	8.10%

#### Notes:

The estimates of future increase in salary, considered in the actuarial valuation, have been taken on account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The discount rate is based on the prevailing market yield of India Government securities as at the Balance sheet for the estimated term of the obligation.

	Change in assumption (basis points)	Year ended June 30, 2024		Year ended June 30, 2023	
		Increase/ (decrease) due to positive change	Increase/ (decrease) due to negative change	Increase/ (decrease) due to positive change	Increase/ (decrease) due to negative change
vi) Sensitivity analysis					
Discount rate	+100 / -100	(42)	89	(56)	104
Interest guarantee rate	+100 / -100	83	(42)	96	(55)

	As at June 30, 2024	As at June 30, 2023
16 Other current liabilities		
Contract liabilities		
Advances from customers	229	211
Refund liabilities	19	15
Deferred revenue	23	25
Statutory remittances payable	85	75
<b>Total</b>	<b>356</b>	<b>326</b>

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 17 Revenue from operations

#### Accounting policy

The Company derives its revenues primarily from contracts with customers for sale of goods and services. Revenue from sale of goods is net of returns, rebates and applicable Goods and Services Tax (GST).

Revenue is recognised when the obligations under the terms of contract with customers are satisfied. Revenue is recognised at a point in time depending on when the underlying products or services are transferred to the customer. Revenue is recognised when control of the products has been transferred to the customer.

When a contract includes multiple performance obligations, the transaction price is allocated to each performance obligation in an amount that depicts the consideration, to which the Company expects to be entitled in exchange of transferring the promised goods and services.

The transaction price reflects the amount of consideration to which the Company expects to be entitled in exchange for transferring products and services to the customer. If the consideration includes variable amount, the Company estimates the amounts to which it expects to be entitled. Generally, variable consideration includes volume discounts, rebates and sales returns that reduce the transaction price. When the Company determines the transaction price it includes the variable consideration only to the extent it is highly probable that a significant reversal will not occur in the future.

The Company sells its products to the distributors with a right of return within 12 months. When such customers have a right to return the product the Company recognises a refund liability included in other current liabilities for the products expected to be returned and an asset (via right to recover returned goods).

The Company recognises the expected annual turnover/volume discounts payable to distributors in relation to sales of goods made until the end of the reporting period. The customers are divided into different grades at the inception of the year and accordingly targets are also set. The annual turnover/ volume discount and year end payable thereon is netted-off to revenue and trade receivable respectively.

The Company provides general product warranty to the customers for a period of 12 months in case of hard metal and 15 months in case of machine solutions upon the sale of products. However, in exceptional cases, the Company provides a general warranty of up to 36 months. The Company's obligation to repair or replace faulty products under the standard warranty terms is recognized as a provision under "product support".

The Company has elected the following practical expedients in accordance with Ind AS 115 "Revenue from contracts with customers":

- The Company does not account for significant financing components if the period between revenue recognition and when the customer pays for the product or service will be one year or less.
- The Company does not disclose the remaining performance obligation that has an original expected duration of one year or less.
- The Company has elected, as a practical expedient, to expense as incurred the cost to obtain a contract equal to or less than one year in duration.

#### (i) Sale of manufactured and traded Products:

Product revenue consists of sale of hard metal and machining solutions. Revenue from sale of hard metal and machining solutions is recognised when control over the product is transferred in accordance with contractual terms of sale and there are no unfulfilled performance obligations that could affect the customer's acceptance of the products, which is typically upon dispatch or the customer has accepted the product and the Company has a present right to payment, in accordance to the terms of contract.

#### (ii) Sale of services:

Sale of services includes maintenance (regrinding), installation and commission and other professional support services.

Revenue related to fixed price maintenance (regrinding) services where the Company is standing ready to provide services is recognised on completion. Revenue related to installation and commission services is treated as a separate performance obligation and recognised as and when the services are performed and accepted by customer in accordance with contractual terms. Revenue related to undelivered performance obligations is deferred and recognised when or as the control is transferred to the customer.

#### (iii) Contract Liabilities:

Contract liabilities (deferred revenue) primarily consists of installation and commission on sale of machine solutions. Deferred revenue is recognised when the Company has the right to invoice and the revenue recognition criteria are not met. Revenue in case of these items is recognised when the revenue recognition criteria is met.

#### (iv) Disaggregation of revenue:

The Company's revenue is presented on a disaggregated basis based on the information regularly reviewed by the Chief Operating Decision Maker (CODM) for evaluating the financial performance of operating segments, and other information that is used to evaluate the financial performance or make resource allocations. This information includes revenue from products and services and revenue from reportable segments.

Also, refer Notes 41.17 and 41.18 for other accounting policies

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	Year ended June 30, 2024	Year ended June 30, 2023
17. Revenue from operations (Cont'd)		
Revenue from contracts with customers*		
Sale of products		
Finished goods	6587	6427
Stock-in-trade	4209	4166
Sale of services	189	163
	10985	10756
Other operating income		
Sale of scrap	9	9
Commission on order based sales	5	6
	14	15
Total	10999	10771
*Refer note 39 for related party transactions.		
A) Disaggregation of revenue		
a) Revenue based on geography		
Domestic	9261	8930
Export	1738	1841
Total	10999	10771
b) Revenue based on Business Segment		
Hard metal products	9533	9274
Machining solutions	1466	1497
Total	10999	10771
B) Reconciliation of Revenue from operations		
Contract Price	11185	10967
(Less):		
Refund liabilities - right to return	(4)	(4)
Accounts receivables net - annual turnover discount	(142)	(161)
Others	(40)	(31)
Total	10999	10771

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

17 Revenue from Operations (Cont'd)	Year ended June 30, 2024	Year ended June 30, 2023
<b>C Assets and liabilities related to contracts with customers</b>		
<b>Contract liabilities</b>		
<b>Current</b>		
Advance from customers	229	211
Refund liabilities	19	15
Deferred revenue	23	25
<b>Non-current</b>		
Deposit for customers	-	0
<b>D Reconciliation of contract liabilities/ unsatisfied performance obligation</b>		
<b>Opening balance</b>	251	275
(Less): Revenue recognised during the year	(168)	(268)
Add: Contract liabilities recognised during the year	188	244
<b>Closing balance</b>	271	251
<b>E Revenue recognised during the year from the performance obligation satisfied up to prior year amounts to ₹168 (June 30, 2023: ₹268).</b>		
<b>18. Other income</b>		
Interest income on bank deposits	13	2
Interest on income tax refund	27	-
<b>Other non-operating income</b>		
Gain on sale of mutual funds	36	15
Lease rentals (refer note 39)	15	15
Support service charges from fellow subsidiary (refer note 39)	14	15
Miscellaneous income	10	5
<b>Total</b>	115	52
<b>19 Cost of materials consumed*</b>		
<b>Consumption of raw materials and components</b>		
Opening inventory	564	606
Add: Purchases during the year	3079	2873
(Less): Closing inventory	(704)	(564)
<b>Total</b>	2939	2915
*Refer note 39 for related party transactions.		

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	Year ended June 30, 2024	Year ended June 30, 2023
<b>20. Purchases of stock in trade*</b>		
Stock-in-trade	3081	2886
<b>Total</b>	<b>3081</b>	<b>2886</b>
*Refer note 39 for related party transactions.		
<b>21. Changes in inventories of finished goods, work in progress and stock in trade</b>		
<b>Opening stock:</b>		
Finished goods	618	660
Work-in-progress (WIP)	923	932
Stock-in-trade	283	432
	<b>1824</b>	<b>2024</b>
<b>Closing stock:</b>		
Finished goods	632	618
Work-in-progress (WIP)	1005	923
Stock-in-trade	330	283
	<b>1967</b>	<b>1824</b>
<b>(Increase)/ Decrease in inventories</b>	<b>(143)</b>	<b>200</b>
<b>22 Employee benefits expense</b>		
Salaries, wages and bonus	1254	1223
Contribution to provident and other funds [Note (a) below]	67	67
Gratuity (refer note 15)	27	26
Share based compensation expense (refer note 30 and note 39)	33	27
Staff welfare	134	142
<b>Total</b>	<b>1515</b>	<b>1485</b>
<b>Note:</b>		
<b>a) Contribution to provident and other funds</b>		
Contribution to employees provident organisation and employee pension scheme	62	62
Contribution to national pension scheme	5	5
<b>Total</b>	<b>67</b>	<b>67</b>



## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	Year ended June 30, 2024	Year ended June 30, 2023
<b>23. Finance costs</b>		
Interest on lease liabilities	2	2
Other interest expense	4	-
<b>Total</b>	<b>6</b>	<b>2</b>
<b>24. Depreciation and amortisation expense</b>		
Depreciation on property, plant and equipment (refer note 3A)	425	380
Depreciation of right-of-use assets (refer note 32)	9	7
Amortisation on intangible assets (refer note 5)	2	2
<b>Total</b>	<b>436</b>	<b>389</b>
<b>25. Other expenses</b>		
Subcontracting charges	368	317
Consumption of stores and spare parts	263	234
Forwarding and freight	200	217
Information technology services (refer Note 39)	188	170
Power and fuel	152	146
Legal and professional [refer Note (a) below] (refer Note 39)	169	121
Repairs and maintenance	153	200
Travelling and conveyance	113	112
Temporary workmen	43	39
Insurance	29	30
Business promotion	40	32
Expenditure towards Corporate Social Responsibility (CSR) [refer Note (b) below]	25	20
Provision for product support	11	19
Royalty (refer note 39)	39	20
Rates and taxes	27	12
Commission on sales	9	14
Communication	6	8
Advertisement and sales promotion	17	9
Rent	1	3
Allowance for loss on financial assets (net)	1	1

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

25 Other Expenses (Cont'd)	Year ended June 30, 2024	Year ended June 30, 2023
(Gain)/ loss on property, plant and equipments sold (net)	-	(1)
Net foreign exchange (gain)/ loss	(18)	(2)
Directors commission (refer note 39)	4	4
Directors' sitting fee (refer note 39)	3	2
Miscellaneous expenses	51	43
<b>Total</b>	<b>1894</b>	<b>1770</b>
<b>Notes</b>		
<b>(a) Payments to auditors (excluding GST) included under legal and professional above:</b>		
Statutory audit	2	2
Audit of tax accounts and tax audit	1	1
Quarterly limited reviews	1	1
Group audit	0	0
Out of pocket expenses	0	0
<b>Total</b>	<b>4</b>	<b>4</b>
<b>(b) Expenditure towards CSR as per Section 135 of the Act:</b>		
i. Gross amount required to be spent by the Company during the year	25	20
ii. Amount spent during the year:		
Amount spent on purpose other than above	25	20
iii. Nature of CSR activities:		
Environmental initiatives	8	6
Promoting education	5	8
Eradicating hunger, poverty and malnutrition	1	1
Promoting gender equality and empowering women	8	5
Health related projects	3	-
	<b>25</b>	<b>20</b>
iv. Related party transactions	-	-
v. Shortfall at the end of the year	-	-
vi. Movements in provision of liability created	-	-

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

(b) Expenditure towards CSR as per Section 135 of the Act: (Cont'd)

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Opening Balance	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
As at June 2024	-	25	25	-

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Opening Balance	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Closing Balance
As at June 2023	-	20	20	-

### 26. Exceptional items debited to the statement of profit and loss

#### Accounting policy

Exceptional items are material items of income or expense that are disclosed separately in the financial statements due to their nature or incidence where such presentation is relevant for understanding of the financial performance of the Company.

Exceptional item - Interest income	Year ended June 30, 2024	Year ended June 30, 2023
During the year, the Company received the order giving effect (OGE) from the tax assessing officer, revising the tax payable and calculating the amount of refund of tax and related interest for tax assessment years 2008-09, 2009-10, 2010-11 and 2011-12, giving effect to the favourable order of the Commissioner of Income Tax (Appeals) pertaining to the transfer pricing dispute on Information Technology cross charge paid to the Kennametal Inc., USA (the ultimate holding company). Subsequent to the year end, the refund has been received by the Company along with interest. Considering the nature of incidence, the aggregate interest income on income tax refund has been disclosed as an exceptional item in the Statement of Profit and Loss.	127	-
<b>Total exceptional income</b>	<b>127</b>	<b>-</b>

	Year ended June 30, 2024	Year ended June 30, 2023
<b>27. Tax expense</b>		
(a) Income tax expense		
Current tax on profit for the year	370	286
Adjustments for current tax for prior years	19	11
<b>Total current tax expense</b>	<b>389</b>	<b>297</b>

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

27 Tax expenses (Cont'd)	Year ended June 30, 2024	Year ended June 30, 2023
Deferred tax charge / (credit):		
Decrease/ (increase) in deferred tax asset (net)	19	2
<b>Total deferred tax charge / (credit)</b>	<b>19</b>	<b>2</b>
Income tax expense		
Income tax expense	408	299
Deferred tax related to items recognised in OCI		
Tax on re-measurement of post employment obligations	1	(5)
<b>Income tax expense</b>	<b>409</b>	<b>294</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>		
Profit before tax	1513	1176
Tax at the Indian tax rate of 25.17%	381	296
Tax effect on not deductible expenses/ income		
Corporate social responsibility expenditure	6	5
MSME Interest	0	0
Adjustments for current tax for prior years	19	11
Others	2	(13)
<b>Tax expense</b>	<b>408</b>	<b>299</b>

28. Capital and other commitments	Year ended June 30, 2024	Year ended June 30, 2023
Expected amount of contract remaining to be received on capital account not provided for (net of advances)	143	94
Others*	54	-

\*The Company has export commitments arising from the import of capital goods under the Export Promotion Capital Goods Scheme.

### 29. Contingent liabilities

#### Accounting policy

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

29. Contingent liabilities (Cont'd)	Year ended June 30, 2024	Year ended June 30, 2023
Income tax matters [refer note (a) below]	197	321
a) Primarily relates to transfer pricing adjustments/ disallowances relating to research and development expenditure and additions made on account of manufacturing margins by the Income Tax Department ("ITD") for the tax assessment years 2012-13, 2014-15, 2017-18, 2018-19 and 2021-22, which is disputed by the Company and the said matters are lying under appeal with the Income Tax Appellate Tribunal, Bengaluru/ the Commissioner of Income Tax (Appeals) LTU, Bengaluru/ the Dispute Resolution Panel, Bengaluru.		
Further, for other tax assessment years, no payments have been made, but refund claims have been withheld by ITD, which covers the tax amounts being litigated and as such there may be no additional cash outflow as per management's assessment. The Company is contesting the demands and management believes that its position, supported by external tax advice, will likely be upheld in the appellate process. Further, considering the facts and the nature of the disallowances, management believes that the final outcome of the disputes should likely be in favour of the Company and so it may not have a material adverse effect on the financial position and results of operations.		
b) While making the assessment at the year end, the possibility of bearing interest liability on such disputed taxes need to be considered. In the case of the Company's existing tax disputes, there has been no experience of the tax authorities charging interest and hence interest amounts have not been computed for adding it to the amount of contingent liabilities disclosed above.		
c) The Supreme Court of India passed a judgement in February 2019 in relation to inclusion of certain allowances within the scope of "basic wages" for the purposes of determining contribution to provident fund under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The management, based on legal advice, is of the view that the applicability of the judgement to the Company, with respect to the period and the nature of allowances to be covered due to interpretation challenges, and resultant impact on the past provident fund liability, cannot be reasonably ascertained.		
d) It is not practicable for the Company to estimate the timings of the cash outflows if any in respect of the above pending resolution of the respective proceedings.		
e) The Company does not expect any reimbursements in respect of the above contingent liabilities.		

### 30. Shared based payments

#### Accounting policy

Stock-based compensation awards are provided to selected employees under the terms of the long-term incentive plan of Kennametal Inc. USA, the ultimate holding company. Awards available under the plans include restricted stock units ("RSUs") which are granted to certain senior management employees of the Company. Stock-based compensation represents the cost related to group stock-based awards granted to employees.

RSUs entitle the holder to shares of common stock as the award vest, typically over 2 years or 3 years depending upon the scheme and year of grant which are immediately exercised on the vesting date. All the RSUs granted under the plan are equity settled. RSUs are time vesting stock units and therefore the fair value of the units is determined and fixed on the grant date based on market value of Kennametal Inc's share price, adjusted for the exclusion of dividend equivalents. The Company measures stock-based compensation cost at the grant date, based on the estimated fair value of the award and recognises the cost (net of estimated forfeitures) over the employee requisite service period. The service period is no longer contingent on the employee providing additional service (substantive vesting period).

The total expense in respect of the above share based payment scheme is recognised over the vesting period with a corresponding adjustment to equity compensation reserve as a capital contribution from Kennametal Inc. The inter company recharge payable to the ultimate holding company, if any, is offset against the equity compensation reserve. A liability is recognised when the award is released to or exercised by the Company's employees and billed by Kennametal Inc.

#### Details of number and weighted average exercise price of share RSUs:

	As at June 30, 2024		As at June 30, 2023	
	Weighted Average fair value per Award (in USD)	Number of Awards (in units)	Weighted Average fair value per Award (in USD)	Number of Awards (in units)
Opening balance	23.31	8670	28.52	7781
Granted during the year	25.57	16915	27.00	14141

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 30. Shared based payments (Cont'd)

	As at June 30, 2024		As at June 30, 2023	
	Weighted Average fair value per Award (in USD)	Number of Awards (in units)	Weighted Average fair value per Award (in USD)	Number of Awards (in units)
Exercised during the year	27.21	(14136)	30.31	(13252)
Forfeited during the year	26.88	(1199)	-	-
Closing balance	21.24	10250	23.31	8670

Note 1: No RSU's expired during the period covered in the above table.

Note 2: The weighted average remaining contractual life of RSUs outstanding at the end of the year is 1.52 years (June 30, 2023: 1.48 years).

### Expenses arising from share based payment transactions

	Year ended June 30, 2024	Year ended June 30, 2023
Shares issued under RSU	33	27
<b>Total</b>	<b>33</b>	<b>27</b>

Note 3: There is recharge of expense by Kennametal Inc, USA for the RSUs given to the employees of the Company.

Note 4: The disclosure of share based payments above is restricted to the information available with the management of the Company locally, as these plans are administered at the ultimate holding company level.

	Year ended June 30, 2024	Year ended June 30, 2023
<b>31. Earnings per equity share</b>		
Profit attributable to equity shareholders (₹)	1105	877
Weighted average number of equity shares outstanding during the year	21978240	21978240
Nominal value of equity share (₹)	10	10
Basic earnings per share (₹)	50.28	39.91
Diluted earnings per share (₹)	50.28	39.91

### 32. Lease Accounting

This note provides information on leases where the Company is a lessee. The rental contracts are typically for office premises and lease of plant and machinery. These contracts are entered into for periods ranging from three years to six years, but may have extension and termination options.

#### (i) Amounts recognised in balance sheet

The balance sheet shows the following amounts relating to leases:

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

32. Lease Accounting (Cont'd)	As at June 30, 2024	As at June 30, 2023
<b>Right of use assets</b>		
Buildings	20	18
Plant and machinery	7	7
<b>Total</b>	<b>27</b>	<b>25</b>
<b>Changes in lease liabilities (refer Note below)</b>		
Opening balance	27	-
Addition/ extension of leases	11	32
Repayment of principal portion of lease liabilities	(8)	(5)
Interest expense	2	2
Interest paid	(2)	(2)
<b>Total</b>	<b>30</b>	<b>27</b>
Current	9	9
Non-current	21	18
<b>Total</b>	<b>30</b>	<b>27</b>

**Note:** As the cash and cash equivalents balance as at year end is higher than gross debt amount as at year end, only the gross debt movement has been disclosed instead of net movement.

(ii) Amounts recognised in the statement of profit and loss

The Statement of Profit or Loss shows the following amounts relating to leases:

<b>Depreciation charge of right-of-use assets</b>		
Buildings	6	4
Plant and machinery	3	3
<b>Total</b>	<b>9</b>	<b>7</b>
Interest expense on lease liabilities (included in finance costs)	2	2
Expense relating to low-value assets (included in other expenses)	1	3

(iii) Contractual maturities of lease liabilities

The below table provides details regarding the contractual maturities of lease liabilities on undiscounted basis:

Within one year	9	9
After one year but not more than five years	20	22
More than five years	1	-



## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 33. Fair value measurements

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. The carrying amounts of trade receivables, cash and cash equivalents, bank deposits with more than 12 months maturity, trade payables, items falling under other financial assets and financial liabilities are considered to be the same as their fair values.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### 34. Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's risk management is carried out by the Management under the policies approved of the Board of Directors that help in identification, measurement, mitigation and reporting all risks associated with the activities of the Company. These risks are identified on a continuous basis and assessed for the impact on the financial performance. Information on risks and the response strategy is escalated in a timely manner to facilitate timely decision making. Risk response strategy is formulated for key risks by Management.

The below note explains the risk which the Company is exposed to and how the Company manages the risk in the financial statements:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis, credit ratings	Diversification of bank deposits, credit limits
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of surplus cash and time deposits
Market risk - foreign exchange	Future commercial transactions, recognised financial assets and liabilities not denominated in Indian rupee	Cash flow forecasting, sensitivity analysis	Natural hedge exist between export receivable and import payables

#### A Credit Risk

Credit risk arises from cash and cash equivalents, security deposits carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 1781 as of June 30 2024 (June 30 2023: ₹1420).

Assets under credit risk	As at June 30, 2024	As at June 30, 2023
Trade receivables	1781	1420
Other financial assets	71	65
<b>Total</b>	<b>1852</b>	<b>1485</b>

Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks with high credit ratings as signed by international and domestic credit rating agencies.

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India, Germany, US and China. Credit risk has been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 34. Financial risk management (Cont'd)

customers to which the Company grants credit terms in the normal course of business. The provision for expected credit loss takes into account available external and internal credit risk factors including the credit ratings of the various customers and the Company's historical experience for customers. The Company applies the simplified approach to provide for expected credit losses prescribed by Ind AS 109 "Financial instruments", which permits the use of lifetime expected loss provision for all the trade receivables. The Company measures the expected credit loss of trade receivables based on historical trend, industry and credit ratings.

Particulars	As at June 30, 2024			As at June 30, 2023		
	Gross Carrying Amount	Expected Credit Loss (%)	Expected Credit Loss (%) Amount	Gross Carrying Amount	Expected Credit Loss (%)	Expected Credit Loss (%) Amount
Within the credit period	1635	0.3%	5	530	0.0%	-
Less than 6 months past due	117	0.0%	-	854	0.0%	-
6 months - 1 year past due	24	0.0%	-	30	13.4%	4
1 - 2 years days past due	8	0.0%	-	7	0.0%	-
> 2 years past due	3	29.8%	1	6	52.4%	3

#### Expected credit loss for trade receivables

	As at June 30, 2024	As at June 30, 2023
Opening provision	7	8
Additional provision	1	2
Utilisation/ reversal	(2)	(3)
Closing provision	6	7

#### Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired except for receivables of ₹6 and ₹7 as at 30 June 2024 and 30 June 2023 respectively. The Company's credit period generally ranges from 60-180 days from invoicing date. The aging analysis of the receivables has been considered from the date the invoice falls due.

No expected credit loss provision has been created for loans, i.e., security deposits on leased premises and advances given to employees, as the Company considers the life time credit risk of these financial assets to be very low.

#### B. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining availability of required funds.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

#### Maturities of financial Liabilities

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### B. Liquidity Risk (Cont'd)

Contractual maturities of financial liabilities	Less than 1 year	1 - 2 years	More than 2 years	Total
<b>As at June 30, 2024</b>				
Other financial liabilities	265	-	-	265
Trade payables	1089	-	-	1089
Lease Liabilities	9	20	1	30
<b>Total</b>	<b>1363</b>	<b>20</b>	<b>1</b>	<b>1384</b>
<b>As at June 30, 2023</b>				
Other financial liabilities	239	-	-	239
Trade payables	749	-	-	749
Lease Liabilities	9	22	-	31
<b>Total</b>	<b>997</b>	<b>22</b>	<b>-</b>	<b>1019</b>

### C. Market Risk

#### (i) Foreign currency risk

The Company is exposed to foreign currency exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the companies functional currency (Rupees).

The risk is measured through a forecast of highly probable foreign currency on cash flows. To mitigate the risk of changes in exchange rates on foreign currency exposures, the Company has natural hedge between export receivable and import payables.

The Company exposure to material foreign currency risk at the end of the reporting period expressed in ₹ as follows:

	Amounts in foreign currency*		Amounts in ₹	
	As at June 30, 2024	As at June 30, 2023	As at June 30, 2024	As at June 30, 2023
<b>Financial assets</b>				
Trade receivables				
USD	2,290,594	1,739,635	191	143
EUR	595,731	721,682	53	64
<b>Net exposure to foreign currency risk (assets)</b>			<b>244</b>	<b>207</b>
<b>Financial liabilities</b>				
Trade Payables				
USD	(467,064)	(425,140)	(39)	(35)
EUR	(317,670)	(67,610)	(28)	(6)
CHF	(28,356)	(85,746)	(3)	(8)
<b>Total financial liabilities</b>			<b>(70)</b>	<b>(49)</b>
<b>Net foreign exchange exposure</b>			<b>174</b>	<b>158</b>

\* Amounts in foreign currency are absolute numbers. Conversion rate considered are as follows:

₹ 83.40/USD, ₹ 89.28/EUR and ₹ 92.75/CHF (30 June 2023 ₹ 82.03/USD, ₹ 89.39/EUR and ₹ 91.36/CHF).

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### Sensitivity

A reasonable possible fluctuation in foreign exchange rates are not expected to have a material effect on the Statement of Profit and Loss.

### 35. Capital Management

#### Risk management

The Company's objectives when managing capital is to:

- i) safeguard their ability to continue as going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
- ii) maintain an optimal capital structure to reduce the cost of capital.

The Management regularly monitors rolling forecasts of liquidity position and cash on the basis of expected cash flows. In addition, the Company projects cash flows in major currencies and considers the level of liquid assets necessary to meet them.

Total Debt equity ratio of the Company is as follows:

	As at June 30, 2024	As at June 30, 2023
Equity	220	220
Other equity	7115	6663
<b>Total Equity</b>	<b>7335</b>	<b>6883</b>
Borrowings		
Lease liabilities	30	27
<b>Total capital (equity and borrowing)</b>	<b>7365</b>	<b>6910</b>
<b>Net Debt Equity Ratio</b>	<b>0.41%</b>	<b>0.39%</b>

### 36. Amounts remitted during the year on account of dividends paid

	Year ended June 30, 2024	Year ended June 30, 2023
Amounts of interim dividend remitted in foreign currency	495	334
Total number of non-resident shareholders (to whom the interim dividends were remitted in foreign currency)	2	2
Total number of non-resident shareholders	313	347
Total number of shares held by all non-resident shareholders	16,790,989	16,716,729
Years to which the interim dividend relates	2023-24	2022-23

### 37. Transfer Pricing

As per transfer pricing legislation under Sections 92-92F of the Income Tax Act, 1961, the Company is required to use certain specific methods in computing arm's length price of international transactions with associated enterprises and maintain adequate documentation in this respect. As the law requires maintenance of such information and documentation to be contemporaneous in nature, the Company updates the transfer pricing study documentation every year to ensure that the transactions with associated enterprises undertaken are at an "arms length basis". The Company has carried out a detailed transfer pricing study for the period April 1, 2022 to March 31, 2023, which did not envisage any additional tax liability. Similar to prior years, the Company is in the process of updating the transfer pricing documentation for the period April 1, 2023 to March 31, 2024 and the subsequent period up to June 30, 2024. Accordingly, these financial statements do not include the effect of the transfer pricing implications, if any. However, based on the analysis of transactions and margins, the Company does not envisage any additional tax liability for the year ended June 30, 2024.

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 38. Segment Information

#### Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The Board of Directors (the Board) of the Company assesses the financial performance and position of the Company and makes strategic decisions. The Board has been identified as being the CODM.

#### A. Description of segments and principal activities

The Company is in the business of manufacturing and trading of hard metal products and manufacturing of machine tools (also known as machining solutions), which are sold in domestic and export markets. The Board examines the Company's performance and has identified two reportable segments in the business:

(i) **Machining solutions:** Machining solutions segment manufactures and sells customised capital intensive machines. Company specialises in providing an end to end solution, i.e., from design to manufacture and after sales service. The sales comprise of machines, fixtures, sale of spares and after sales service.

(ii) **Hard metal products:** Hard metal products segment deals in metal and metal cutting tools. The sales of this segment comprise of manufactured and traded goods.

B. Segment information:	Machining Solutions		Hard Metal Products		Total	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Segment revenue	1466	1497	9533	9274	10999	10771
Segment result	144	108	1534	1384	1678	1492
Unallocated income					51	30
Unallocated expense					(377)	(346)
Interest income					40	2
Interest expense					(6)	(2)
Profit before exceptional item and tax					1386	1176
Exceptional item - Interest income					127	-
Profit before tax					1513	1176
Tax (expense)					(408)	(299)
Profit after tax					1105	877
Segment assets						
Segment assets	1208	1005	6336	6047	7544	7052
Unallocated assets	-	-	-	-	1730	1458
Total	1208	1005	6336	6047	9274	8510
Segment Liabilities						
Segment liabilities	614	535	1263	971	1877	1506
Unallocated liabilities	-	-	-	-	62	121
Total	614	535	1263	971	1939	1627

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### B. Segment information: (Cont'd)

B. Segment information:	Machining Solutions		Hard Metal Products		Total	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Capital Expenditure</b>						
Capital expenditure	14	17	275	456	289	473
Unallocated capital expenditure	-	-	-	-	5	5
<b>Total</b>	<b>14</b>	<b>17</b>	<b>275</b>	<b>456</b>	<b>294</b>	<b>478</b>
<b>Depreciation and amortisation</b>						
Depreciation and amortisation	29	29	393	348	422	377
Unallocated depreciation	-	-	-	-	14	12
<b>Total</b>	<b>29</b>	<b>29</b>	<b>393</b>	<b>348</b>	<b>436</b>	<b>389</b>

### C. Geographical Information:

The Company's operations are predominantly restricted to the domestic market (within India). However, the Company exports goods to Germany, USA, China and other countries. Accordingly, geographical information are given below:

	Machining Solutions		Hard Metal Products		Total	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
India	1122	1252	8139	7678	9261	8930
Germany	-	-	638	727	638	727
USA	38	1	544	607	582	608
China	265	198	106	137	371	335
Others	41	46	106	125	147	171
<b>Total</b>	<b>1466</b>	<b>1497</b>	<b>9533</b>	<b>9274</b>	<b>10999</b>	<b>10771</b>

### D. Notes

- (i) The segment-wise revenue, results, assets and liabilities relate to the respective amounts directly identifiable to each of the segments.
- (ii) The segment revenue is measured in the same way as in the Statement of Profit and Loss.
- (iii) No customer individually account for more than 10% of the revenue in the year ended June 30, 2024 and June 30, 2023.
- (iv) The expenses that are not directly attributable and that cannot be allocated to an operating segment on a reasonable basis are shown as unallocated expenses.
- (v) Segment assets include all operating assets used by the segment and consists primarily of property, plant and equipment and current assets. Segment liabilities comprise of liabilities which can be directly allocated against respective segments. Assets and liabilities that have not been allocated between segments are shown as part of unallocated assets and liabilities respectively.

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 39. Related party disclosures

#### A. Names of related parties and description of relationship:

##### I. Parties where control exists:

(i) Ultimate holding company	Kennametal Inc, USA
(ii) Holding company	Meturit A.G. Zug, Switzerland
(iii) Intermediate holding company	Widia GmbH, Germany
	Kennametal Holding GmbH, Germany
	Kennametal Europe GmbH, Switzerland
	Kennametal Luxembourg Holding S.A.R.L, Luxembourg
	Kennametal Holdings, LLC, Luxembourg S.C.S
	Kennametal Holdings Europe Inc, USA

##### II. Parties under common control with whom transactions have taken place during the year:

Fellow subsidiaries	Kennametal Australia Pty Ltd, Australia
	Kennametal Korea Co., Ltd., South Korea
	Kennametal Japan Ltd., Japan
	Kennametal Do Brasil Ltda, Brazil
	Kennametal Hard Point (Shanghai) Ltd., China
	Kennametal Distribution Services Asia Pte. Ltd., Singapore
	Kennametal Shared Services Pvt Ltd., India
	Kennametal (China) Co Ltd., China
	Hanita Metal Works Ltd., Israel
	Kennametal Asia China Management Company, Shanghai, China
	Kennametal Stellite L.P. USA
	Kennametal Stellite Inc. USA
	Kennametal Stellite Shanghai Co. Shanghai, China
	Kennametal (Thailand) Co., Ltd., Thailand
	Kennametal (Malaysia) Sdn. Bhd., Malaysia*
	Kennametal (Xuzhou) Co.,Ltd. China
	Kennametal Ltd., Canada
	Kennametal Vietnam LLC. Vietnam
	Kennametal Logistics GmbH, Germany*
	Kennametal GmbH, Germany

##### III. Key Management Personnel (KMP)

Directors	B. Anjani Kumar, Director and Chairman
	Vijaykrishnan Venkatesan, Managing Director
	Vinayak Deshpande, Director
	Amit Laroya, Director (with effect from March 11, 2024)
	Bhavana Bindra, Director
	N. V. Sivakumar, Director (with effect from May 09, 2024)
	Franklin Castro, Director
	Kelly Lynch, Director (with effect from August 11, 2023)
	Keith Mudge, Director (with effect from February 09, 2024)
	Kelly Boyer, Director (up to September 30, 2023)

##### IV. Parties under significant influence with whom transactions have taken place during the year

Post employment benefit plans	Kennametal India Limited Employees Provident Fund Trust
	Kennametal India Limited Employees Gratuity Trust

\* No transactions noted during the year



## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 39. Related party disclosures (cont'd)

#### B) Summary of the transactions with related parties is as follows

	Parties where control exist		Fellow subsidiaries		KMP		Others		Total	
	[A(I)]		[A(II)]		[A(III)]		[A(IV)]		June 30, 2024	June 30, 2023
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023		
<b>Revenue from operations</b>	1196	1334	213	248	-	-	-	-	1409	1582
Kennametal Inc, USA	558	607	-	-	-	-	-	-	558	607
Kennametal Europe GmbH, Switzerland	638	727	-	-	-	-	-	-	638	727
Others	-	-	213	248	-	-	-	-	213	248
<b>Other income</b>	-	-	29	30	-	-	-	-	29	30
Kennametal Shared Services Private Ltd, India	-	-	24	24	-	-	-	-	24	24
Others	-	-	5	6	-	-	-	-	5	6
<b>Reimbursement of expenses (income)</b>	41	31	19	22	-	-	-	-	60	53
Kennametal Inc, USA	41	31	-	-	-	-	-	-	41	31
Kennametal Shared Services Private Ltd, India	-	-	1	3	-	-	-	-	1	3
Kennametal Distribution Services Asia Pte. Ltd, Singapore	-	-	16	17	-	-	-	-	16	17
Others	-	-	2	2	-	-	-	-	2	2
<b>Interim dividend</b>	494	330	-	-	-	-	-	-	494	330
Metruit A.G. Zug, Switzerland	336	224	-	-	-	-	-	-	336	224
Kennametal Inc, USA	158	106	-	-	-	-	-	-	158	106
<b>Managerial remuneration*</b>	-	-	-	-	42	33	-	-	42	33
Vijaykrishnan Venkatesan (MD)	-	-	-	-	35	27	-	-	35	27
Short-term employee benefits	-	-	-	-	23	22	-	-	23	22
Contribution to provident fund	-	-	-	-	1	1	-	-	1	1
Share based payment	-	-	-	-	11	4	-	-	11	4
<b>Independent directors commission</b>	-	-	-	-	4	4	-	-	4	4
Anjani Kumar	-	-	-	-	2	2	-	-	2	2
Vinayak Despande	-	-	-	-	1	1	-	-	1	1
Bhavana Bindra	-	-	-	-	1	1	-	-	1	1

\*As the employee benefit obligations such as gratuity, compensated absences and long service award are calculated on the basis of actuarial valuation for the Company as a whole, the amounts pertaining to individual KMP are not included above.

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	Parties where control exist		Fellow subsidiaries		KMP		Others		Total	
	[A(I)]		[A(II)]		[A(III)]		[A(IV)]			
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Independent directors sitting fees	-	-	-	-	3	2	-	-	3	2
Anjani Kumar	-	-	-	-	1	1	-	-	1	1
Vinayak Despande	-	-	-	-	1	0	-	-	1	0
Bhavana Bindra	-	-	-	-	1	0	-	-	1	0
Amit Laroya	-	-	-	-	0	-	-	-	0	-
N V Sivakumar	-	-	-	-	0	-	-	-	0	-

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 39. Related party disclosures (cont'd)

	Parties where control exist		Fellow subsidiaries		KMP		Others		Total	
	[A(I)]		[A(II)]		[A(III)]		[A(IV)]			
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Purchases</b>	3374	3169	309	351	-	-	-	-	3683	3520
<b>Purchase of goods - others</b>	3374	3169	309	351	-	-	-	-	3683	3520
Kennametal Inc, USA	1253	1355	-	-	-	-	-	-	1253	1355
Kennametal Europe GmbH, Switzerland	2121	1814	-	-	-	-	-	-	2121	1814
Others	-	-	309	351	-	-	-	-	309	351
<b>Services received / Recharge of expenses</b>	270	228	121	60	-	-	-	-	391	288
<b>Information technology services</b>	188	170	-	-	-	-	-	-	188	170
Kennametal Inc, USA	188	170	-	-	-	-	-	-	188	170
<b>Professional fees (Technical services)</b>	11	10	100	51	-	-	-	-	111	61
Kennametal Inc, USA	11	10	-	-	-	-	-	-	11	10
Kennametal Shared Services Private Ltd, India	-	-	100	51	-	-	-	-	100	51
<b>Royalty payments*</b>	27	11	12	9	-	-	-	-	39	20
Kennametal Inc, USA	27	11	-	-	-	-	-	-	27	11
Hanita Metal Works Ltd, Israel	-	-	12	9	-	-	-	-	12	9
<b>Recharge of expenses</b>	11	10	9	-	-	-	-	-	20	10
Kennametal Inc, USA	11	10	-	-	-	-	-	-	11	10
Others	-	-	9	-	-	-	-	-	9	-
<b>Stock compensation expenses</b>	33	27	-	-	-	-	-	-	33	27
Kennametal Inc, USA	33	27	-	-	-	-	-	-	33	27
<b>Contributions to other related parties</b>	-	-	-	-	-	-	153	91	153	91
Kennametal India Limited Employees Provident Fund Trust	-	-	-	-	-	-	50	50	50	50
Kennametal India Limited Employees Gratuity Trust	-	-	-	-	-	-	103	41	103	41

\*Effective April 1, 2024, the royalty terms have been updated in accordance with the agreements with those group companies.

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

	Parties where control exist		Fellow subsidiaries		KMP		Others		Total	
	[A(I)]		[A(II)]		[A(III)]		[A(IV)]			
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
<b>Outstanding receivables - Trade and others</b>	123	125	35	28	-	-	-	-	158	153
<b>Trade receivables</b>	119	124	30	22	-	-	-	-	149	146
Kennametal Inc, USA	66	63	-	-	-	-	-	-	66	63
Kennametal Europe GmbH, Switzerland	53	61	-	-	-	-	-	-	53	61
Others	-	-	30	22	-	-	-	-	30	22
<b>Outstanding other receivables</b>	4	1	5	6	-	-	-	-	9	7
Kennametal Inc, USA	4	1	-	-	-	-	-	-	4	1
Kennametal Distribution Services Asia Pte. Ltd., Singapore	-	-	3	2	-	-	-	-	3	2
Others	-	-	2	4	-	-	-	-	2	4
<b>Outstanding payable - Trade</b>	404	302	49	25	-	-	-	-	453	327
Kennametal Inc, USA	187	120	-	-	-	-	-	-	187	120
Kennametal Europe GmbH, Switzerland	217	182	-	-	-	-	-	-	217	182
Others	-	-	49	25	-	-	-	-	49	25

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 40 Regulatory information required by Schedule III

#### (a) Key Ratios (refer notes below)

S.No	Particulars	Numerator	Denominator	June 30, 2024	Jun 30, 2023	% Variance	Reason for Variance
1	Current Ratio (times)	Current Assets	Current Liabilities	3.18	3.17	1%	Not applicable.
2	Return on Equity Ratio (percentage)	Net Profit after Tax	Capital Employed	15%	13%	18%	Not applicable.
3	Trade Receivable Turnover Ratio (times)	Net Credit Sales	Average Trade Receivable	6.86	7.72	-11%	Not applicable.
4	Trade Payable Turnover Ratio (times)	Cost of materials consumed, purchase of stock in trade and operating expenses (excluding provision for product support, provision for doubtful debts, rates and taxes, changes in inventory and net loss on foreign currency translation)	Average Trade Payables	8.43	8.73	-3%	Not applicable.
5	Net Capital Turnover Ratio (times)	Net Sales	Working Capital (Current Assets less Current Liabilities)	2.64	3.25	-19%	Not applicable.
6	Net Profit Ratio (percentage)	Net Profit after Tax	Net Sales	10%	8%	23%	Not applicable.
7	Return on Capital Employed (percentage)	Earnings before Interest and Tax (EBIT)	Average Capital Employed	19%	17%	11%	Not applicable.
8	Debt Equity Ratio	Debt	Equity	0.004	0.004	5%	Not applicable.
9	Debt Service Coverage Ratio(DSCR)	Earnings before Interest and Tax (EBIT)	Interest and Principal	147	163	-10%	Not applicable.
10	Return on Investment	Net Profit after Tax	Opening Capital	16%	14%	14%	Not applicable.

#### (b) Others

##### (i) Details of benami property held

The Company does not hold any benami property. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

##### (ii) Borrowing secured against current assets

The Company has no borrowings from banks and financial institutions on the basis of security of current assets.

##### (iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

#### (iv) Relationship with struck off companies

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

#### (v) Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

#### (vi) Compliance with number of layers of companies

The Company does not have any subsidiaries and hence compliance with Section 2(87) of the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017 ('layering rules') is not applicable to the Company.

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 40 Regulatory information required by Schedule III (cont'd)

#### (vii) Utilisation of borrowed funds and share premium

(A) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

(B) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

#### (viii) Undisclosed income

There is no income surrendered or disclosed as income during the current or prior year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of accounts of the Company.

#### (xi) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

#### (xii) Valuation of property, plant and equipment, right-of-use assets, intangible asset and investment property

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or prior year.

### 40A Audit trail

The Company uses an Enterprise Resource Planning (ERP) software that provides audit trail as a standard functionality and logs changes to financial data. The audit trail feature has been operational throughout the year for all relevant routine transactions recorded in the ERP. To operate the ERP at the application level and the database level, a set of users have privileged access. The changes made directly at the database level do not have an effective audit trail (i.e., the system captures only modified values and not pre-modified values). Further, changes made (for e.g., debugging or fixing errors) through privileged access at the application level are not logged by default in the ERP.

### 41 Other accounting policies

The material accounting policies adopted in the preparation of financial statements have been disclosed in the pertinent notes in these financial statements. Other accounting policies are described below.

#### 41.1 Property, plant and equipment

##### Tangible assets

The Company's accounting policy for land is explained in note 3A. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the reporting period in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

Assets in the course of construction are capitalised under CWIP. At the point when the construction of the asset is completed and it is ready to be operated as per management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Any revenue (net of cost) generated from production during the trial period is capitalised.

#### 41.2 Intangible assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any.

Operating software is capitalised along with the related property, plant and equipment and amortised over the useful life of the asset. Application software is capitalised, if it has an enduring benefit, and is amortised over its useful life or term of the contract whichever is lower.

Research expenditure and development expenditure that do not meet the criteria to be recognised as asset (only if probable that future economic benefits that are attributable to the assets will flow to the Company and the costs can be measured reliably) are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

#### 41.3 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 41 Other accounting policies (cont'd)

applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

#### 41.4 Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### 41.5 Government grants

The export incentives from the Government such as Remission of Duties or Taxes on Export Products (RoDTEP) and duty drawback are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. The fair value is measured as a percentage of export sales as per the scheme.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented net of cost of material consumed for RoDTEP and duty drawback.

Government grants related to property plant and equipments are presented in Balance Sheet by deducting the grant in calculating the carrying amount of the assets

#### 41.6 Inventories

Cost of raw materials and traded goods comprises of cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition.

#### 41.7 Leases

##### As a lessee

When the Company is the lessee, all leases with a term of more than 12 months are recognised as right-of-use ("ROU") assets and associated lease liabilities in the balance sheet. The lease liabilities are measured at the lease inception date at the present value of the lease

payments not yet paid determined using the Company's incremental borrowing rate, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms, security and conditions. ROU assets represent the Company's right to control the underlying assets under lease, and the lease liability is the obligation to make the lease payments related to the underlying assets under lease. The interest rate implicit in the lease is generally not determinable in transactions where the Company is the lessee. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid and accrued rent and lease incentives. Fixed and in-substance fixed payments are included in the recognition of ROU assets and lease liabilities. However, variable lease payments, other than those based on a rate or index, are recognised in the Statement of Profit and Loss in the period in which the obligation for those payments is incurred. Real estate lease contains predefined escalations which are mainly due to inflation and does not have variable portion. The lease agreements do not impose any covenants on the Company.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

ROU assets are generally amortised on a straight-line basis over the lease term with the interest expense on the lease liability recorded using the incremental borrowing rate. The amortisation and interest expense are recorded separately in the Statement of Profit and Loss. Lease costs for short-term leases (i.e., term less than 12 months) are recognised in the Statement of Profit and Loss.

Payments associated with all leases of low-value assets are recognised on a straight-line-basis as an expense in profit or loss. Low-value assets comprise computer equipment and small items of office furniture.

#### 41.8 Other income

Interest income from financial assets at fair value through profit or loss (FVPL) is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at fair value through other comprehensive income (FVOCI) is calculated using the effective interest method is recognised in the Statement of Profit and Loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Dividends are received from financial assets at FVPL. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of the investment in which case it is considered as a return of capital.



## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 41 Other accounting policies (cont'd)

#### 41.9 Employee benefits

##### Other long-term employee benefit obligations

##### Compensated absences

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

##### Long-term service awards

Certain employees of the Company are entitled to other long-term benefits in the nature of long term service awards as per the policy of the Company. Liability for such benefits is provided for on the basis of valuation performed by an independent actuary using the projected unit credit method at the balance sheet date.

##### Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### 41.10 Foreign currency translation

##### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates. ('the functional currency'). The financial statements are presented in Indian rupee ₹, which is the Company's functional and presentation currency.

##### (ii) Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates that approximate the actual rates at the date of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in Statement of Profit or Loss.

All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within Other income or Other expenses.

#### 41.11 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the entity operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### 41.12 Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

### 41 Other accounting policies (cont'd)

#### 41.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Financial assets

##### Initial recognition

All the financial assets and financial liabilities are initially recognised at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. However, trade receivables that do not contain a significant financing component are measured at transaction price.

##### Subsequent measurement

##### (a) Financial assets

##### (i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (ii) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is subsequently measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (iii) Financial assets at fair value through profit or loss (FVTPL)

Financial assets which are not classified in any of the above categories are subsequently measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL and is not part of a hedging relationship is recognised in the Statement of Profit and Loss and presented net in the period in which it arises. Interest income from these financial assets is included in other income.

##### Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109 'Financial Instruments'. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### (b) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to short maturity of these instruments.

##### Offsetting financial instruments

Financial assets and liabilities are offset and the net amounts is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### 41.14 Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach required by Ind AS 109 "Financial instruments", which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### 41.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

Fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## Notes to the financial statements as of and for the year ended June 30, 2024

(All amounts in ₹ millions, except per share data unless otherwise stated)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurements as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined the classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liabilities and the level of the fair value hierarchy as explained above.

### 41.16 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

As per our report of even dated attached.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/ E300009

Shivakumar Hegde  
Partner  
Membership Number: 204627  
Bengaluru  
August 9, 2024

### 41.17 Contract assets

Contract Assets are recognised when the Company has the rights to consideration in exchange for goods and services that the Company has transferred to a customer and when such right is conditional upon something other than passage of time.

### 41.18 Other operating revenue

Commission on order based sales is recognised as and when the performance obligation is satisfied and the right to receive the consideration is established.

### 41.19 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### 41.20 Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of dilutive potential equity shares, if any.

For and on behalf of Board of Directors of Kennametal India Limited

Venkatesan Vijaykrishnan  
Managing Director  
DIN - 07901688  
Bengaluru  
August 9, 2024

Bidadi Anjani Kumar  
Chairman  
DIN - 00022417  
Bengaluru  
August 9, 2024

Suresh Reddy KV  
Chief Financial Officer  
Bengaluru  
August 9, 2024

Anupriya Garg  
Company Secretary  
Bengaluru  
August 9, 2024







Safety remained a top priority in FY24, leading to our milestone of achieving 365 injury free days, a reflection of all the great work that has happened towards strengthening our processes, infrastructure and people culture. Pictured here is a celebration of National Safety Day on March 4, 2024 at our facility, around the theme of “Focus on Safety Leadership for Environment, Social, Governance (ESG) Excellence”.

In May '24, Kennametal India organized an in-person Suppliers Meet with the aim of acknowledging and recognizing their contribution to the smooth running of business over the years. 15 suppliers were recognized at the event, on the basis of Performance, Quality, Delivery, Support on Special Projects, Services and Innovation.



Various sporting tournaments were organized through the year to keep employees active and engaged. These generated a lot of buzz and saw overwhelming participation across departments.





**Kennametal India Limited**

CIN: L27109KA1964PLC001546

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