

## ADDITIONAL INFORMATION TO AID THE SHAREHOLDERS TO MAKE CONSIDERED DECISIONS ON THE PROPOSALS (NON-MANDATORY)

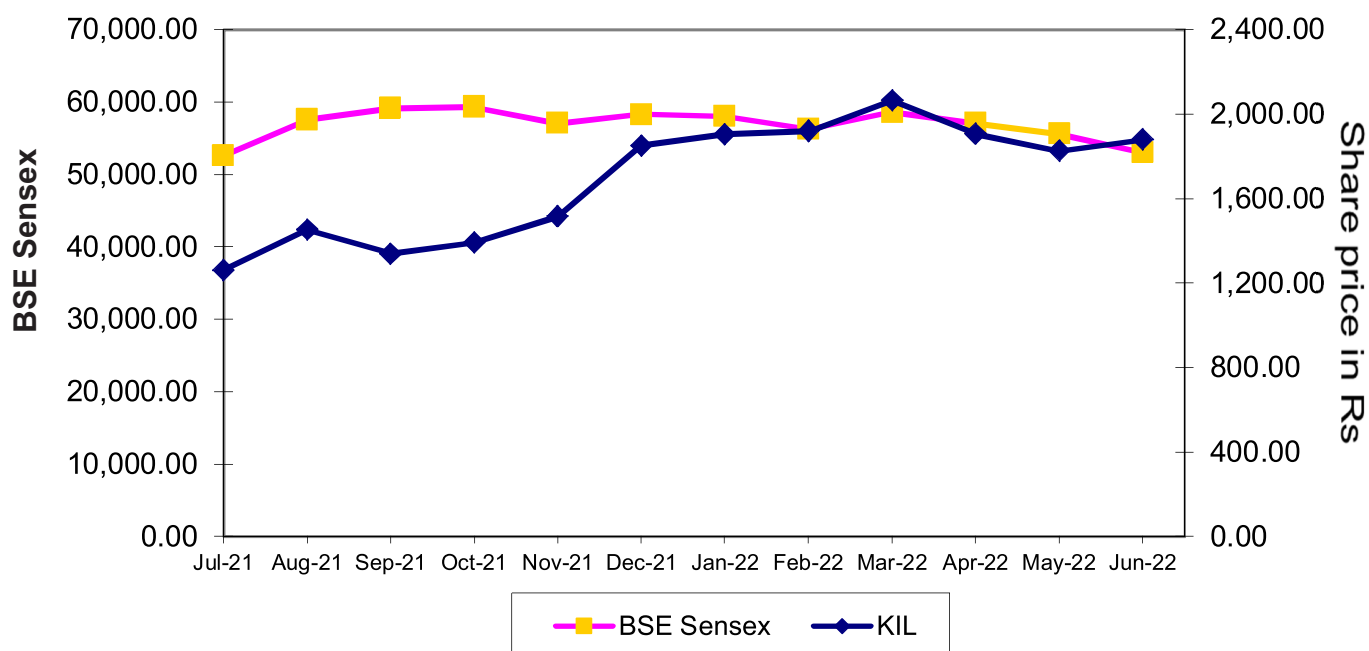
### 1. General Information

#### 1.1 Company Overview as on June 30, 2022

##### 1.1.1 Share Price information

Share Price (INR)	52 Weeks High (INR)	52 Weeks Low (INR)	Market Cap (INR in millions)	No. of shareholders
1,878.15	2299.15	1171.05	41278.7	13,882

##### 1.1.2 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.*

##### 1.1.3 Number of subsidiaries, Joint Ventures, Associate as on June 30, 2022

Subsidiaries	Associates	Joint Ventures
1	Nil	Nil

#### 1.1.4 Financial indicators

(₹ in Million)

Particulars	Consolidated		
	FY22	FY21	FY20
Total revenue	9907	8,537	7050
<b>Profit before exceptional items and tax</b>	<b>1526</b>	<b>995</b>	<b>472</b>
Add/less-exceptional items income/(expense)	-	(10)	(51)
<b>Profit after exceptional items &amp; before tax</b>	<b>1526</b>	<b>985</b>	<b>421</b>
<b>Less: Tax Expense</b>	<b>385</b>	<b>252</b>	<b>82</b>
Current tax	405	253	101
Deferred tax charge/ (credit)	(11)	(1)	(9)
Tax adjustment relating to earlier years	(9)	-	(10)
<b>Profit after tax</b>	<b>1141</b>	<b>733</b>	<b>339</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>(12)</b>	<b>1</b>	<b>(10)</b>
<b>Total comprehensive income for the year</b>	<b>1130</b>	<b>734</b>	<b>329</b>
Earnings per share - Basic and Diluted	51.94	33.35	15.42

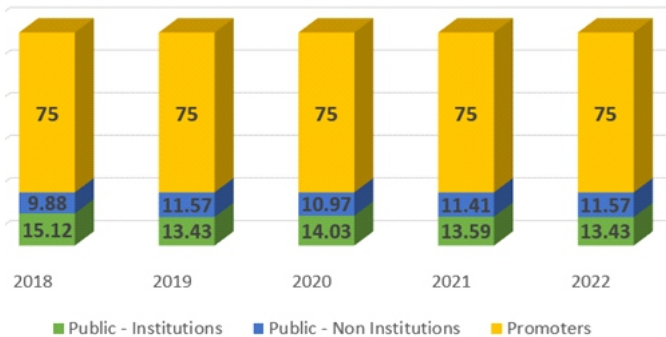
#### 1.1.5 Cash Flows

(₹ in Million)

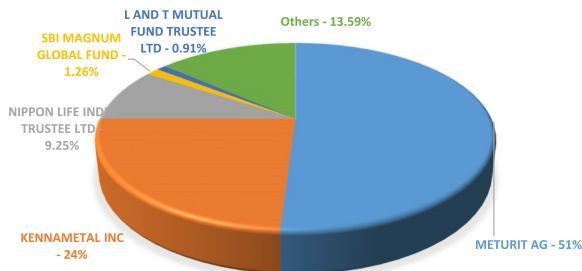
Particulars	Consolidated		
	FY22	FY21	FY20
Cash flows from operating activities	491	1662	336
Cash flows from investing activities	(619)	(247)	(537)
Cash flows from financing activities	(526)	(573)	10
Net changes	(654)	842	(191)

#### 1.2 Ownership Structure

##### 1.2.1 Shareholding Pattern (percentage as of June 30, 2022):



##### 1.2.2 Top 5 Shareholders as of June 30, 2022 (Public & Promoters)



#### 2. Additional information as relevant to the proposals mooted in the AGM Notice

##### 2.1 Additional Information relating to proposal number 1 of the Notice convening the AGM viz.,

**"To receive, consider and adopt:**

- the Audited Standalone Financial Statements of the Company for the financial year ended June 30, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and
- the Audited Consolidated Financial Statements of the Company for the financial year ended June 30, 2022 together with the Report of Auditors thereon."

##### Financial indicators

Key Financial Ratios ^	FY22		FY21		% Change FY 22 vs. FY 21	
	Consolidated	Standalone	Consolidated	Standalone	Consolidated	Standalone
Debtors Turnover Ratio	7.93	7.93	8.38	8.45	-5%	-6%
Inventory Turnover Ratio	3.72	3.72	4.16	3.96	-11%	-6%
Current Ratio	2.72	2.64	2.42	2.34	13%	13%
Operating Profit Margin(%)*	15%	15%	12%	11%	32%	38%
Net Profit Margin (%) *	12%	12%	9%	8%	34%	41%
Return on Capital Employed(ROCE) (%) **	24%	24%	17%	16%	39%	54%
Return (PAT) on Net Worth (%) **	18%	18%	13%	12%	41%	55%

\*Improvement in Operating Profit & Net profit Margin was due to increase in sales and improved management of costs.

\*\*Increase in return on Capital Employed (ROCE) and return on Net Worth was attributable to improved revenues and efficient utilisation of resources leading to improved margins.

^ Debt Equity Ratio, Debt Service Coverage Ratio (DSCR) and Interest Coverage Ratio are not applicable as the Company has no debt as on June 30, 2021, and June 30, 2022.

^ Explanations have been provided for any change in the ratio by more than 25% as compared to June 30, 2021.

##### Key audit matters

The Statutory Auditors have not made any qualification, reservation, adverse remark or disclaimers in their Consolidated and / or Standalone Audit Report for FY 2021-22. Other key audit matter have been explained by the Auditors in their Report.

##### 2.2 Additional Information relating to proposal number 2 of the Notice convening the AGM viz.,

**"To appoint Mr. Devi Parameswar Reddy (DIN: 03450016), Director, who retires by rotation and being eligible, offers himself for re-appointment."**

Brief particulars of Mr. Devi Parameswar Reddy, Director seeking re-appointment, as required under SEBI (LODR) Regulations, 2015 is elucidated at Annexure A to this notice.

##### 2.2.1 Board Structure:

Board Size	No. of Independent Directors (IDs)	Executive Director	Non-Executive Directors	% of Independent Directors on the Board
7	3*	1 ^	3	43%

\* Includes independent chairman & independent women director.

^ Managing Director

### Board Metrics



■ Independent Directors ■ Executive Director ■ Non-Executive Directors

### Gender composition on Board



■ Woman Directors ■ Male Directors

### Independent woman Director v/s. Non-Executive woman Director



■ Independent woman Director  
■ Non-Executive woman Director

### 2.2.2. Board's Profile as at June 30, 2022:

Director	Age	Men / Women	Tenure of office as at June 30, 2022	Attendance for FY22		Directorship including KIL			Board Committees / including KIL#	
				Board	AGM	Total (LC + PC)	LC	PC	Chairmanship	Membership
Independent Directors										
Mr. B. Anjani Kumar	70	M	7.7 years*	4/4	✓	3	2	1	2	-
Mr. Vinayak K Deshpande	65	M	7.7 years*	2/4	✓	6	2	4	1	2
Ms. Bhavna Bindra	45	W	2.6 years	4/4	-	4	2	2	0	2
Non-Executive and Non-Independent Directors										
Mr. D Parameswar Reddy	44	M	3.10 years	3/4	✓	1	1	-	-	1
Mr. Franklin Gerardo Cardenas Castro	54	M	1.4 years	4/4	✓	1	1	-	-	-
Ms. Kelly Marie Boyer	63	W	0.2 years	1/1	NA	1	1	-	-	-
Executive Director (Managing Director)										
Mr. Vijaykrishnan										
Venkatesan	48	M	1.9 years	4/4	✓	1	1	-	-	2

\* 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

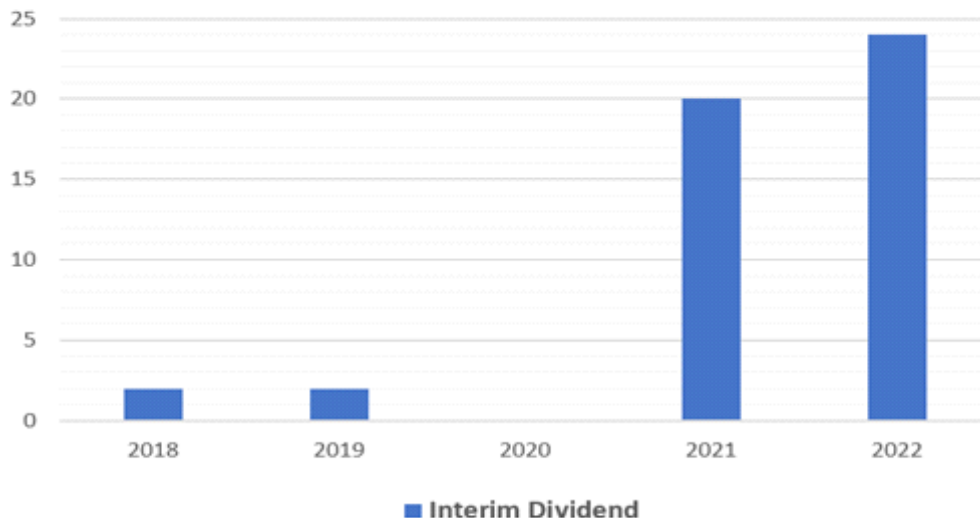
### 2.2.3 Director's Skill Matrix:

Key Board Qualifications	Board of Directors as at June 30, 2022						
Area of Expertise	Anjani Kumar	Vinayak Deshpande	Bhavna Bindra	Franklin Cardenas	Vijaykrishnan Venkatesan	Kelly Boyer	Parameswar Reddy
<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	-	✓	-	-	✓	-	-

### 2.3 Additional Information relating to proposal number 3 of the Notice convening the AGM viz.,

"To confirm the interim dividend of ₹ 24/- per Equity Share (240%) on 2,19,78,240 Equity Shares of ₹ 10/- each already paid for the financial year 2021-22 (year ended June 30, 2022)."

#### Details of Interim Dividend for last five financial years :



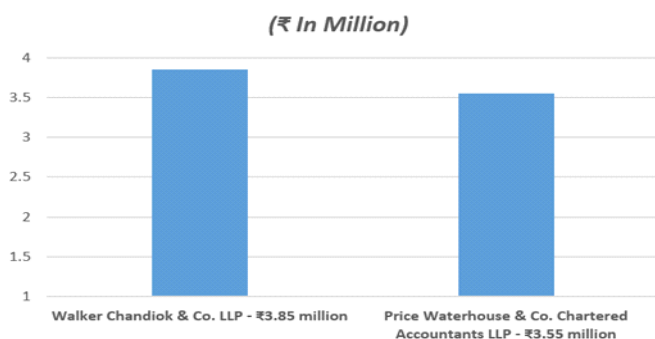
#### **2.4 Additional Information relating to proposal number 4 of the Notice convening the AGM viz.,**

*"To appoint Messrs Price Waterhouse & Co. Bangalore LLP, Chartered Accountants (Firm Registration No. 304026E / E-300009), as Statutory Auditors for a period of 5 (five) years and to fix their remuneration."*

Based on the recommendation of the Audit Committee, the Board has recommended the appointment of Messrs Price Waterhouse & Co. Chartered Accountants LLP (Firm Registration No. 304026E / E-300009) (PWC) as Statutory Auditors of the Company for a term of 5 years from the FY 2022-23 for the approval of the shareholders at this 57th Annual General Meeting ('AGM') of the Company, in place of existing Statutory Auditors, Messrs Walker Chandio & Co. LLP, Chartered Accountants, whose term shall expire at the conclusion of this 57th AGM of the Company.

Appointment of Messrs Price Waterhouse & Co. Chartered Accountants LLP as Statutory Auditors is pursuant to conclusion of the term of Messrs Walker Chandio & Co. LLP as per the provisions of the Companies Act, 2013. There is no material change to the proposed Audit Fee by the incoming Auditors as compared to the existing fee.

**Below is the comparison chart of existing and proposed Audit Fee for FY23:**

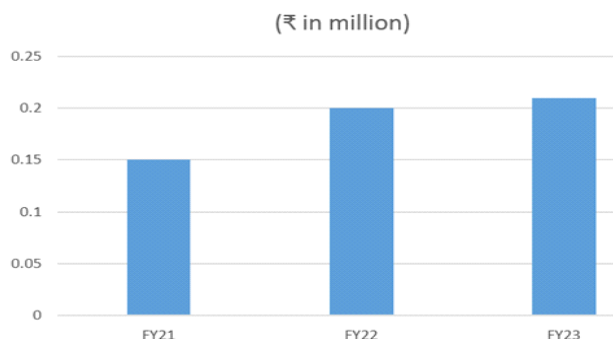


#### **2.5 Additional Information relating to proposal number 5 of the Notice convening the AGM viz.,**

*"To ratify remuneration to Cost Auditors"*

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 Messrs. K. S. Kamalakara & Co., Cost Auditors, Bengaluru (FRN: No:0000296), Cost Auditors are to be ratified by the Members of the Company.

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



#### **2.6 Additional Information relating to proposal number 6 of the Notice convening the AGM viz.,**

*"To approve the payment of commission, to the Chairman, exceeding fifty percent (50%) of the total commission payable to all Independent Directors"*

While all the Independent Directors are entitled to uniform commission, Chairman of the Board and Chairman of the Audit Committee are entitled to additional commission on account of their duties, responsibilities and obligations which they carry.

Mr. B. Anjani Kumar, Chairman of the Board and the Audit Committee, who is an Independent Director, has no nexus with the promoters or other Board members of the management group of your Company. The additional commission to the Chairman (commission more than what is paid to other Independent Directors) is purely on account of the roles, responsibilities and obligations that the position carries and is not individual specific.

**In the past, all earlier Independent Chairmen were entitled to commissions, based on same parameters. Payment of commission based on these well-defined parameters will not affect the independence of Mr. B. Anjani Kumar.**

Pursuant to the provisions of the Companies Act, 2013, Mr. B. Anjani Kumar has completed 7.7 years as Independent Directors on the Board of the Company as at June 30, 2022, whose term shall expire on November, 2024.

#### **3. Disclosures to Shareholders (a bird's eye view)**

Statement on Compliance with applicable Secretarial Standards	✓
Related Party Transactions as per Form No. AOC.2	✓
Chart or Matrix of setting out the skills/ expertise/ competence of the board of Directors	✓
Financial Highlights including ratios	✓
Form No. MGT 7 (Annual Return) for FY 2021-22 disclosed on the website	✓
Disclosure on Dividends	✓
Details of change in the Board Constitution during the year	✓
Details of Subsidiaries / Associates / Joint Ventures	✓
Stock price trend and allied details	✓
Details of Major shareholders – Promoters & Public	✓
Link to the applicable Policies / Codes of the Company	✓

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

**Naveen Chandra P**  
General Manager - Legal &  
Company Secretary (ACS -30057)  
Address: 8/9<sup>th</sup> Mile, Tumkur Road,  
Bengaluru – 560073, Karnataka

Bengaluru  
August 12, 2022