

## NOTICE TO MEMBERS

NOTICE is hereby given that the Fiftieth Annual General Meeting of Kennametal India Limited will be held on Monday, November 09, 2015 at 12.30 P.M., at the Registered Office of the Company at 8/9<sup>th</sup> Mile, Tumkur Road, Bengaluru – 560 073, to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements as at June 30, 2015 and the Independent Auditors Report thereon and the report of the Board of Directors.
2. To confirm the interim dividend of ₹ 2/- per equity share (20%) on 21,978,240 equity shares of ₹ 10/- each already paid as the final dividend for the financial year 2014-15 (year ended June 30, 2015).
3. To ratify the appointment of *Messrs. Price Waterhouse & Co Bangalore LLP, Chartered Accountants, (Firm Registration No.007567S/S-200012)* as approved by the Members at the forty-ninth Annual General Meeting as Statutory Auditors of the Company, to hold office until the conclusion of the fifty second Annual General Meeting, and to fix their remuneration for the financial year ending June 30, 2016.

### SPECIAL BUSINESS:

4. **To consider and if thought fit, to pass, with or without modification(s),the following resolution, as an Ordinary Resolution:**

*“RESOLVED THAT Mr. John H. Jacko Jr. (DIN: 06945511) who was appointed as a Director of the Company with effect from August 12, 2014 in place of the casual vacancy caused by the resignation of Mr. John Chang (DIN:03507842), who retires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member pursuant to Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation.”*

5. **To consider and if thought fit, to pass, with or without modification(s),the following resolution, as an Ordinary Resolution:**

*“RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 any other applicable and related provisions of the Companies Act, 2013, read with Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), Schedule IV to the Companies Act, 2013 and Clause 49 of the Listing Agreement, Mr. Prakash M. Telang (DIN: 00012562), who was appointed as an Additional Director of the Company with effect from November 04, 2014 under Section 161 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to five consecutive years commencing from November 04, 2014.”*

6. **To consider and if thought fit, to pass, with or without modification(s),the following resolution, as an Ordinary Resolution:**

*“RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the remuneration payable to*

Messrs. K. S. Kamalakara & Co., Cost Auditors, Bengaluru (Firm Registration No:0000296), appointed by the Board of Directors as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending June 30, 2016, amounting to ₹ 2,00,000 (Rupees Two Lakhs only) as also the payment of service tax as applicable and re-imbusement of out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified and confirmed.”

**7. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:**

“RESOLVED THAT in accordance with the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013, (the Act) including any statutory modification(s) or re-enactment(s) thereof, the Articles of Association of the Company and subject to all applicable approval(s) as may be required, consent of the Members be and is hereby accorded to the payment of commission for a period of upto five years commencing from July 01, 2015 to the Non-Executive Directors of the Company as may be decided by the Board from time to time, provided that the total commission payable to the Non - Executive Directors per annum shall not exceed the limit specified under the Act or one percent of the net profits of the Company for each year as computed in the manner specified under Section 198 of the Act, whichever is lower, with authority to the Board to determine the quantum, manner and proportion in which the amount be distributed among individual Non -Executive Directors.”

**8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of revised Clause 49 (VII) of the Listing Agreement, consent of the members be and is hereby accorded in respect of the following material related party transaction(s) by the Company with Kennametal Inc., USA on arm’s length basis:

<b>Sl. No.</b>	<b>Nature of Transactions</b>	<b>Approval received from members for the estimated Material related party transactions for FY15 in 49<sup>th</sup> AGM</b>	<b>Actual Transaction value for financial year July 01, 2014 to June 30, 2015 i.e. FY15 amount ₹ in Lakhs</b>	<b>Estimated Value of Transactions per Annum effective financial year commencing July 1, 2015 –i.e. FY16 not exceeding amount ₹ in Lakhs</b>
1.	Purchase of Components/raw materials (payment)	5900	4693	5500
2.	IT Cross charges (payment)	1500	1145	1400
3.	Royalty (payment)	240	185	220
4.	Cross charge –expenses (Payable)	20	32	70
5.	Sales of products/components (receipts)	1530	1557	1800
6.	Cross charge –expenses (Receivable )	35	9	35

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

**9. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

*“RESOLVED THAT pursuant to the provisions of revised Clause 49(VII) of the Listing Agreement , consent of the members be and is hereby accorded in respect of the following material related party transaction(s) by the Company with Kennametal Europe GmbH on arm’s length basis:*

<b>Sl. No.</b>	<b>Nature of Transactions</b>	<b>Approval received from members for the estimated Material related party transactions for FY15 in 49<sup>th</sup> AGM ₹ in Lakhs</b>	<b>Transaction value for financial year July 01, 2014 to June 30, 2015 i.e. FY15 amount ₹ in Lakhs</b>	<b>Estimated Value of Transactions per Annum effective financial year commencing July 1, 2015 –i.e. FY16 ₹ in Lakhs</b>
1	Purchase of Components/raw materials (payments)	15250	13451	15500
2	Sales (receipt)	2050	1616	1850
3	Cross charge -expenses (Receivable)	35	0	35

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

By Order of the Board of Directors  
For Kennametal India Limited

Bengaluru  
September 09, 2015

Kundan K. Lal  
General Manager-Legal &  
Company Secretary (ACS-15180)

**NOTES**

1. The Register of Members and the Share Transfer Books of the Company will remain closed from **Tuesday, November 03,2015 to Monday, November 09, 2015** (both days inclusive) for the purpose of the Annual General Meeting (AGM).
2. 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.

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

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of details relating to Special Businesses are annexed hereto.
4. An interim dividend of ₹ 2/- per equity share of ₹ 10/- each ( 20% on the paid up capital of the Company) was declared by the Board for the financial year ended June 30, 2015 and June 23, 2015 was fixed as Record Date for the said purpose. The said interim dividend was paid on June 26, 2015.
5. Consequent upon the amendment to Section 205A of the Companies Act, 1956 and introduction of Section 125C by the Companies (Amendment) Act, 1999, the amount of dividends remaining unclaimed for a period of seven years are to be transferred to the Investor Education and Protection Fund. Accordingly, the dividend declared for all the Financial Years ended June 30, 2007 has been transferred to Investor Education and Protection Fund. The amount so transferred cannot be claimed either from the Company or from the said Fund.

Members who have not encashed the dividend warrants/ demand drafts for the financial year ended June 30, 2010 onwards are requested to write to the Company giving the necessary details.

Pursuant to Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with companies) Rules, 2012, the Company shall provide/host the required details of unclaimed amounts referred to under Section 205C(2) of the Companies Act, 1956 on its website page [www.kennametal.com/kennametal/hi/about-us/kil-financials.htm](http://www.kennametal.com/kennametal/hi/about-us/kil-financials.htm) or [www.kennametal.com/kennametalindia](http://www.kennametal.com/kennametalindia) and also Ministry of Corporate Affairs (MCA) website in the relevant form every year.

6. Electronic copy of the Notice of the 50<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 50<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 in the permitted mode.

Members may also note that the Notice of the 50<sup>th</sup> Annual General Meeting and the Annual Report for 2014-15 will also be available on the Company's website page [www.kennametal.com/kennametal/hi/about-us/kil-financials.htm](http://www.kennametal.com/kennametal/hi/about-us/kil-financials.htm). or [www.kennametal.com/kennametalindia](http://www.kennametal.com/kennametalindia) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Bengaluru for inspection during normal business hours on working days. 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)

7. The Securities and Exchange Board of India (SEBI) vide Circular dated April 27, 2007, had made PAN mandatory for all securities market transaction. Thereafter, vide Circular dated May 20, 2009 it was clarified that, for securities market transactions and off market/ private transaction involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee (s) to furnish copy of PAN card to the Company/Registrar & Share Transfer Agents for registration of such transfer of shares. The shareholders are requested to furnish a copy of the PAN card in cases involving transfer of shares in physical form.

8. Members may address all matters relating to shares, demat, remat, annual report, etc. to the Company's Registrar & Share Transfer Agent (RTA) at the following address:

Integrated Enterprises (India) Limited  
No.30, 'Ramana Residency',  
4th Cross, Sampige Road, Malleswaram,  
Bengaluru- 560003  
Phone: (080) 23460815 – 818, Fax: (080) 23460819,  
e-mail:irg@integratedindia.in

For dividend queries and other general matters:

The Company Secretary  
Kennametal India Limited  
8/9th Mile, Tumkur Road, Bengaluru - 560 073.  
Phone: 080-28394321 and 080 22198345, Fax: 080 28397572  
e-mail: kundana.lal@kennametal.com  
e-mail:in.investorrelation@kennametal.com

for the purpose of addressing investor complaints and also to take necessary follow-up action.

Members are requested to quote their Registered Folio Number or Demat Account Number & Depository Participant (DP) ID Number in all correspondence.

#### **9. Remote Voting through electronic mode:**

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 & Rule 21 of Companies (Management and Administration) Rules, 2014, the Company is pleased to provide its members the electronic facility to exercise their right to vote at the Annual General Meeting (AGM). The business at the AGM may be transacted through e-voting services provided by Central Depository Services Limited (CDSL). It is hereby clarified that it is not mandatory for a member to vote using the e-voting facility, and a member may avail of the facility at his/her/it's discretion, subject to compliance with the instructions prescribed below:

#### **The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on November 05, 2015 (09.00 A.M.) and ends on November 08, 2015 (05.00 P.M.). During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) i.e. November 02, 2015 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now select the "COMPANY NAME" from the drop down menu and click "SUBMIT"
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.

- (vii) 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 voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xv) 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.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xviii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and signature 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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) Any person, who acquires equity shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. November 2, 2015 may follow the same instructions as mentioned above for e-Voting.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- (xxii) The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. November 02, 2015.
- (xxiii) Mr. Vijayakrishna K T, Practicing Company Secretary, has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xxiv) The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- (xxv) The scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a scrutinizer’s report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company or the officials authorized by him.

The results of the e-voting along with the scrutinizer's report shall be placed on the Company's website page [www.kennametal.com/kennametal/hi/about-us/kil-financials.htm](http://www.kennametal.com/kennametal/hi/about-us/kil-financials.htm). or [www.kennametal.com/kennametalindia](http://www.kennametal.com/kennametalindia) and on the website of CDSL within two days of passing of the resolution at the AGM of the Company. The results will also be communicated to the stock exchange where the shares of the Company are listed.

10. 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.
11. In case of joint shareholders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
12. The Members, who have voted electronically, are not eligible to vote by ballot paper.
13. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
14. The brief resume of directors seeking appointment/ re-appointments as required under Clause 49 of the listing agreement is set out at "**Annexure A**" to this notice.
15. Members / Proxy holders are requested to produce at the entrance of the venue the enclosed attendance slip duly signed.
16. Members are requested to bring their copies of the annual report to the AGM.
17. Every person holding equity shares of the Company and whose name is entered:
  - a. As a beneficial owner as at the end of business hours on November 02, 2015, as per the list to be furnished by NSDL/CDSL in respect of shares held in dematerialised form
  - b. As members in the register of members of the Company after giving effect to valid share transfers lodged with the Company, on or before November 02, 2015.shall only be entitled to attend the AGM in person or through his/ her proxy.
18. The identity / signature of the members holding shares in demat form are liable for verification with the specimen signatures furnished by NSDL/CDSL. Such members are advised to bring the Depository Participant (DP ID), account number (Client ID) and the relevant identity card to the AGM for easier identification and recording of attendance at the AGM.
19. In terms of the Circular No. CIR/MRD/DP/10/2013 dated 21 March 2013 issued by the Securities and Exchange Board of India, listed companies are required to use the Reserve Bank of India's approved electronic mode of payment such as Electronic Clearance Service (ECS), LECS (Local ECS)/RECS (Regional ECS)/NECS (National ECS), NEFT, etc. for making cash payments like dividend etc. to the members. Accordingly, members holding securities in demat mode are requested to update their bank details with their depository participants. Members holding securities in physical form may send a request updating their bank details, to the address of RTA ( as mentioned in Sl.No.8 above) .
20. Pursuant to Section 72 of the Companies Act, 2013, members are entitled to make a nomination in respect of shares held by them. Members desirous of making a nomination are requested to send their requests in Form No. SH.13, pursuant to the Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 (which will be made available on request) to the RTA of the Company.



21. Members requiring information or clarification with regard to the audited accounts and operations of the Company are requested to write to the General Manager- Legal & Company Secretary at the Registered Office of the Company at least five days before the date of the meeting to enable the Company to keep the information ready.

## **EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

### **Item No. 4**

The Board of Directors appointed Mr. John H. Jacko Jr. (DIN: 06945511)) as Director with effect from August 12, 2014 in place of the casual vacancy caused by the resignation of Mr. John Chang (DIN:03507842), and who retires at this Annual General Meeting.

The brief resume in relation to his experience, functional expertise and memberships on other companies' Boards and committees as required under Clause 49 of the listing agreement is set out in Annexure 'A' to this Notice. The Board considers that his association as Director will be beneficial to and in the interest of the Company.

The Company has received a notice from a member of the Company along with requisite fee under section 160 of the Companies Act, 2013 proposing the candidature of Mr. John Jacko for the office of Director of the Company.

Except Mr. John Jacko, no other Directors, Key Managerial Personnel or their relatives, are interested or concerned in the resolution.

The Board recommends the resolution set forth in item No. 4 for approval of the members.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

### **Item No.5**

The Board of Directors of the Company had appointed Mr. Prakash M. Telang (DIN:00012562) as an Additional Director of the Company with effect from November 04, 2014. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Prakash M. Telang shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term upto five years.

Mr. Prakash M. Telang has given declaration under Section 149 (7) of the Companies Act, 2013 that he fulfills the conditions specified in Section 149 (6) of the Companies Act, 2013 read with Rules made thereunder for his appointment as an Independent Director of the Company.

The members are further requested to note that Mr. Prakash M. Telang has given declaration that he is not disqualified to become a Director under the Companies Act, 2013 and his consent to hold office as Director.

The Board is of the view that, owing to his rich and varied experience, his association would be of immense benefits to the Company and it is desirable to avail services of Mr. Prakash M. Telang as an Independent Director. Accordingly, the Board recommends the resolution for the appointment of Mr. Prakash M. Telang as an Independent Director, for the approval by the shareholders of the Company.



The brief resume in relation to his experience, functional expertise and memberships on other companies' Boards and committees as required under Clause 49 of the listing agreement is set out in Annexure 'A' to this Notice. The Board considers that his association as Director will be beneficial to and in the interest of the Company.

In the opinion of the Board of Directors, Mr. Prakash M. Telang fulfills the conditions prescribed under the Companies Act, 2013 and the Rules made thereunder and he is independent of the management.

The Company has received a notice from a member of the Company along with requisite fee under section 160 of the Companies Act, 2013 proposing the candidature of Mr. Prakash M. Telang for the office of Director of the Company

A copy of the draft letter of appointment of Mr. Prakash M. Telang setting out the terms and conditions is available for inspection without any fee by the members at the registered office of the Company during normal business hours on working days up to the date of the AGM.

The Directors commend the passing of the resolution relating to his appointment for the approval of the members as set out at item No.5 in the accompanying Notice.

Except Mr. Prakash M. Telang, no other Directors, Key Managerial Personnel or their relatives, are interested or concerned in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### **Item No.6**

The Board of Directors of the Company on the recommendation of the Audit Committee, approved the appointment and remuneration of Messrs. K. S. Kamalakara & Co., Cost Auditors, Bengaluru (FRN:0000296), to conduct the audit of the cost records of the Company for the financial year ending June 30,2016. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditors during the year 2016 as set out in the Resolution for the aforesaid services to be rendered by them.

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

The Board of Directors recommend the Ordinary Resolution set out at Item No. 6 of the Notice for approval by the Members.

#### **Item No.7**

The Members had, at the Annual General Meeting of the Company held on October 26, 2010, passed a Special Resolution under Section 309(4) of the Companies Act, 1956, approving the payment of commission to Non -Executive Directors of the Company, of a sum not exceeding one percent per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 1956. The approval is valid upto and including June 30, 2015.



The current competitive business environment, stringent accounting standards and corporate governance norms require considerably enhanced levels of involvement of the Directors in the decision making process. The responsibility of the Directors has become more onerous and the Directors are required to give more time and attention to the business of the Company. It is therefore proposed to continue the payment of commission to the Non-Executive Directors of the Company. The Board of Directors will determine each year, the specific amount to be paid as commission to the Non-Executive Directors which shall not exceed one percent of the net profits of the Company for that year, as computed in the manner referred to in Section 198 of the Companies Act, 2013.

In view of the above, the Members' approval is being sought pursuant to Sections 197, 198 and other applicable provisions of the Companies Act, 2013, if any, for the payment of commission to the Non- Executive Directors of the Company for a period of five years commencing from July 1, 2015. The payment of commission would be in addition to the sitting fees payable for attending Meetings of the Board and Committees thereof.

All the Non-Executive Directors of the Company are interested in the Resolution set out at Item No. 7 of the accompanying Notice, since it relates to their respective remuneration.

The Chief Executive Officer and Managing Director and Key Managerial Personnel of the Company and their relatives are not concerned or interested in the said Resolution.

The Board of Directors recommend the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

#### **Item No. 8 & 9**

As a part of its regular business, the Company purchases/sells raw materials, hard metal products, avails/renders services from/to Kennametal Inc. and Kennametal Europe GmbH, at arm's length basis. For the Financial Year 2016-17 ("on-going transaction") the Audit Committee has reviewed and approved the transactions as mentioned in the resolutions set out at Item No. 8 & 9 of the Notice on August 21, 2015.

Kennametal Inc. and Kennametal Europe GmbH are related to the Company as per Clause 49-VII(B)(1) of the Listing Agreement.

An analysis of all the related party transactions entered into/by the Company during FY15 and the basis of charge was undertaken through a third party professional firm. The Audit Committee upon review of such analysis, is of the view that all related party transactions by the Company are at Arm's length basis.

The Board of Directors in their Meeting held on August 21, 2015, reviewed the actual value of transaction for FY15 and estimated value of the transactions on annual basis effective FY16 in detail for recommending the same to the shareholders of the Company for their approval.

In terms of proviso to Clause 49-VII(C) of the Listing Agreement, the transactions with Kennametal Inc. and Kennametal Europe GmbH are material in nature as these transactions on cumulative basis are likely to exceed 10% of the annual turnover as per the last audited financial statements of the Company. Therefore, in terms of Clause 49-VII(E), the transactions with the said related parties require the approval of members of the Company by passing the resolution at item Nos. 8 & 9 of the Notice.



As per Clause 49(VII) of the Listing agreement, all entities falling under the definition of related parties shall abstain from voting on the resolution and accordingly, the promoters will not vote on items (8) & (9).

No Director, Key Managerial Personnel, or their respective relatives are in any way, concerned or interested, financial or otherwise, in the resolutions set out at Item Nos. 8 & 9 of the Notice respectively.

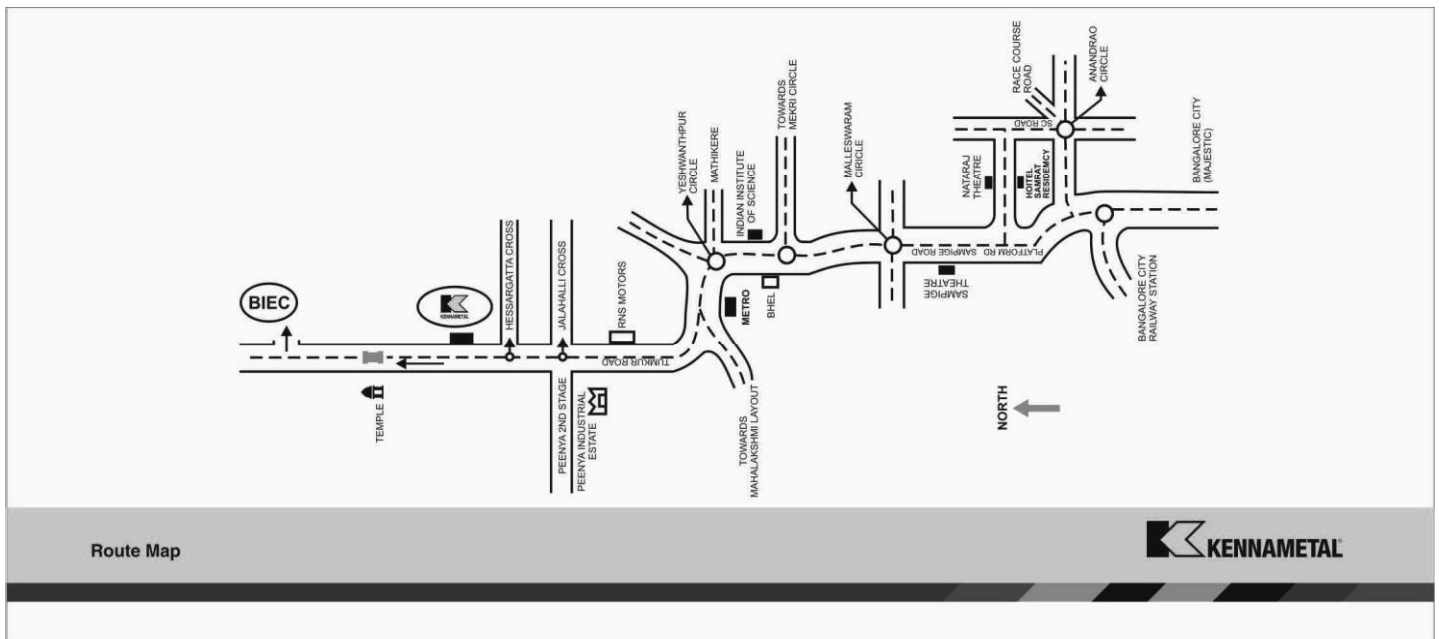
The Members' approval is solicited for the resolutions at Item Nos. 8 & 9 of the accompanying Notice as Ordinary Resolutions.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchange.

By Order of the Board of Directors  
For Kennametal India Limited

Kundan K. Lal  
General Manager-Legal &  
Company Secretary (ACS-15180)

Bengaluru  
September 09, 2015



**Brief Particulars of Directors seeking appointment / reappointment**

Name of the Director	Mr. Prakash M. Telang	Mr. John H. Jacko Jr
Date of Birth	June 21,1947	March 23,1957
Relationship with Directors	None	None
Experience	<p>Over 40 years' experience in manufacturing industry including as Managing Director of Tata Motors Limited. During his service at Tata Motors Limited, he was involved in many new product developments in both commercial vehicle and passenger vehicle space and in setting up many greenfield plants both in India and abroad, and also, in major acquisitions abroad. He is also credited with a massive cost reduction drive which helped Tata Motors Limited in a major turnaround about a decade before.</p>	<p>With Kennametal Inc.- 8 years</p> <p>Mr. Jacko is a Vice President and Chief Marketing Officer for Kennametal Inc. In this role, Mr. Jacko is responsible for enterprise marketing and corporate strategy. Before serving in his current role, Mr. Jacko served as the company's Vice President Corporate Strategy and Vice President Global Marketing for Kennametal's Metalworking Solutions and Services Group (MSSG). He joined Kennametal in March 2007.</p> <p>With others: 20 years</p> <p>Mr. Jacko served as Senior Vice President and Chief Marketing Officer for Flowserve Corporation. Prior to that, he spent six years with Honeywell Aerospace (previously AlliedSignal) in various management positions including Vice President Customer and Product Support and Director, Customer Business. Before joining Honeywell, Mr. Jacko served as Manager, Customer Support – Commercial Helicopters for Textron Lycoming in Stratford, Connecticut. He has over 27 years of experience in the areas of marketing, strategy, product management, branding, portfolio management and communications.</p>
Expertise in specific functional area	Engineering and Management	Marketing, strategy, product management, branding, portfolio management and communications.
Qualifications	Mechanical engineering from VNIT, Nagpur and MBA from IIM Ahmedabad. He has been conferred the coveted "Distinguished Alumnus" by both the institutes in their respective golden jubilee years.	Bachelor of science degree in engineering from the University of Connecticut and a Master's in business administration from the University of New Haven

List of Directors and Memberships of Board Committees in India	<p>Directorships in other Companies</p> <ol style="list-style-type: none"> <li>1. Cummins India Limited</li> <li>2. Tata Sikorsky Aerospace Limited</li> <li>3. Tata Lockheed Martin Aerostructures Limited</li> <li>4. Persistent Systems Limited</li> <li>5. Tata Advanced Systems Limited</li> <li>6. TEMA India Limited</li> <li>7. Tata Hitachi Construction Machinery Company Private Limited</li> <li>8. SKF India Limited</li> <li>9. Lokmanya Hospitals Private Limited</li> <li>10. Kapsons Industries Private Limited</li> </ol> <p><b>Names of Committees in which as member</b></p> <ol style="list-style-type: none"> <li>1. Cummins India Ltd <ul style="list-style-type: none"> <li>- Audit and Risk Management Committee</li> </ul> </li> <li>2. SKF India Ltd <ul style="list-style-type: none"> <li>- Audit Committee</li> </ul> </li> <li>3. Tata Advanced Systems Ltd <ul style="list-style-type: none"> <li>- Remuneration Committee</li> </ul> </li> </ol> <p><b>Names of Committees in which as Chairperson</b></p> <ol style="list-style-type: none"> <li>1. Cummins India Ltd <ul style="list-style-type: none"> <li>- Stakeholders Relationship Committee</li> <li>- Nomination and Remuneration Committee</li> <li>- Corporate Social Responsibility Committee</li> </ul> </li> <li>2. Persistent Systems Ltd <ul style="list-style-type: none"> <li>- Remuneration Committee</li> </ul> </li> <li>3. Tata Advanced Systems Ltd <ul style="list-style-type: none"> <li>- Audit Committee</li> </ul> </li> <li>4. Tata Hitachi Construction Machinery Company Pvt Ltd <ul style="list-style-type: none"> <li>- Remuneration Committee</li> </ul> </li> <li>5. Tata Lockheed Martin Aero structures Ltd <ul style="list-style-type: none"> <li>- Audit Committee</li> </ul> </li> <li>6. Tata Sikorsky Aerospace Ltd <ul style="list-style-type: none"> <li>- Audit Committee</li> </ul> </li> </ol>	None
No. of Shares held	NIL	NIL