





61st Annual Report FY26





KENNAMETAL®

Transforming How Everyday Life Is Built



Kennametal drives industrial innovation through advanced materials science, engineering expertise and strong customer partnerships.

We focus on market-driven growth by knowing what our customers need and investing in the applications that ensure leadership in the industries shaping tomorrow, including aerospace and defense, general engineering, transportation, earthworks, and energy.

Kennametal India Limited (CIN: L27109KA1964PLC001546)

Directors

Mr. Amit Laroya - *Chairman & Independent Director*
Mr. Vijaykrishnan Venkatesan - *Managing Director*
Ms. Bhavna Bindra - *Independent Director*
Mr. Narumanchi Venkata Sivakumar - *Independent Director*
Ms. Kelly Golden Lynch - *Non - Executive, Non - Independent Director*
Mr. Keith Alan Mudge - *Non - Executive, Non - Independent Director*
Mr. Faisal Saad Hamadi - *Non - Executive, Non - Independent Director*

Key Managerial Personnel

Mr. Vijaykrishnan Venkatesan
Managing Director
Mr. K. V. Suresh Reddy
Chief Financial Officer
Ms. Anupriya Garg
Legal Counsel (Region), Company Secretary &
Compliance Officer

India Leadership Council (ILC)

Mr. Vijaykrishnan Venkatesan
Mr. K.V. Suresh Reddy
Ms. Anupriya Garg
Mr. M. T. Swamy
Mr. Manu Kidave
Ms. Swastika Mukherjee
Mr. Devanathan G
Mr. Guru Prasanna
Mr. Akshay Kulkarni

Registered Office and Factory

8/9th Mile, Tumkur Road
Bengaluru - 560 073 Karnataka, India
Phone: + 91 (80) 28394321
Fax: + 91 (80) 28390129
website: https://in.investors.kennametal.com/

Auditors

Statutory Auditors

M/s. Price Waterhouse & Co. Chartered Accountants LLP
Chartered Accountants

Internal Auditors

M/s. Ernst and Young LLP (FY 2025-26)
M/s. KPMG Assurance and Consulting Services LLP (FY 2026-27 onwards)

Cost Auditors

M/s. K. S. Kamalakara & Co.
Cost Accountants

Secretarial Auditors

M/s. V. Sreedharan & Associates
Practising Company Secretaries

Bankers

Bank of America N.A
HDFC Bank Limited
ICICI Bank Limited
HSBC 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

61st Annual General Meeting	Friday, November 13, 2026 at 12:00 Noon Hotel Taj Yeshwantpur, 2275, Tumkur Road, Yeshwantpur, Bengaluru - 560022

Contents

10 Chairman's Message

13 Message from the Managing Director

19 Board's Report

26 Management Discussion and Analysis Report

33 Corporate Governance Report

73 Business Responsibility and Sustainability Report

99 Financial Statements and Notes

Financial Performance

773
Employees

15,107
Revenue from Operations in INR Million

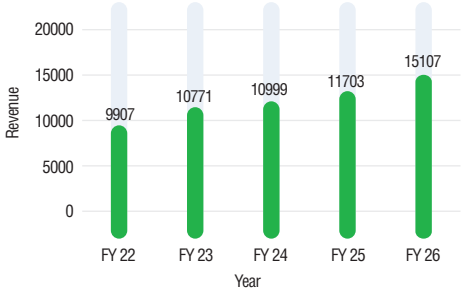
15,215
Total Income in INR Million

2,663
Profit Before Tax (PBT) in INR Million

16,000+
Active Customers

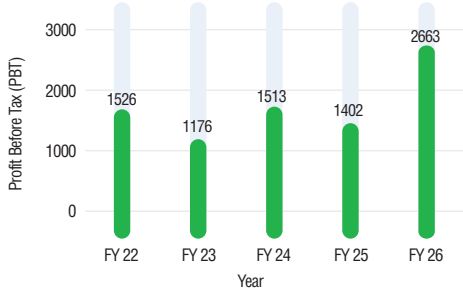
Revenue in INR Million

Revenue was at INR 15,107 Million, grew at 29.08% over previous year

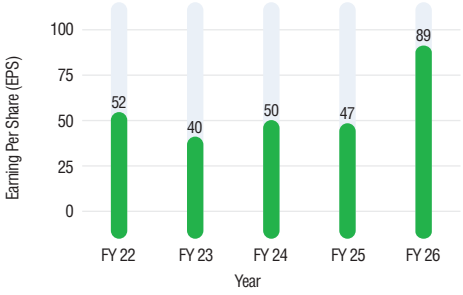


Profit before Tax in INR Million

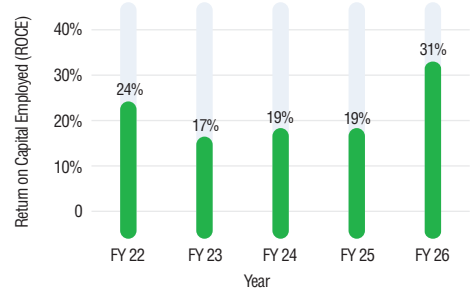
PBT was at INR 2,663 Million, grew at 89.95% over previous year



Earning Per Share in INR



Return on Capital Employed



Product Portfolio



Hard Metal

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.

Machining Solutions



Highlights

Customer Engagement

Throughout FY26, Kennametal India leveraged key industry events, trade fairs, and technical forums to engage customers and channel partners, showcase innovation, and drive business growth. These initiatives enhanced brand visibility, fostered stronger customer partnerships, and further cemented the company's leadership in cutting tools and wear-resistant solutions.

Marking 100 years of WIDIA, Kennametal India, in association with its media partner for the event, OEM Update hosted an exclusive leadership roundtable in Bengaluru, bringing together 18 industry leaders to discuss innovation, resilience, and long-term relevance under the theme "Built to Last, Designed to Evolve."



Kennametal India welcomed distributor partners from across the country to Goa for Distributors Meet 2026. Under the theme "Winning as One," the event celebrated strong partnerships, shared success, and a collective commitment to driving future growth and customer value.



Highlights

To create awareness and generate business opportunities for our wear solutions portfolio, Kennametal participated in leading industry tradeshows across key sectors. At EXCON Bengaluru and the International Mining & Minerals Exhibition (IME) in Kolkata, we showcased advanced earth-cutting and wear-resistant solutions for demanding infrastructure and mining applications.

In New Delhi, we participated in the Refinery and Petrochemical Technology Forum (RPTF) and the Cable & Wire Fair, showcasing solutions tailored to diverse industrial applications. At RPTF, the focus was on flow control components and cladding technologies for demanding refinery and petrochemical environments, while at the Cable & Wire Fair, we highlighted engineered wear solutions and tungsten carbide tooling technologies for the wire and cable industry, serving applications across construction, mining, packaging, machinery and aerospace.

At FASTNEX Bengaluru, we showcased high-performance solutions for fastener production, including heading dies, punches, cutters and cold-heading pellets, designed to enhance tool life, precision and reliability.







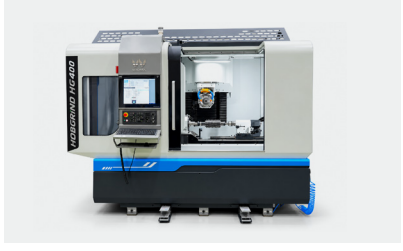
Innovation



We strengthened our innovation portfolio with the launch of several technology-driven solutions including KenTIP™ FS, KSEM™ HPR, KenDrill™ CSF, and WIDIA™ MU Geometry, helping customers achieve higher productivity, longer tool life, and superior process reliability.



We expanded our wear solutions portfolio through the indigenization of compact grades for mining applications, a hard-facing solution that significantly improved plough life and productivity, and a customized surface miner cutting drum solution for challenging limestone cutting operations.



WIDMA HOBGRIND HG400 was launched for high-precision resharpening of Hob Cutters, Spur Shaper Cutters, and Helical Shaper Cutters, helping manufacturers achieve consistent performance and higher productivity across demanding industrial applications.

Environmental, Social & Governance

For the third consecutive year, Kennametal India won 'Gold' at the CII Excellence EHS Awards 2025, in recognition of it's sustained contributions towards health and safety of employees, as well as the environment.



Our team was recognized at the 3rd CII Karnataka ESG Summit in Bengaluru for two sustainability initiatives including the Tungsten Carbide Recycling Program and restoration of the Harokethanahalli Lake to improve water quality, restore ecological balance and create a sustainable water source for agriculture and households.



Energy, Water & Waste

Continuous improvement initiatives to sustain strong environmental performance

Renewable Energy

77.1% of energy sourced through solar

The energy intensity per rupee of turnover improved from 6.37 GJ/million-INR in 2024-25 to 5.02 GJ/million-INR, reflecting KIL's focus to drive energy efficiency in its processes.

Fresh Water Consumption

7.68% reduction in freshwater consumption over FY25

The water intensity per rupee turnover has improved from 4.35 KL/million-INR in 2024-25 to 3.11 KL/million-INR, through continue improvement and real time IoT based tracking.

Waste Management

100% waste recycling and zero waste to landfill

Through recycling, reuse and other recovery options, the entire waste generated at KIL is disposed of sustainably.



Kennametal India organized a sapling plantation drive to develop a butterfly garden near Harokethanahalli Lake. Over 30 employees participated, planting 750 saplings, reinforcing our commitment to sustainability in the communities where we work and live.



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



Corporate Social Responsibility

During FY26, Kennametal India sponsored 25 girl students from Katalyst, a non-profit organization for their Engineering education through our CSR initiative, Promoting Tech Education.



Kennametal India supported Voice of Needy's "Empowering People with Disabilities through Skilling and Livelihoods" initiative by establishing a Multi Development Centre in Bengaluru and training 30 women in retail, interview readiness, and financial skills.





In partnership with United Way Bengaluru and Diya Ghar, Kennametal India supported children of migrant laborers across multiple centers through early childhood education, nutrition, health services, and skills development.

Chairman's Message

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to share the Annual Report of Kennametal India Limited for the fiscal year 2025-26. The Indian economy is estimated to have recorded an impressive GDP growth of 7.7% in FY26 (April-March), driven primarily by domestic demand while demonstrating the resilience to remain one of the fastest-growing major economies despite severe global headwinds.

Leveraging this strong momentum and staying the course on its accelerated growth plans, your Company achieved a significant milestone this year, with sales crossing the ₹1,500 crore mark, reflecting our ability to deliver growth ahead of the market. Our sales were ₹15,107 million in FY26, an increase of 29.1% over ₹11,703 million in FY25. Including other income, total income was ₹15,215 million, compared to ₹11,847 million in FY25. Our Hard Metal business delivered exceptionally strong performance, supported by broad-based growth across transportation, general engineering, aerospace & defense, and energy segments. The Machining Solutions Group was constrained by capacity limitations during the year but remains well on track to recover in FY27. Speaking of profitability, our Profit Before Tax (PBT) grew significantly to ₹2,663 million from ₹1,402 million in FY25. Combining a profitable product mix with strong financial prudence, we delivered this growth despite significant volatility in commodity prices and challenges related to raw material availability.

Global Economy

According to the International Monetary Fund (IMF), global growth is projected at 3.0% in 2026 and 3.4% in 2027, compared to an average of 3.5% during 2024–25. While geopolitical tensions, particularly in the Middle East, continue to create uncertainty and put pressure on energy costs, these challenges are being partially offset by strong investments in technology and the accelerating adoption of artificial intelligence (AI).

Growth in advanced economies is expected to remain moderate, with the United States projected to grow at 2.3% in 2026 and 2.2% in 2027, supported by continued technology investments and favorable financial conditions. The Eurozone is expected to grow at a slower pace of 0.9% in 2026 and 1.2% in 2027, reflecting weak consumer confidence and the impact of higher energy prices. Emerging markets are expected to remain the primary drivers of global growth, with activity recovering from 3.8% in 2026 to 4.5% in 2027. China's growth is expected to moderate to 4.6% in 2026.

Against this backdrop, India continues to stand out as one of the fastest-growing major economies supported by strong domestic consumption, robust services activity, and continued investments in manufacturing and infrastructure.



Leveraging this strong economic momentum and staying the course on its accelerated growth plans, your Company achieved a significant milestone this year, with sales crossing the ₹1,500 crore mark, reflecting our ability to deliver growth ahead of the market.

Amit Laroya
Chairman

Key Sectorial Performance

India's industrial output (Index of Industrial Production, base year 2022–23) grew by 4.3% in FY26, compared with 6.4% in the previous year. Manufacturing remained resilient, expanding by 4.9%, Mining & Quarrying moderated to 3.7% and Electricity, Gas and Utility Services recorded a muted growth of 1.1%.

As a major supplier to the manufacturing sector, your Company benefited from improved activity across key end-use segments and delivered strong growth through strategic share-gain initiatives, value-selling programs, and comprehensive customer solutions powered by its industry-leading Kennametal, WIDIA, and WIDMA brands. The Government continues to prioritize public investment as a key growth driver, with capital expenditure increasing to ₹12.2 lakh crore. Investments in high-speed rail corridors, inland waterways, and energy security are expected to strengthen the country's infrastructure and long-term economic competitiveness. Simultaneously, measures to support MSMEs-including enhanced access to equity funding and improved liquidity through the TReDS platform-are aimed at strengthening the growth potential of small and medium enterprises.

Policy initiatives continue to accelerate domestic manufacturing, while the Government's Export Mission, with a strong focus on MSMEs, is expected to enhance India's global export competitiveness. Due to this positive economic momentum, your Company remains well positioned to capitalize on opportunities arising from healthy industrial demand. However, India's FY27 growth outlook faces potential risks from geopolitical tensions, particularly in the Middle East, which could elevate oil prices, as well as weather-related uncertainties that may impact agricultural output. Given that India imports nearly 80% of its crude oil requirements, sustained energy price shocks could impact both growth and inflation.

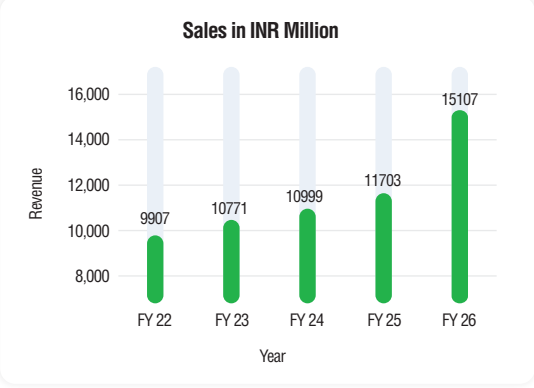
The Indian automotive industry delivered an outstanding performance in FY26, achieving its highest sales in seven years. According to SIAM, total domestic vehicle sales grew 10.4% year-on-year, with Passenger Vehicles, Commercial Vehicles, Two-Wheelers and Three-Wheelers each reaching record sales levels. Growth was supported by favorable macroeconomic conditions, improved affordability, GST reforms, and lower interest rates. The auto components industry also recorded healthy growth of 12.7%, reaching ₹7.6 lakh crore, and is expected to expand by 8-10% in FY27, driven by strong domestic demand and resilient exports despite geopolitical uncertainties.

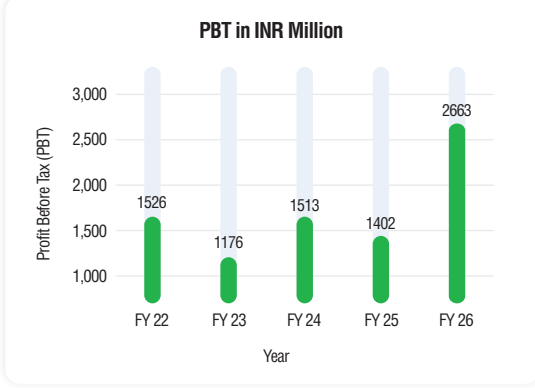
Looking ahead, India's automotive sector is expected to maintain high single-digit growth in FY27. While rising fuel prices, commodity cost inflation, and geopolitical risks may create near-term headwinds, demand in the premium vehicle segment is expected to remain robust. With the risk of subdued monsoons impacting rural demand, the mass-market segment and tractors segment could see some moderation during the year, while export demand is likely to improve as geopolitical conditions normalize. Backed by a comprehensive portfolio of industry-leading cutting tools, wear-resistant solutions, and advanced machining technologies, further strengthened through ongoing materials innovation, your Company is well positioned to address the evolving machining requirements of automotive and auto-component manufacturers across the value chain.

Financial Performance

As mentioned earlier, your Company's Total Income recorded a total of INR 15,215 million in FY26 showing a growth of 28.4% over the prior year, and the profit before tax and exceptional items was INR 2,663 million in FY26, which was 89.9% above the prior year.

This enabled your company to declare a dividend of 400% in FY26. Your Company continues to have a strong Balance Sheet that provides us with the strength in investing for future growth and sustaining competitive edge.





Changes to the Constitution of the Board of Directors

There were no changes in the composition of the Board and in the Key Managerial Personnels (KMPs) during the financial year under review.

The Board of your company remains well constituted with 3 (Three) Independent Directors with 1 (one) being woman Independent Director, 1 (one) Managing Director and 3 (Three) Non-Executive Directors with 1 (one) being woman Non-Executive Director. The Board of Directors of your Company have optimal representation of experts from various realms that adheres to all norms of corporate governance.

Corporate Governance and ESG

At Kennametal, integrity, accountability, and transparency are the cornerstones of our governance framework. Guided by our core values, we remain committed to the highest standards of ethical conduct, compliance, and responsible decision-making. During the year, we further strengthened our governance practices and reinforced our culture of accountability across the organization. Sustainability remains integral to our long-term growth strategy. Through our ESG initiatives, we continued to reduce the environmental footprint of our operations through renewable energy adoption, while creating positive community impact through lake restoration, employee volunteering activities, and STEM education programs. Equally important is our commitment to our people. We strengthened our safety culture, advanced employee engagement and inclusion, and continued to invest in developing a strong talent pipeline for the future. Together, these efforts reflect our commitment to creating sustainable value for our customers, employees, communities, and shareholders. Further details on our ESG and people initiatives are shared in the Managing Director's Message.

Corporate Social Responsibility

During FY26, your Company's CSR initiatives have been centered around the three long standing focus areas of (i) Protecting our Planet (ii) Technical Education as part of Promotion of Education and (iii) Kennametal in the Community. The Company has spent INR 27 million towards projects aligned with these three pillars as part of its CSR initiatives in FY26 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 program.

Summary and The Way Ahead

In closing, FY26 was another landmark year for your Company, marked by our impressive growth of 29.1% over the previous year. This performance reflects the strength of our strategy, the dedication of our people, and our unwavering commitment to delivering customer value through innovation, operational excellence, and disciplined execution.

As our customers across transportation, aerospace & defense, energy, earthworks, and general engineering continue to navigate rapid technological change, Kennametal remains a trusted partner in enhancing productivity and performance. Leveraging our advanced manufacturing capabilities, global technology leadership, and the unique strengths of our Hard Metal and Machining Solutions businesses, we continued to deliver innovative tooling, wear solutions, and world-class machining systems that address our customers' most critical challenges. Looking ahead, I am confident that your Company is well positioned to sustain profitable growth by executing its strategic priorities while remaining firmly anchored in its values, ethics, and commitment to responsible business practices.

On behalf of the Board, I extend my sincere gratitude to our more than 770 employees whose passion, expertise, and commitment drive our success every day. I also thank our customers, distribution partners, suppliers, investors, regulatory authorities, and shareholders for their continued trust and support. Finally, I would like to express my appreciation to my fellow Board Members for their guidance and counsel, and to our Managing Director, Mr. Vijaykrishnan Venkatesan, and the leadership team for their steadfast focus on delivering strong business performance while upholding the highest standards of integrity and governance.

Best Regards,

Amit Laroya

Chairman

Message From The Managing Director

Dear Shareholders,

It gives me immense pride to present Kennametal India Limited's Annual Report and share key operational updates for the fiscal year 2025-26. Driven by strong domestic demand across end-use segments, your Company registered revenue from operations of ₹15,107 million as compared with ₹11,703 million in the previous fiscal year, representing a growth of 29.1%.

The year was underscored by several challenges, including an unprecedented surge in commodity prices, raw material availability constraints, and geopolitical tensions inflicted mainly by the conflict in the Middle East. Notwithstanding the impact of these disruptions, your Company delivered an all-time high Profit Before Tax (PBT) of ₹2,663 million as compared with ₹1,402 million in the previous fiscal year.

Driving Growth and Fostering Innovation

Innovation remained central to our growth strategy throughout the year. We strengthened our product portfolio with several technology-driven launches to help customers achieve higher productivity, longer tool life, and superior machining performance across a wide range of applications. Notable innovations included the KenTIP™ FS system's advanced modular design for improved chip evacuation and reduced downtime, KSEM™ HPR inserts enabling higher feed rates and excellent hole quality, KenDrill™ CSF delivering clean and precise drilling in composite materials, and WIDIA's MU Geometry providing versatile chip control and process reliability across finishing and medium-roughing operations.

Leveraging Kennametal's expertise in material science, we further expanded our wear solutions portfolio to enhance productivity and application performance. Key achievements included the indigenization of select wear component grades that improved the performance of down-the-hole and rotary applications in Mining & Construction, the development of a hard-facing solution for a farm equipment manufacturer that significantly increased component (plough in this case) life and productivity, and the introduction of a customized surface miner and cutting drum solution for challenging limestone cutting application as required by an infrastructure major.



Your Company is well-positioned to capitalize on emerging opportunities and deliver on its strategic priorities. As we move beyond the ₹1,500 crore mark in sales, our focus will be on scaling our manufacturing capabilities, strengthening our talent base, and enhancing our value chain to support sustainable growth.

Vijaykrishnan Venkatesan
Managing Director

The Machining Solutions Group (MSG) continued to advance its engineering excellence through the development of sophisticated machines that meet customers' critical productivity requirements. For instance, we built customized large Twin-Drill and Twin Turn-Mill machines that combine multiple operations into a single platform, reducing cycle times and improving productivity. In line with the strong growth trajectory of the India manufacturing sector, your Company announced a strategic capital investment of ₹680 million in a new greenfield MSG facility in India. The investment reinforces our focus on innovation, operational excellence, and sustained growth in one of our most important markets.

A key highlight of the year was the celebration of WIDIA's centennial year, marking 100 years of innovation, engineering excellence, and customer trust. The milestone was commemorated through a series of engagement initiatives, including a CXO roundtable, commemorative memorabilia for customers and partners, immersive brand experiences at our facility, and a video chronicling WIDIA's century-long journey in India. As we celebrated this remarkable achievement, we also reaffirmed our commitment to shaping the future of manufacturing through continued innovation and customer-centric solutions.

Our marketing efforts remained focused and impactful through participation in customer events, technology seminars, industry exhibitions, and digital campaigns. This integrated approach enhanced brand visibility, generated meaningful customer engagement, connected us with more than 2,000 prospective customers, and created new business opportunities across strategic growth sectors.

Operational Excellence with Focus on Environment, Safety & Quality

Operational excellence continued to remain a cornerstone of our strategy. Throughout the year, we remained focused on enhancing productivity, optimizing costs, strengthening supply resilience, and embedding sustainability into our operations. Our commitment to responsible manufacturing received external recognition at the 3rd CII Karnataka ESG Summit, where Kennametal India was recognized for our tungsten carbide recycling project, which recovers valuable material through a closed-loop process, supporting circular manufacturing. Our carbide buyback program was intensified through consistent customer outreach efforts and an optimized reverse logistics mechanism, which helped us deliver on our commitment to sustainability while simultaneously mitigating the prevailing raw material crisis.

Quality and continuous improvement remain at the heart of our operations. During the year, our teams received significant recognition at leading national quality forums, including the 55th CII National Kaizen Competition, where they earned a Platinum, Gold, and Silver award, as well as multiple Gold awards at the Quality Circle Forum of India Conclave for various quality enhancement initiatives that enhanced customer value.

Our Environment, Health and Safety (EHS) journey also reached another important milestone during the year. Kennametal India was honored with the 'Gold' Award at the CII Excellence EHS Awards 2025, recognizing our sustained commitment to advancing employee health and safety while protecting the environment through continuous innovation and best practices.

Diversity & Inclusion: Celebrating Our Culture

Guided by our cultural belief that "Everyone Matters," your company continued to foster an inclusive workplace where diverse perspectives, collaboration, and continuous learning drive innovation and business performance. Our mentor-mentee program continued to witness strong participation, pairing leaders with high-potential employees to facilitate knowledge sharing, leadership development, and career growth.

The EMERGE program continued to be an important talent pipeline, attracting young professionals from diverse backgrounds and equipping them with structured learning experiences and meaningful responsibilities across functions. The program has consistently demonstrated strong retention while supporting our commitment to building gender diversity within manufacturing.

During the year, we continued to invest in our people through learning, leadership development, and inclusion initiatives that support our high-performance culture. Employees benefited from leadership interactions, and programs focused on advancing diversity and awareness. We celebrated International Women's Day by facilitating leadership interactions and launched the Real Talk video series, providing a platform for employees to share their experiences, aspirations, and career journeys. Together, these initiatives reinforced our commitment to creating a workplace where every employee can learn, grow, and contribute to our collective success.

CSR: Expanding Our Impact

Our commitment to creating meaningful impact beyond business continues to guide our Corporate Social Responsibility initiatives.

A significant milestone during the year was the continued restoration of Harokethanahalli Lake, which has improved water quality, restored ecological balance and created the capacity to store nearly 60 million litres of surface water, benefiting both agriculture and surrounding communities. The project also received recognition at the aforementioned CII Karnataka ESG Summit, underscoring its lasting environmental and social impact.

Under our Protecting our Planet initiatives, employees actively participated in tree plantation and environmental conservation programs, further strengthening community engagement and environmental stewardship.

Our focus on Technical Education continued through scholarships for meritorious engineering students from underserved communities, enabling them to pursue higher education while providing exposure to advanced manufacturing through visits to our Bengaluru facility. We also supported early childhood education for children of migrant workers and strengthening livelihood opportunities for women with disabilities through vocational skill development. Several employee volunteering activities across our regional offices presented opportunities for community enthusiasts to do their bit for society and the environment.

Looking Ahead: Priorities for the Coming Year

India's economic outlook remains strong despite ongoing geopolitical and trade-related uncertainties. S&P Global projects GDP growth of ~7% in FY27 (April - March), supported by resilient domestic demand, monetary easing, structural reforms, and expanding trade partnerships. The continued pursuit of Free Trade Agreements with key global markets is expected to further strengthen India's long-term competitiveness and growth prospects.

Against this backdrop, your Company is well-positioned to capitalize on emerging opportunities and deliver on its strategic priorities. As we move beyond the ₹1,500 crore mark in sales, our focus will be on scaling our manufacturing capabilities, strengthening our talent base, and enhancing our value chain to support sustainable growth. Financial discipline and operational excellence will remain central to our approach, enabling us to effectively navigate commodity price volatility, supply chain disruptions, and evolving market dynamics.

We also remain committed to advancing our ESG agenda by strengthening governance standards, improving environmental performance through automation and infrastructure investments, and fostering a high-performance culture that empowers our people. With a strong foundation and a clear strategic direction, we are confident in our ability to create sustainable value for all stakeholders in the years ahead.

Conclusion

To conclude, I would like to express my sincere gratitude to our customers, channel partners, suppliers, employees, Board of Directors and shareholders for their continued trust, partnership and unwavering support.

Your confidence inspires us to continuously raise the bar, innovate with purpose and create sustainable value for all our stakeholders. Together, we will continue building on our strong foundation and strengthen Kennametal India's position as one of the country's leading providers of tooling, wear-resistant and machining solutions, guided by our values, our culture and our vision of transforming how everyday life is built.

Best Regards,

Vijaykrishnan Venkatesan

Managing Director

Board Of Directors

Amit Laroya
Chairman & Independent Director

Stakeholders Relationship Committee - *Chairman*
Audit Committee - *Member*
Nomination and Remuneration Committee - *Member*
Risk Management Committee - *Member*
Corporate Social Responsibility Committee - *Member*
Environmental, Social and Governance Committee - *Member*



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*



Bhavna Bindra
Independent Director

Risk Management Committee - *Chairperson*

Nomination and Remuneration Committee - *Chairperson*

Audit Committee - *Member*

Corporate Social Responsibility Committee - *Member*

Environmental, Social and Governance Committee - *Member*

Stakeholders Relationship Committee - *Member*



Board Of Directors

Narumanchi Venkata Sivakumar
Independent Director

Audit Committee - *Chairman*

Nomination and Remuneration Committee - *Member*

Risk Management Committee - *Member*

Environmental, Social and Governance Committee - *Member*



Kelly Golden Lynch
Non - Executive,
Non - Independent Director

Stakeholders Relationship Committee - *Member*



Keith Alan Mudge
Non - Executive,
Non - Independent Director

Risk Management Committee - *Member*



Faisal Saad Hamadi
Non - Executive,
Non - Independent Director

Nomination and Remuneration Committee - *Member*

Corporate Social Responsibility Committee - *Member*

Environmental, Social and Governance Committee - *Member*



Statutory Reports

BOARD'S REPORT

Your Directors are pleased to present the 61st Annual Report along with Audited Financial Statements for the financial year ended June 30, 2026:

FINANCIAL RESULTS

(₹ in million)

Particulars	FY 2025-26	FY 2024-25
Total income	15,215	11,847
Profit before tax and exceptional items	2,663	1,402
Less: Tax expense	703	373
Current tax	721	392
Tax adjustment relating to earlier years	13	16
Deferred tax (credit)/charge	(31)	(35)
Add: Exceptional items income / (expense)	0	0
Profit after tax	1,960	1,029
Add: Other comprehensive income/(loss) for the year, net of tax	(17)	(5)
Total comprehensive income for the year	1,943	1,024
Add: balance brought forward from previous year	7,253	7,115
Total available for appropriation	9,196	8,139
Less: Interim dividend paid	879	879
Add: Share based compensation adjustment	0	(7)
Balance transferred to balance sheet	8,317	7,253

STATE OF COMPANY'S AFFAIRS

Operating results

Sales revenue growth was higher in FY 2025-26 due to better price realisation in Hard Metal segment. Profit before tax and exceptional items for FY 2025-26 was ₹ 2663 Million, up 89.91% 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 higher price realisation. Machining Solutions segment reported lower sales in FY 2025-26 with lower profitability due to adverse product mix, under absorption of overheads etc. The Company has also earned higher margins from sale of scrap.

Return on capital and cash flows

Return on Capital Employed (ROCE) increased to 31% in FY 2025-26 as compared to 19% in FY 2024-25. Return (PAT) on net worth was 24% in FY 2025-26 as compared to 14% in FY 2024-25. Net operational cash flow generated during the year decreased from ₹1448 million in FY 2024-25 to ₹183 million in FY 2025-26, driven by working capital movement.

Dividend and reserves

An Interim Dividend of ₹ 40/- per Equity Share of ₹10/- (Rupees Ten only) each (400% on the Paid-up Share Capital of the Company) was declared by the Board on May 07, 2026 for the financial year ended June 30, 2026 and May 15, 2026 was fixed as Record Date for the said purpose. The said Interim Dividend was paid on June 1, 2026. The same shall be considered as Final Dividend for the financial year ended June 30, 2026.

The Company has not transferred any amounts to general reserves for the financial year ended June 30, 2026.

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://in.investors.kennametal.com/corporate-governance/policies-codes

CHANGES IN SHARE CAPITAL

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

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 61st 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 requisite integrity, expertise and experience (including proficiency) necessary for acting as Independent Directors of the Company.

The Independent Directors have also given declaration of compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to their name appearing in the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

Directors' appointment and remuneration

The policy on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes, Independence of Director and remuneration to Key Managerial Personnel and other employees' forms part of Corporate Governance Report of this Annual Report. The web-link to access the said policy is https://in.investors.kennametal.com/corporate-governance/policies-codes

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, 2026.

Appointment / cessation / retirement / resignation of Directors and Key Managerial Personnel (KMPs)

There were no changes in the composition of the Board and in the KMPs during the financial year under review.

The Board of your Company remains well constituted with 3 (Three) Independent Directors with 1 (one) being woman Independent Director, 1 (one) Managing Director and 3 (Three) Non-Executive Directors with 1 (one) being woman Non-Executive Director.

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 IEPF are available on our website at https://in.investors.kennametal.com/shareholder-services/investor-corner

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 FY 2025-26.

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, 2026 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, 2026. 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, 2026.

As at June 30, 2026 there were 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, 2026.

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, 2026.

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 has adopted a formal mechanism for evaluating its performance & that of its Committees and individual 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 individual 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.

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://in.investors.kennametal.com/corporate-governance/statutory-documents

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://in.investors.kennametal.com/corporate-governance/policies-codes

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 M/s. V. Sreedharan & Associates, Practising Company Secretaries, 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 M/s. V. Sreedharan & Associates, Practising Company Secretaries, 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 M/s. V. Sreedharan & Associates, Practising Company Secretaries, for the financial year ended June 30, 2026, 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 Personnel 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://in.investors.kennametal.com/corporate-governance/policies-codes

CEO/MD AND CFO CERTIFICATE

A Certificate from the Managing Director and the Chief Financial Officer dated August 13, 2026, on the Financial Statements of the Company for the financial year ended June 30, 2026 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 Helpline (toll-free and anonymous): 022 5097 2959
- K-Corp Ethics Mailbox: k-corp.ethics@kennametal.com; and
- Office of Ethics and Compliance Telephone: +1 412 248 8275, Mailing Address: Office of Ethics and Compliance, 525 William Penn Place, Suite 3300, Pittsburgh, Pennsylvania, USA 15219.

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://in.investors.kennametal.com/corporate-governance/policies-codes

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 at https://kennametal.ethicspoint.com 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 the Statutory Auditors of the Company at the 57th AGM held on November 11, 2022, for a period of 5 (Five) years to hold the office until the conclusion of 62nd AGM.

The Independent Auditors' Reports to the Members on the Financial Statements of the Company for the financial year ended June 30, 2026 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 AUDITORS

Messrs V. Sreedharan & Associates, Practising Company Secretaries, (FRN: P1985KR14800) carried out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2025-26 and submitted its 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

Messrs K. S. Kamalakara & Co., Cost Accountants (Firm Registration No: 0000296) carried out Cost Audit of the Company for the financial year 2025-26. 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 2026-27. 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 61st AGM.

The Cost Audit Report for FY 2025-26 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 2025-26.

EY has conducted internal audits across various parts of the Company's operations, as per the Annual Audit Plan which is reviewed and agreed every year with the Audit Committee of the Board.

Further, the Board of Directors of the Company upon recommendation of the Audit Committee at its meeting held on February 5, 2026 appointed M/s. KPMG Assurance and Consulting Services LLP as the Internal Auditors of the Company for the financial year 2026-27.

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 2025-26 were at arm's length basis and were in the ordinary course of business. All the related party transactions including material RPTs entered into by the Company during the financial year under review were duly approved as per applicable laws. Further, there were no material related party transactions 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://in.investors.kennametal.com/corporate-governance/policies-codes. 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

Disclosures relating to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report.

Further, in terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report.

In terms of Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. Any member interested in obtaining such information may address their email to k-bngs-investor.relation@kennametal.com

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. The complaints lodged to the IC under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the year under review:

- Number of sexual harassment complaints received in the year: One (1)
- Number of complaints disposed of during the year: One (1)
- Number of cases pending for more than 90 days: Nil

The Company has complied with provisions relating to the constitution of the IC under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DISCLOSURES PERTAINING TO THE COMPLIANCE WITH THE PROVISIONS OF THE MATERNITY BENEFIT ACT, 1961

The erstwhile Maternity Benefit Act, 1961 has been subsumed under the Code on Social Security, 2020 ("**SS Code**"). The SS Code, as part of the four new labour codes, retains and enhances key provisions of the Maternity Benefit Act while aiming for broader coverage. The Company has complied with the same.

The Company has complied with all the applicable provisions of the Maternity Benefit Act, 1961, including all applicable amendments and rules framed thereunder. The Company is committed to ensure a safe, inclusive, and supportive workplace for all employees.

The Company also ensures that no discrimination is made in recruitment or service conditions on the grounds of maternity. Necessary internal systems and HR policies are in place to uphold the spirit and letter of the legislation.

GENDER-WISE COMPOSITION OF EMPLOYEES

Details of the gender wise composition of the Company's workforce as on June 30, 2026 is provided below:

- Male Employees: 736
- Female Employees: 37
- Transgender Employees: Nil

The Company endeavours to promote an inclusive workplace culture and equal opportunity for all individuals, regardless of gender.

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 2025-26, 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 December 16, 2025, 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 ₹10.86 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') function is dedicated on delivering innovative solutions that address the evolving needs of customers across various industries. With a sharp emphasis on materials science, advanced coatings, and machining technology, our R&D initiatives support both new product development and process optimization. This enables us to provide enhanced value, increased productivity and tailored solutions to our customers. The RD&E team focuses on meeting the market requirements by driving the product development, delivering customised solutions, executing cost saving projects, process development, product benchmarking and conducting 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

The Company remains committed to continuously enhancing its systems and processes while progressing towards greener energy consumption, thereby driving sustained improvements in energy efficiency. During the year under review, the Company has its reliance on renewable energy, with solar energy consumption to approximately 77% of the total consumption. This reflects KIL's efforts to reduce greenhouse gas (GHG) emissions through the adoption of clean energy sources

The Plant continues to operate on a Zero Liquid Discharge (ZLD) basis. All wastewater generated is treated through Sewage Treatment Plant (STP) and Effluent Treatment Plant (ETP) facilities, followed by tertiary treatment, and is thereafter fully recycled and reused for gardening within the plant premises. Consequently, 100% of treated water is sustainably utilized within the Company's operations.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Pursuant to the provisions of Section 134 & 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, 2026 along with the Annual Report on CSR activities for FY2025-26 are set out in "Annexure X" to this report. The CSR Policy is available on Company's website at https://in.investors.kennametal.com/corporate-governance/policies-codes

Your Company had spent ₹27 million on the CSR for the year 2025-26 as against the total budget of ₹26.54 million, thereby spending an excess of ₹ 0.46 million.

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://in.investors.kennametal.com/corporate-governance/policies-codes

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 2025-26 is uploaded on the website of the Company and the same is available at https://in.investors.kennametal.com/corporate-governance/statutory-documents

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

Pursuant to Regulation 34 of the SEBI (LODR) Regulation 2015, 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 XI" 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://in.investors.kennametal.com/corporate-governance/policies-codes

NUMBER OF BOARD MEETINGS

The Board of Directors met Five (5) times during the financial year 2025-26. The details of the Board meetings and the attendance of the Directors are provided in the Corporate Governance Report and the same is also provided hereunder.

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. The gap between two board meetings did not exceed 120 days as per the provisions of Companies Act, 2013.

Sl. No.	Date of Meeting	Number of Directors as on the Board Meeting date	Number of Directors attended the Board Meeting
1	August 13, 2025	7	7
2	November 05, 2025	7	7
3	February 05, 2026	7	7
4	March 30, 2026	7	7
5	May 07, 2026	7	6

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 FY 2025-26.

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

Amit Laroya
Chairman & Independent Director
DIN: 00098933

Bengaluru
August 13, 2026

Vijaykrishnan Venkatesan
Managing Director
DIN: 07901688

Bengaluru
August 13, 2026

Annexure I to the Board's Report

Management Discussion and Analysis Report

Overview

1. Global Economy

The International Monetary Fund (IMF) projects global economic growth at 3.0% in 2026 and 3.4% in 2027, compared with an average of 3.5% during 2024-25. The moderation in growth reflects the impact of ongoing geopolitical tensions, particularly the conflict in the Middle East, which has contributed to higher energy prices and increased uncertainty. However, these challenges are being partly offset by strong momentum in the global technology sector, driven by rapid advancements in artificial intelligence (AI) and its increasing adoption across industries. Growth in advanced economies is expected to remain moderate at 1.7% in 2026 and 1.8% in 2027. Performance within this group is likely to vary, with energy-exporting nations benefiting from favorable commodity prices, while energy-importing economies continue to face pressure from elevated energy costs. The Eurozone is forecast to grow by 0.9% in 2026 and 1.2% in 2027, reflecting weak consumer confidence, slower economic activity, and persistent inflationary pressures.

The overall projection for global economic growth is expected to remain tepid in 2026-27, further subdued by geopolitical tensions and associated supply chain disruptions, uncertainty around trade barriers, policies and softer confidence. The East Asia and Pacific region could witness an upside in manufacturing activities on account of investment in industries such as semiconductors, shifting supply chains and a conducive business environment to develop indigenous capabilities for catering to global markets.

Emerging market and developing economies are projected to grow by 3.8% in 2026 before recovering to 4.5% in 2027, supported by improving economic conditions and technology-led opportunities. Global inflation is expected to rise temporarily to 4.7% in 2026 due to higher energy and food prices before easing to 3.9% in 2027. Risks remain elevated, including renewed geopolitical conflicts, supply chain disruptions, trade fragmentation, and tighter financial conditions. Continued structural reforms, enhanced energy security, greater AI readiness, and stronger international cooperation will be critical to sustaining long-term economic resilience and growth.

2. Indian Industry Structure and Developments

India remained one of the fastest-growing major economies in FY26, recording an estimated GDP growth of 7.7%, compared with 6.5% in FY25. Economic activity was supported by resilient domestic demand, improving consumer sentiment, and continued investments across key sectors. The eight core industries registered cumulative growth of 2.7% during the year, reflecting a mixed performance. Steel and cement emerged as the strongest contributors, recording growth of 9.5% and 8.7%, respectively, driven by sustained infrastructure and construction activity. Electricity generation expanded modestly by 1.0%, while crude oil and natural gas production contracted by 2.8% each. Coal output declined by 0.5%, and refinery products and fertilizers witnessed marginal reductions of 0.1%.

Industrial growth remained positive, with the Index of Industrial Production (IIP) expanding by 4.3% in FY26, though lower than the 6.4% growth recorded in the previous year. Consumption continued to be a key pillar of economic expansion, with Private Final Consumption Expenditure increasing by 7.0% and accounting for 61.5% of GDP, matching the highest level recorded since 2012. Stable employment conditions, easing inflation, rising real incomes, and strong agricultural output supported both rural and urban demand, reinforcing broad-based consumption growth.

Inflation moderated significantly during the year, with headline inflation averaging 2.1%, compared with 4.6% in FY25. While food prices remained relatively contained for most of the year, temporary pressures from higher fuel and food costs emerged due to geopolitical supply disruptions and delayed monsoon rains.

The automotive sector delivered robust growth, with domestic vehicle sales rising 10.4% year-on-year and all major segments achieving record sales volumes. Supported by favorable macroeconomic conditions, improved affordability, GST reforms, and lower interest rates, the sector maintained strong momentum. The auto components industry also expanded by 12.7% to approximately ₹7.6 lakh crore and is expected to continue growing steadily in FY27, supported by healthy domestic demand and resilient exports.

Looking ahead, growth prospects across key end-use sectors remain encouraging. Continued investments in manufacturing, infrastructure, and technology-driven industries, particularly electronics, are expected to sustain industrial activity. Backed by strong domestic demand, controlled inflation, and ongoing fiscal discipline, India remains well positioned to maintain robust economic growth despite an uncertain global environment.

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

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'



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, the regulatory situation, uncertainty surrounding continuity in operations, 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 based on the 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. Risk stakeholders corresponding to the top risks are mapped and an active monitoring of the said risks is set into action.

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

Of risks assessed by the ILC, the top risks are supervised periodically by the Risk Management Committee of the Board of Directors. 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 a 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 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 prioritization.

Once in every 6 (six) months or earlier, as the case may be, the risks are re-assessed and re-ranked. 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

Macroeconomic & Industry Growth

The Indian economic growth remained strong at 7.7%, though witnessed headwinds by way of geopolitical tensions and commodity inflation. Government's CAPEX push and favourable policies to boost domestic manufacturing propelled growth in Kennametal's end use segments. 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 sustaining its dominance in the Transportation segment and at the same time gain share in new and growing end-use segments like Medical, Railways, Aerospace & Defense, 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 introduced several product enhancements during the year to cater to meet complex machining requirements of customers. With the announcement of the INR 680 million investment, the business is well poised to expand its portfolio and cater to the growing domestic and global markets. These mitigation plans have immensely helped your Company in obviating any major impact to its FY 2025-26 performance.

6. Threats & Concerns

Geopolitical tensions and inflationary trends:

The global economic growth slowed down in 2024-25 to 3.5% and is expected to further taper down in 2026-27, marred by heightening of geopolitical tensions, trade barriers and supply chain disruptions. On the other hand, the situation augurs well for nations to build their local manufacturing prowess and benefit from shifting supply chains. While inflation is expected to remain on the downside, 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 delivering value to domestic customers while catering to requirement of Kennametal global plants. 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.

Talent Retention amidst Market dynamics

At the entity level, attrition moderated during the year, with certain businesses witnessing a significant decline, while some segments continued to experience elevated attrition levels, primarily driven by strong demand for Talent and growth within the industrial sector. Overall, attrition remained broadly aligned with industry benchmarks. The leadership team continues to prioritize talent retention and has established focused plans to address workforce stability across the organization.

To strengthen employee retention and engagement, the Company undertook targeted initiatives aimed at providing career growth opportunities for key talent through internal job movements, while also recognizing and rewarding outstanding performance across businesses.

As part of our employee engagement strategy, members of the India Leadership Council (ILC) conducted Leadership Connect sessions with key employees in small groups. These interactions provided an opportunity to share updates on business performance, customer challenges, organizational priorities, and the Company's values and culture. The sessions also enabled employees to raise concerns, seek clarifications, and provide feedback on areas of strength and opportunities for improvement. Insights gathered through these interactions have been instrumental in enhancing the overall employee experience and work environment.

The Company also maintained a strong focus on employee well-being, particularly in the areas of mental, financial, and physical health, alongside broader employee engagement initiatives.

Our internal cultural team, Connect to Win (C2W), organized several engagement programs throughout the year. One such initiative was the "Super Minute" Challenge, a fun and interactive micro-competition designed to encourage skill development, teamwork, and healthy competition. The program witnessed enthusiastic participation across all employee groups, including the shop-floor workforce.

In support of Mental Health Awareness Month, the Company adopted the theme **"Building Better Days, Together"**, emphasizing everyday actions, meaningful connections, and shared responsibility. As part of the campaign, a 30-day **Movement Challenge** was conducted, encouraging employees to achieve prescribed step-count targets through sustained commitment and consistency. This initiative was launched globally, but your company recorded one of the highest levels of active participation across employee segments. Feedback received from participants indicated heightened awareness of personal health and fitness, with many employees committing to continue these healthy practices beyond the program.

The Company also increased awareness around its Employee Assistance Program (EAP) and collaborated with global partners to conduct a session on **"Calming the Anxious Mind."** The session was widely appreciated and received positive feedback from employees across the organization.

Talent management continues to remain a strategic priority for the Company. Key initiatives focused on retention of critical talent, capability development through targeted skill-building programs, and the strengthening of succession planning processes.

People Development Council (PDC) discussions continued to identify opportunities and design programs that support employee development and sustained engagement. At the country level, PDC meetings serves as an important platform for discussing talent and related development of structured action plans to address talent-related priorities.

Talent discussions will continue to focus on succession planning for critical roles, while also placing greater emphasis on identifying and developing high-potential employees and emerging talent across the organization.

7. Operations

Your Company has recorded 29.1% year-on-year growth with an operational revenue of ₹15,107 million during FY 2025-26 against ₹11,703 million during FY 2024-25. 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 the 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 FY27 expected to grow as the last year, with sustained domestic demand partially offset by continued uncertainties from external economic environment, your Company remains cautious in its outlook for the year amid the prevailing geopolitical events.

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 FY27.

With the automotive segment in India expected to grow, 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 transportation, aerospace and defense, general engineering 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. Through its Kennametal and WIDIA brands, the Hard Metal business continues to offer a comprehensive range of tooling solutions for different applications, while helping customers improve productivity and equipment life in the harshest of working environments through it wear solutions.

The Machining Solutions Group with its expanding footprint in the domestic market and China, 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 modernized 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.

India's growth trajectory presents significant opportunities for Kennametal India and its customers. Continued investments in infrastructure, transportation, aerospace, energy, and manufacturing are expected to drive demand for advanced tooling and engineering solutions. As customers expand capacity, improve productivity, and pursue greater operational efficiency, Kennametal India is well-positioned to support their growth while strengthening its role in Kennametal's global strategy. India's sustained economic momentum reinforces its importance as a key market for long-term value creation and growth.

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 the Internal Auditors 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 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 ₹15,107 million in FY 2025-26 with a growth of 29.1% as compared to the previous year. Profit Before Tax and Exceptional Items for the year was ₹2,663 million, up 89.91% over the previous 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 higher price realisation. Machining Solutions segment reported lower sales in FY 2025-26 with lower profitability due to adverse product mix, delay in machine dispatches and overhead under absorption. The Company has also earned higher margins from sale of scrap.

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. Your 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) increased to 31% in FY 2025-26, as compared to 19% in FY 2024-25. Return (PAT) on net worth was 24% in FY 2025-26 as compared to 14% in FY 2024-25. Net operational cash flow generated during the year decreased from ₹ 1448 million in FY 2024-25 to ₹183 million in FY 2025-26, driven by working capital movement.

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 2025-26	FY 2024-25	% Change FY 2025-26 vs. FY 2024-25	Reason for Variance
Debtors Turnover Ratio	6.88	6.34	8%	Not applicable
Inventory Turnover Ratio^	1.76	3.97	-56%	Impacted by increase in inventory as a result of higher material prices.
Current Ratio	2.35	3.07	-23%	Not applicable
Operating Profit Margin (%)^	18%	12%	47%	Higher net profits as a result of higher sales and price realisation.
Net Profit Margin (%)^	12%	9%	41%	Higher net profits as a result of higher sales and price realisation.
Return on Capital Employed (ROCE) (%)^	31%	19%	66%	Higher earnings driven by better price realisation during the year.
Return (PAT) on Net Worth (%)^	24%	14%	75%	Higher net profits as a result of higher sales and price realisation.

^ Explanations have been provided for any change in the ratio by more than 25% as compared to June 30, 2025.

** Interest Coverage Ratio and Debt Equity Ratio are not applicable as the Company has no borrowing as on June 30, 2025 and June 30, 2026.*

11. Material Developments in Human Resources & Industrial Relations

During the year, the Company successfully concluded a four-year wage settlement with the recognized internal Union, Kennametal India Employees' Association (KIEA). While the negotiation process required considerable deliberation, it was completed without any disputes or disruption to production activities. Throughout the discussions, both Management and Union representatives maintained open and transparent communication channels. The collaborative approach demonstrated and shared commitment of both parties resulted in a mutually beneficial agreement that supports the long-term interests of the Company and its employees.

On November 21, 2025, the Government of India notified the implementation of the Labour Codes, 2020, introducing significant changes to compensation and benefits structures across industries. In preparation for these changes, the Company partnered with Deloitte and established an internal Cross-Functional Team (CFT) to assess the implications of the new regulations and evaluate their financial and operational impact.

Following a comprehensive review, the Company implemented a revised compensation structure aligned with the requirements of the Labour Codes. To facilitate understanding and ensure transparency, the CFT conducted employee town halls explaining the revised compensation framework and its implications for employees. These sessions were well received and appreciated across the organization. The revised structure was successfully implemented in April 2026 in accordance with regulatory guidelines.

EMERGE Program

During FY 2025-26, the Company continued its flagship **EMERGE Program**, an early-career rotational leadership initiative designed to attract and develop emerging engineering talent. The program seeks to build future leaders by providing participants with diverse experiences, broad organizational exposure, functional expertise, and accelerated career development opportunities.

Six EMERGE trainees were onboarded during FY 2025-26. During their one-year orientation and development period, participants are exposed to multiple facets of the Company's operations. The program begins with intensive technical training delivered through the Kennametal Knowledge Center (KKC), covering products, processes, and manufacturing technologies.

Participants then undertake three structured rotations across Manufacturing, Sales, and Machine Building businesses, enabling them to develop a comprehensive understanding of the Company's value chain. In addition, fortnightly leadership interactions are conducted with members of the India Leadership Council, providing participants with opportunities to learn directly from senior leaders and benefit from their experiences.

The program also includes classroom-based learning modules focused on business, technical, and personal development competencies. At the conclusion of each project assignment, participants present their learnings and outcomes to senior leadership. Following successful completion of the program, participants are absorbed into business functions based on demonstrated competencies, performance, and organizational requirements.

Diversity and Inclusion

The Company remains committed to advancing its Diversity and Inclusion (D&I) agenda. The India Regional D&I Council continues to drive initiatives across four key pillars: Awareness, Acquisition, Development, and Community Engagement. Through these efforts, the Company seeks to foster an inclusive workplace where diverse perspectives are valued and leveraged to drive organizational success.

Learning and Leadership Development

The Company firmly believes that employee growth and development are fundamental to sustainable business success. Consistent with this philosophy, targeted development initiatives were undertaken to

equip frontline and mid-level leaders with critical skills required to support business growth.

Key learning interventions conducted during the year included programs on **Key Account Management, Negotiation Skills, and Financial Acumen**, benefiting both commercial and non-commercial teams. These initiatives were designed to strengthen functional capabilities while promoting greater collaboration across manufacturing and commercial functions.

In response to organizational needs, the Company also conducted an outbound leadership development program involving participants from Commercial, Manufacturing, Research, Development & Engineering (RD&E), and Technology functions. The program was designed with input received from business and functional leaders to ensure relevance and impact. The program incorporated experiential learning through structured team activities, supported by professional coaching, feedback sessions, and leadership debriefs.

Employees are encouraged to develop and discuss Individual Development Plans (IDPs) with their managers annually. The Company remains committed to supporting employee development through a combination of on-the-job learning, job rotations, classroom training, strategic project assignments, mentoring, and digital learning platforms.

Community Engagement and CSR

The Company continues to contribute to society through its community and Corporate Social Responsibility (CSR) initiatives. In particular, the Company has partnered with a non-governmental organization (NGO) dedicated to supporting STEM education for girl students. Through this partnership, the Company provides financial assistance and mentorship support to students, with several Company leaders actively contributing as mentors.

Technical Capability Building

The Company continued its focus on strengthening technical capabilities to enable employees to better support customers and deliver business value. The Kennametal Knowledge Center (KKC) played a pivotal role in supporting employees, customers, and distributor partners through technical learning initiatives.

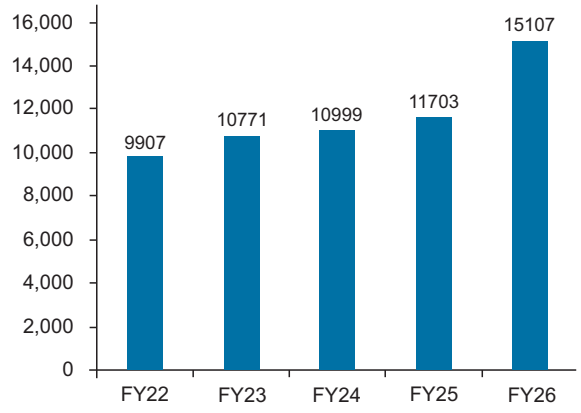
During FY 2025-26, KKC India successfully conducted 37 training programs over 74 training days, reaching 1,217 participants across internal and external stakeholder groups. These initiatives included both customer-focused and employee development programs. The flagship MCAE Comprehensive Training Program welcomed 239 Customers, strengthening technical expertise across regions. In addition, 35 training sessions were delivered to sales personnel and distributor partners to enhance market readiness and customer support capabilities.

These initiatives underscore KKC India's commitment to continuous learning, capability building, and technical excellence across the broader Kennametal ecosystem.

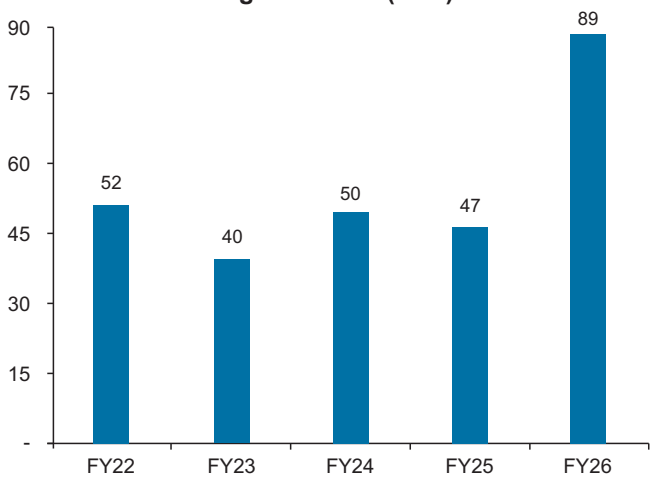
The total number of permanent employees in your Company as of June 30, 2026 was 773.

FIVE YEARS CHART FOR KEY FINANCIAL INDICATORS

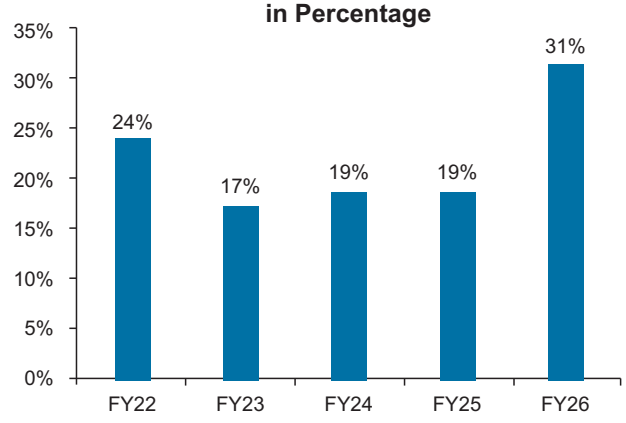
Revenue (In INR Million)



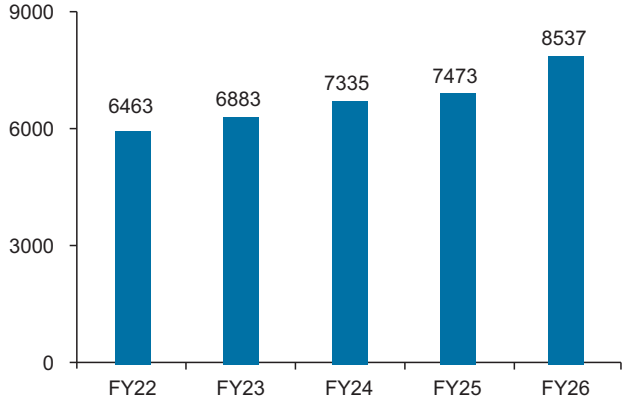
Earning Per Share (EPS) in INR



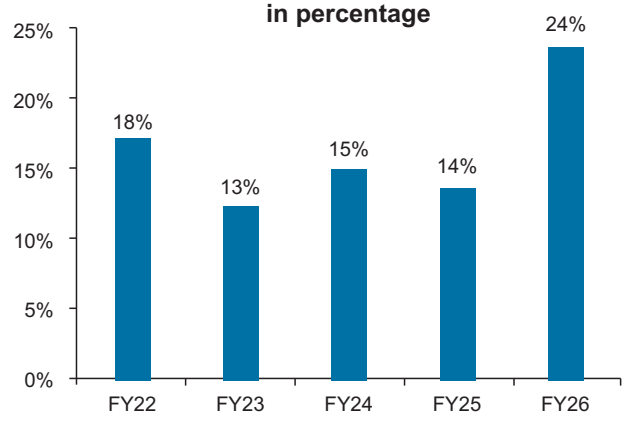
Return on Capital Employed (ROCE) in Percentage



Net Worth (In INR Million)



Return Net Worth/Equity(ROE) in percentage



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

Amit Laroya
Chairman & Independent Director
DIN: 00098933

Bengaluru
August 13, 2026

Vijaykrishnan Venkatesan
Managing Director
DIN: 07901688

Bengaluru
August 13, 2026

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Code of Governance

At the core of our business lies an unwavering commitment to the highest standards of corporate governance. We believe that sound governance is fundamental to creating sustainable long-term value for all stakeholders. It reflects our commitment to creating and enhancing long-term value for shareholders in a lawful, ethical, responsible, and sustainable manner. At Kennametal, we remain committed to fairness, trust, integrity, transparency, ethical conduct and equitable treatment of all stakeholders, including customers, investors, vendors, channel partners, communities, and the Governments of the countries in which we operate.

We believe that exemplary corporate governance extends beyond regulatory compliance - it is the foundation of enduring business excellence and is fundamental to building and sustaining the confidence and trust of our investors and other stakeholders. It is reflected in Kennametal's culture, policies, business practices, stakeholder relationships, and unwavering commitment to its core values. Integrity guides every aspect of our conduct and continues to be the driving force behind our performance, resilience, and long-term success. Through an empowered Board, robust internal controls, effective risk management, and a culture of integrity, we seek to create sustainable value while safeguarding the interests of all stakeholders.

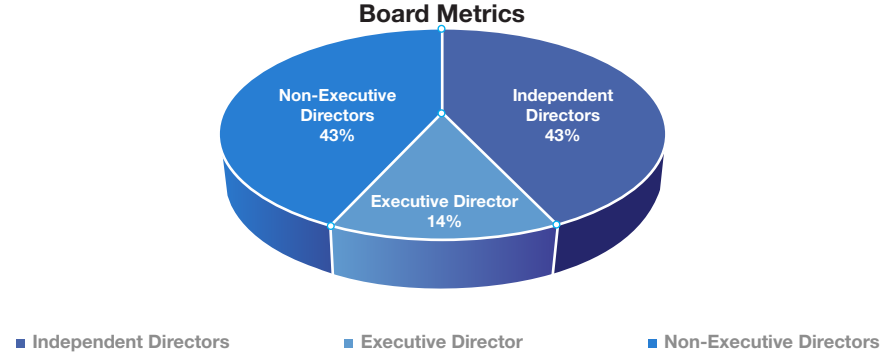
In the following paragraphs, your Company's adherence to various corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ['SEBI (LODR) Regulations, 2015'] and other applicable regulations, are detailed below.

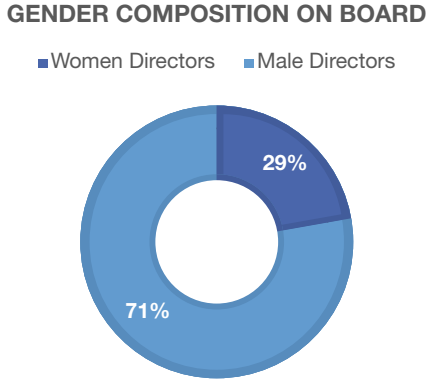
1. Composition of the Board of Directors as at June 30, 2026

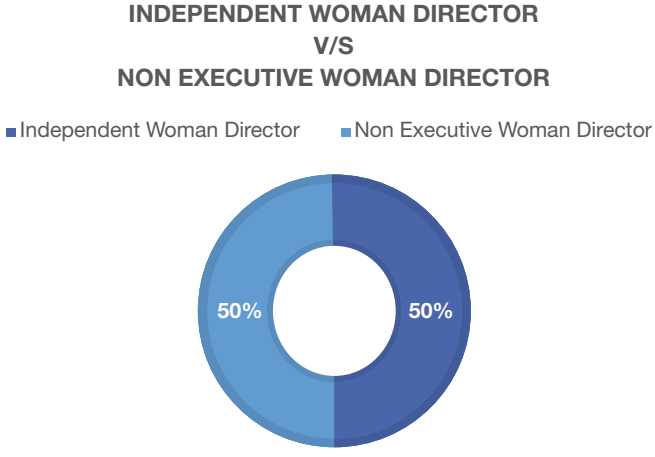
A bird's eye view of the Board structure is depicted hereunder:

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

** Includes Independent Chairman and an Independent Woman Director*
^ Managing Director







Your Company's Board comprises of 7 (Seven) members (as on June 30, 2026), comprising of 3 (three) Independent Directors (including 1[one] Woman Director), 3 (three) Non - Executive Directors (including 1[one] Woman Director) and 1 (one) Managing Director. The Company has a Non-Executive Independent Director as its Chairman and the three Independent Directors constitutes almost 43% of the total number of Directors on Board. The 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. Amit Laroya	Chairman (Independent Director)	11/03/2024	17/04/2024	10/03/2029
2	Mr. Narumanchi Venkata Sivakumar	Independent Director	09/05/2024	19/06/2024	08/05/2029
3	Ms. Bhavna Bindra	Independent Director	03/01/2020	03/01/2025	02/01/2030
4	Mr. Vijaykrishnan Venkatesan	Managing Director	17/09/2020	17/09/2025	16/09/2030
5	Ms. Kelly Golden Lynch	Non-Executive Director	11/08/2023	10/11/2023	Liable to Retire by Rotation
6	Mr. Keith Alan Mudge	Non-Executive Director	09/02/2024	17/04/2024	Liable to Retire by Rotation
7	Mr. Faisal Saad Hamadi	Non-Executive Director	02/04/2025	25/06/2025	Liable to Retire by Rotation

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

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. Amit Laroya was appointed as Chairman of the Company with effect from November 4, 2024 and has continued to hold the said office since then. Mr. Amit Laroya has obtained an Economics Honors graduate from the University of Delhi and MBA in Marketing and Finance from XLRI, India. He is a skilled business leader with a proven track record in leading and generating outcomes in various sectors such as Electronics, Industrial, Automotive, and Safety. His expertise also spans diverse business models, including M&A activities, crafting global strategic plans, and implementing strategic initiatives.

The Chairman of your Company leads the Board and is responsible for fostering integrity and governance on the Board while encouraging active participation from 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 Chairperson 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. He 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.

The Managing Director is 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. He 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. He 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.

Role of the Board of Directors

The primary role of the Board is that of trusteeship to protect and enhance shareholders' 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 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 on the skillsets required on the Board to ensure that the Board is 'well-balanced'.

The age limit for Non-Executive Directors / 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, 2026						
Area of Expertise	Mr. Amit Laroya	Mr. Narumanchi Venkata Sivakumar	Ms. Bhavna Bindra	Mr. Vijaykrishnan Venkatesan	Ms. Kelly Golden Lynch	Mr. Keith Alan Mudge	Mr. Faisal Saad Hamadi
REGULATORY MATTERS:							
Financial Expert as per SEBI (LODR) Regulations, 2015	-	✓	-	-	✓	-	✓
Independent Director as per sec 149 of Companies Act, 2013 and SEBI (LODR) Regulations, 2015	✓	✓	✓	-	-	-	-
EXPERIENCE / SKILLS:							
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 Chairperson of NRC takes the lead in appointing professional agencies to search for suitable candidates based on the requirements of the Company. 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 final appointment is done as per the NRC policy and applicable laws.

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 format of the letter of appointment issued by your Company to Independent Directors are disclosed on the website of the Company at https://www.in.investors.kennametal.com/corporate-governance/policies-codes

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 2025-26 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 imparted to Independent Directors pursuant to the requirements under SEBI (LODR) Regulations, 2015 is disclosed on the website of the Company at https://www.in.investors.kennametal.com/corporate-governance/statutory-documents.

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 61st Annual General Meeting.

Certificate under Schedule V, Part C, Clause 10(i) of SEBI (LODR) Regulations, 2015:

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 M/s. V. Sreedharan & Associates, Practising Company Secretaries, Bangalore as mandated under Schedule V, Part C, Clause 10(i) of SEBI (LODR) Regulations, 2015.

Succession planning

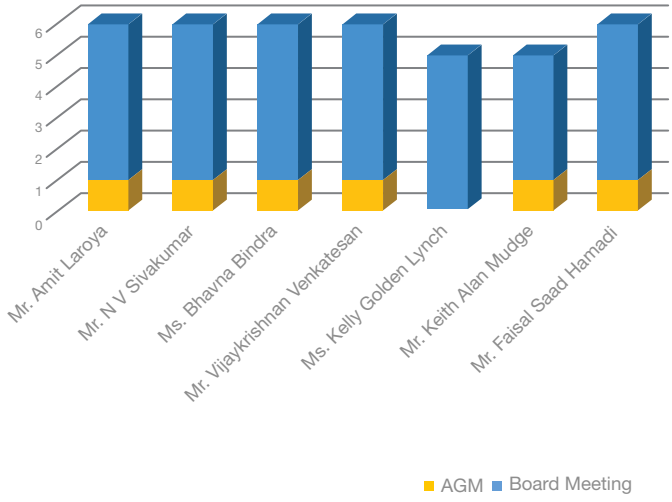
The NRC works with the Board on the leadership succession planning to ensure orderly succession in appointments to the Board and the senior management. The Company strives to maintain appropriate balance of skills and experience within the organization and the Board in an endeavour to introduce new perspectives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

Number of Board Meetings held during the FY 2025-26 along with the dates of the Meetings:

During the financial year under review, Five (5) Meetings of the Board of Directors were held on the following dates:

- August 13, 2025
- November 5, 2025
- February 5, 2026
- March 30, 2026
- May 7, 2026

Attendance of Directors at the Board Meetings held during FY 2025-26 and the Annual General Meeting (AGM) of the Company held in the year 2025-26 are depicted below:



Attendance to the Independent Directors Committee meeting

During the year, one separate Meeting of the Independent Directors was held on May 6, 2026. All the Independent Directors attended the meeting, and the meeting was held 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 a 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 7 (seven) / 3 (three) Listed Companies, as may be applicable. 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 the Chairperson 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.

Profile of the Board of Directors as at June 30, 2026 is as below:

Directors	Age	Men / Women	Tenure of office as at June 30, 2026	Attendance for FY 2025-26		Directorship including KIL			Board Committees / including KIL*	
				Board	AGM	Total (LC + PC)	LC	PC	Chairmanship	Membership^
Independent Directors										
Mr. Amit Laroya	61	M	2.4 years	5/5	✓	1	1	-	1	2
Mr. Narumanchi Venkata Sivakumar	63	M	2.2 years	5/5	✓	6	4	2	4	5
Ms. Bhavna Bindra	49	W	6.5 years	5/5	✓	2	2	-	-	3
Non-Executive and Non- Independent Directors										
Ms. Kelly Golden Lynch	56	W	2.9 years	5/5	-	1	1	-	-	1
Mr. Keith Alan Mudge	56	M	2.4 years	4/5	✓	1	1	-	-	-
Mr. Faisal Saad Hamadi	41	M	1.3 years	5/5	✓	1	1	-	-	-
Executive Director (Managing Director)										
Mr. Vijaykrishnan Venkatesan	52	M	5.8 years	5/5	✓	2	1	1	-	2

* *Only the Audit Committee and Stakeholders' Relationship Committees are considered.*
^ *If a Director is a Chairperson of a Committee, he/she is considered in both Chairmanship and Membership field.*
AGM - Annual General Meeting
LC - Listed Companies
PC - Public Companies

As on June 30, 2026, 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	
Non-Executive, Independent Directors				
Mr. Amit Laroya	-	-	-	-
Mr. Narumanchi Venkata Sivakumar	5	3	4	1. 3M India Limited - Non-Executive - Independent Director 2. Schaeffler India Limited - Non-Executive - Independent Director 3. Computer Age Management Services Limited - Non-Executive - Independent Director
Ms. Bhavna Bindra	1	-	1	Automotive Stampings and Assemblies Limited - Non-Executive - Independent Director
Managing Director – Executive & Non-Independent				
Mr. Vijaykrishnan Venkatesan	1	-	-	-
Non-Executive Directors & Non-Independent				
Ms. Kelly Golden Lynch	-	-	-	-
Mr. Keith Alan Mudge	-	-	-	-
Mr. Faisal Saad Hamadi	-	-	-	-

**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, 2026 are as follows:

Mr. Amit Laroya, Chairman & 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	Nil	March 11, 2024

Mr. N V 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.	Capital Foods Private Limited	Director	Nil	February 1, 2024
2.	Talentpro India HR Private Limited	Director	Nil	July 31, 2023
3.	Kennametal India Limited	Director	Nil	May 9, 2024
4.	3M India Limited	Director	Nil	July 15, 2024
5.	Agratas Energy Storage Solutions Private Limited	Additional Director	Nil	May 6, 2025
6.	Kisetsu Saison Finance (India) Private Limited	Director	Nil	April 16, 2025
7.	Acko Life Insurance Limited	Director	Nil	September 15, 2024
8.	Acko Technology & Services Private Limited	Director	Nil	September 19, 2024
9.	Schaeffler India Limited	Director	Nil	November 6, 2024
10.	Computer Age Management Services Limited	Director	Nil	October 16, 2024
11.	Gokula Education Foundation (Medical)	Member, Board of Management	Nil	May 29, 2025
12.	Acko General Insurance Limited	Additional Director (Independent Director)	Nil	April 30, 2026

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	Radiance Renewables Private Limited	Director	Nil	August 28, 2025
4	Jamunjar Health and Wealth Private Limited	Director	59.58%	August 05, 2025
5	Srichakra Polyplast India Private Limited	Director	Nil	June 29, 2026

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	CII – Confederation of Indian Industry	Member	Nil	September 17, 2020
4	Invest Karnataka Forum	Nominee Director	Nil	October 13, 2023

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 11, 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.	Industrial Supply Association	Director / Past Chair	Nil	July 1, 2021
2.	Kennametal India Limited	Director	Nil	February 9, 2024

Mr. Faisal Saad Hamadi, 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	April 2, 2025

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).*
- *The Non-Executive Directors of the Company do not hold any Equity shares or convertible instruments in the Company.*

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 Personnel which is available on the Company website at https://www.in.investors.kennametal.com/corporate-governance/policies-codes.

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 sessions on following programs were organised for the Directors:

- Digital Personal Data Protection Act, 2023
- New Labour Codes

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., employees, 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 the Board of Directors, Senior Management Personnel, Employees and Designated Persons, during the year on Prohibition of Insider Trading, Data Privacy laws, New Labour Codes etc. 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", "Insider trading code for designated persons and their immediate relatives" and "Code of conduct for sharing of UPSI with Insiders and Connected Persons" which are available on the Company's website at https://in.investors.kennametal.com/corporate-governance/policies-codes

For the complainants to post any grievances, your Company has a whistle blower policy in place, a copy of which is disclosed at https://in.investors.kennametal.com/corporate-governance/policies-codes ("Whistle Blower Policy").

All stakeholders have been provided with 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:

1. The Audit Committee shall have minimum three Directors as members.
2. Two-thirds of the members of the Audit Committee shall be Independent Directors.
3. All members of audit committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
4. The Chairperson of the audit committee shall be an independent director and he /she shall be present at Annual general meeting to answer shareholder queries.
5. The Company Secretary shall act as the secretary to the Audit Committee.
6. 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.
7. The Audit Committee shall meet at least four times in a financial 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 listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommendation for appointment, remuneration and terms of appointment of the 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.

e) Compliance with listing and other legal requirements relating to financial statements.

f) Disclosure of any related party transactions.

g) 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 Company 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 Sock 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:

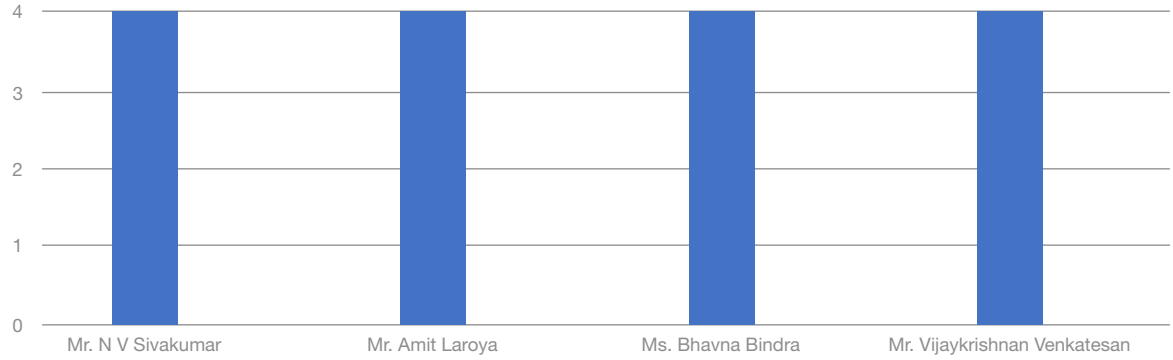
As on June 30, 2026, the Audit Committee consists of Four (4) members inclusive of Three (3) Non-Executive Independent Directors and all of them have financial and accounting knowledge. The Chairman of the Audit Committee is a financial expert with more than 44 years' experience in various facets. The members of the Committee are (i) Mr. N V Sivakumar, Chairman of the Committee (ii) Mr. Amit Laroya (iii) Ms. Bhavna Bindra and (iv) Mr. Vijaykrishnan Venkatesan.

During the year under review, four (4) Meetings of the Audit Committee of Directors were held on the following dates:

- August 13, 2025
- November 5, 2025
- February 5, 2026
- May 7, 2026

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 2025-26



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. The Chairperson 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 financial 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 senior managerial 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.

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.

B. 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.

C. 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.

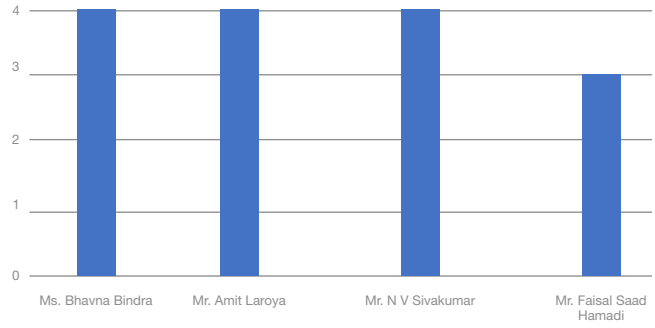
The Nomination and Remuneration Policy, Performance Evaluation and Policy on Board Diversity and other required policies are available on the website of the Company at https://www.in.investors.kennametal.com/corporate-governance/policies-codes

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

As on June 30, 2026, the Nomination and Remuneration Committee (NRC) of the Company consisted of Four (4) Non-Executive Directors. The members of the Committee are (i) Ms. Bhavna Bindra, Chairperson of the Committee (ii) Mr. Amit Laroya (iii) N V Sivakumar and (iv) Mr. Faisal Saad Hamadi.

During the year under review, the Committee met 4 (Four) times on August 13, 2025, November 6, 2025, March 30, 2026 and May 7, 2026 and the attendance of the members at the said Meetings are given below:

Attendance at the NRC Meeting held during FY 2025-26



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 2025-26:

Managing Director	Amount (₹ in Million) *
Mr. Vijaykrishnan Venkatesan	46.72

*Includes salary, fixed allowance, housing, leave travel allowance, contribution to retiral benefits, performance pay etc. It also includes Stock options of ₹10.86 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 at its meeting held on May 15, 2025 reappointed Mr. Vijaykrishnan Venkatesan as the Managing Director of the Company for a second term of 5 years effective September 17, 2025 after considering the recommendation of Nomination & Remuneration Committee, said re-appointment was approved by the Shareholders through Postal Ballot on June 25, 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 May 15, 2025 with no severance fee.

Table II: Remuneration paid to Non-Executive Directors during the year under review:

Non-Executive Directors	Commission (₹ in Million) *	Sitting Fees (₹ in Million)
Mr. Amit Laroya	2.73	0.75
Mr. Narumanchi Venkata Sivakumar	1.91	0.60
Ms. Bhavna Bindra	1.36	0.75
Ms. Kelly Golden Lynch^	Nil	Nil
Mr. Keith Alan Mudge^	Nil	Nil
Mr. Faisal Saad Hamadi^	Nil	Nil

^ No sitting fee is paid to Non-Executive - Non-Independent Directors.
** The Commission for FY 2024-25 was paid during the year FY 2025-26.*

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.in.investors.kennametal.com/corporate-governance/policies-codes

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 Chairman 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 Chairman 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 financial year.

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

1. Resolving the grievances of the security holders of the Company 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 Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

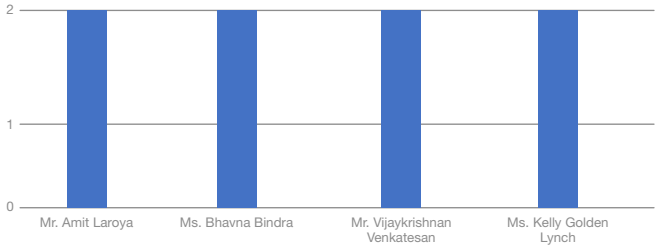
Composition and details of the Stakeholders' Relationship Committee Meeting during the financial year:

As on June 30, 2026, the Stakeholders' Relationship Committee comprises of (a) Mr. Amit Laroya, Chairman who heads the Committee (b) Mr. Vijaykrishnan Venkatesan (c) Ms. Bhavna Bindra and (d) Ms. Kelly Golden Lynch.

Ms. Anupriya Garg is the Company Secretary and Compliance Officer of the Company.

During the year under review, two (2) Meetings of the said Committee were held on November 5, 2025 and May 7, 2026. 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 FY 2025-26



During the financial year, the Company did not receive any complaint(s) from shareholders. However, one complaint that was raised in the previous financial year was duly redressed to the satisfaction of the shareholder during this financial year i.e., on July 3, 2025.

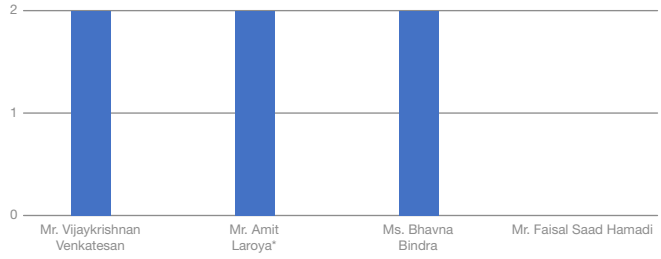
5. Corporate Social Responsibility Committee

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.

As on June 30, 2026, the Committee comprises of (a) Mr. Vijaykrishnan Venkatesan, Chairman (b) Ms. Bhavna Bindra (c) Mr. Amit Laroya and (d) Mr. Faisal Saad Hamadi.

During the year, two (2) Meetings of the said Committee were held. The Committee met on August 12, 2025 and February 5, 2026 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 FY 2025-26



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 Company, 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.

The Risk Management Committee shall have minimum three members with majority of them being members of the board of directors, including at least one independent director.

The Risk Management Committee shall meet at least twice in a financial year in such a manner that not more than 210 days shall elapse between any two consecutive meetings.

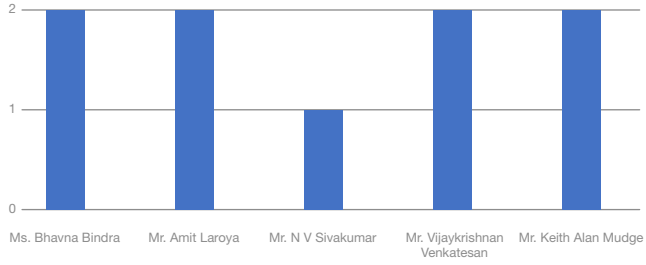
The quorum for the meeting of Risk Management Committee is either two members or one third of the members of the Committee, whichever is higher, including at least one member of the board of directors in attendance.

The Risk Management Committee shall have powers to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

As of June 30, 2026, the Risk Management Committee comprised of (a) Ms. Bhavna Bindra, Chairperson of the Committee (b) Mr. Vijaykrishnan Venkatesan (c) Mr. Amit Laroya (d) Mr. N V Sivakumar and (e) Mr. Keith Alan Mudge.

Not more than two hundred and ten (210) days elapsed between any two consecutive Risk Management Committee meetings. The Committee met twice on August 12, 2025 and February 5, 2026 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 FY 2025-26



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 approval letters in exchange for sub – divided / consolidated / defaced share certificates / issue of duplicate Share Certificates in demat mode, 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 approved / took note of following changes to the Senior Managerial Personnel of the Company:

- Mr. Prashant Shetty resigned from the position of Senior Director Sales effective closing of business hours of July 1, 2025.

- Mr. Raghavendra S resigned from the position of Director - Manufacturing & Factory Manager effective closing of business hours of September 18, 2025.
- Mr. Devanathan G was appointed in the position Director - Manufacturing & Factory Manager effective October 16, 2025.
- Mr. Akshay Kulkarni was appointed as the Senior General Manager Sales effective March 30, 2026.
- Mr. Roopendra S resigned from the post of Deputy General Manager - Environment, Health and Safety effective closing of business hours of April 30, 2026.

The Senior Managerial Personnel of the Company as on June 30, 2026 are as follows:

Sl. No.	Name	Position
	India Leadership Council	
1.	Mr. Vijaykrishnan Venkatesan	Managing Director (KMP)
2.	Mr. Suresh Reddy K V	Chief Financial Officer (KMP)
3.	Ms. Anupriya Garg	Legal Counsel (Region) & Company Secretary (KMP)
4.	Mr. M.T. Swamy	Director Sales
5.	Mr. Guru Prasanna	Director - MSG Business
6.	Mr. Devanathan G	Director - Manufacturing & Factory Manager
7.	Ms. Swastika Mukherjee	Senior General Manager - Strategic Marketing
8.	Mr. Manu Kidave	Senior General Manager – Human Resources
9.	Mr. Akshay Kulkarni	Senior General Manager Sales
	Other Functional Heads	
10.	Mr. Emagirivasan U	Deputy General Manager - Sourcing
11.	Mr. Alok Bhaskar	Senior Manager - Material Sciences

** Subsequent to the year end, Mr. Vigneshkumar V, Deputy General Manager – Environment, Health & Safety was appointed and designated as Senior Management Personnel effective August 13, 2026.*

9. General Meetings

The details of the special resolutions passed during the last three Annual and / or Extraordinary General Meetings are as follows:

Date and Time	Location	Special Resolutions passed
58th 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.
59th AGM, October 24, 2024 at 12:00 Noon	Hotel Taj Yeshwantpur, 2275, Tumkur Road, Yeshwantpur Industrial Area, Phase 1, Yeshwantpur, Bengaluru, Karnataka 560022	Re-appointment of Ms. Bhavna Bindra (DIN: 07314422) as a Non - Executive and Independent Director of the Company
60th AGM, November 6, 2025 at 12:00 Noon	Hotel Taj MG Road, 41/3 Mahatma Gandhi Road, Bengaluru - 560001 Karnataka, India	None

10. Postal Ballot:

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

Date of postal ballot notice	Resolution passed	Type Resolution	Voting Results	Approval date	Scrutinizer
February 5, 2026	Approval to enhance the limits of material related party transactions with Kennametal Inc., USA	Ordinary Resolution	Voting in favour: 99.97% Voting against: 0.03%	April 5, 2026	Mr. Vijayakrishna KT (FCS 1788, COP 980), Practising Company Secretary
	Approval to enhance the limits of material related party transactions with Kennametal Europe GmbH, Switzerland	Ordinary Resolution	Voting in favour: 99.14% Voting against: 0.86%		

May 7, 2026	Approval of Material Related Party Transactions with Kennametal Inc. USA	Ordinary Resolution	Voting in favour: 99.97% Voting against: 0.03%	June 21, 2026	Mr. Vijayakrishna KT (FCS 1788, COP 980), Practising Company Secretary
	Approval of Material Related Party Transactions with Kennametal Europe GmbH, Switzerland	Ordinary Resolution	Voting in favour: 99.97% Voting against: 0.03%		

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 two issued Postal Ballot Notices dated February 5, 2026 and May 7, 2026 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 Saturday, March 7, 2026, 9:00 AM IST and ended on Sunday, April 5, 2026, 5:00 PM IST and the cut-off date for the purpose of determining the number of Members was Friday, February 6, 2026 with respect to Notice dated February 5, 2026. Further, with respect to the postal ballot notice dated May 7, 2026, the voting period commenced on Saturday, May 23, 2026, 9:00 AM IST and ended on Sunday, June 21, 2026, 5:00 PM IST and the cut-off date for the purpose of determining the number of Members was Friday, May 8, 2026. The Scrutinizer, after the completion of scrutiny, submitted his report to the Company Secretary 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 7, 2026 and June 23, 2026 respectively for the Postal Ballot notice dated February 5, 2026 and May 7, 2026. The results were also displayed on the website of the Company at - https://in.investors.kennametal.com/shareholder-services/general-meetings-postal-ballot 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://in.investors.kennametal.com/corporate-governance/policies-codes
- The Company has in place a Code of Conduct applicable to the Board of Directors as well as the Senior Management. Managing Director and Company Secretary 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 2025-26.
- As on June 30, 2026, none of the Directors of the Company held any shares of the Company.
- 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.
- 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.in.investors.kennametal.com/corporate-governance/policies-codes.
- There has been no accounting treatment different from that prescribed in the Indian 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 Audit Committee 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, 2026.
- Weblink of policy for determining 'material subsidiary' is below: https://www.in.investors.kennametal.com/corporate-governance/policies-codes
- The Company has formulated Dividend Distribution Policy as required under Regulation 43A of the SEBI (LODR) Regulations, 2015 and the same is available on the website of the Company at https://in.investors.kennametal.com/corporate-governance/policies-codes
- The Company has not made any capital issues during the financial year ended June 30, 2026.
- The details of the total fees (excluding out of pocket expense) 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 partis given below:

Particulars	Amount FY 2025-26 (₹ in Million)
Statutory Audit & Internal Financial Control over Financial Reporting (IFCFR)	3.40
Limited Review for three quarters	1.20
Tax Audit	0.50
Total	5.10

- 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 and the same is reiterated below:

  A. No. of complaints filed during the financial year: One
  B. No. of complaints disposed off during the financial year: one
  C. No. of complaints pending as on the end of the financial year: Nil

- 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 the 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, 2026.

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

Mr. Amit Laroya, 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.

vi. Independent Directors

The independent directors of the Company endeavour to hold at least two meetings in a financial year, without the presence of non-independent directors and members of the management.

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 which are also uploaded 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) The 60th Annual General Meeting of the Company was held in physical mode, during which queries raised by the shareholders regarding the Company's business performance, financial position, and other related matters were duly addressed.
c) During the financial year, no presentations were made by the Company to institutional investors or analysts.
d) The Company issues press release on a quarterly basis and the same is uploaded on the website of the Company at https://in.investors.kennametal.com/news-events/press-releases
e) As per SEBI (LODR) Regulations, 2015, the requisite details of the Company in terms of Regulation 46 are maintained on the website viz. https://www.in.investors.kennametal.com/corporate-governance/disclosures-under-regulation-46-sebi-lodr-regulations-2015
f) 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 were 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 were 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 2025-26:

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	77	18,380
2.	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
3.	Number of shareholders to whom shares were transferred from suspense account during the year	Nil	Nil
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	1	20
5.	Transfer to Unclaimed Suspense Account during the year	NIL	NIL
6.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	76	18,360
7.	Voting rights on these shares shall remain frozen till the rightful owner of such shares claim the same	Yes	

General Shareholders' information

The 61st Annual General Meeting of the Company is scheduled to be held on Friday, November 13, 2026 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 2025-26 at its Board Meeting held on May 7, 2026 and the said Dividend was paid out on June 1, 2026. The Board of Directors of the Company has decided that the interim dividend shall be treated as the final dividend for FY 2025-26.

Financial Calendar:

The Company follows July 1 to June 30 as its financial year. Financial calendar for the financial year 2026-27 is as follows:

Event	Month (tentative)
Un-audited results for the first quarter ending September 30, 2026	November, 2026
Un-audited results for the second quarter ending December 31, 2026	February, 2027
Un-audited results for the third quarter ending March 31, 2027	May, 2027
Audited results for the fourth quarter and year ending June 30, 2027	August, 2027

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 2026-27.

The securities are not suspended from trading.

Annual Custody / Issuer Charges:

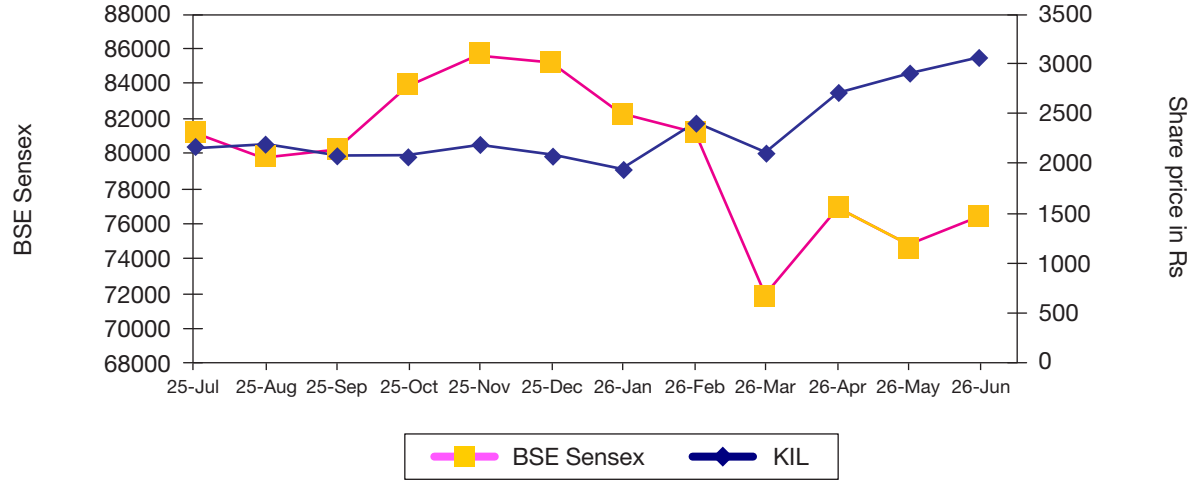
The Company has paid the Annual Custody / Issuer charges for the financial year 2025-26 to NSDL and CDSL

Stock Price Data for the Financial year 2025-26:

Market Price Data (in INR) – High & Low on BSE Limited and Number of shares traded from July 01, 2025 to June 30, 2026, under review as follows:

Month and Year	Open Price	High Price	Low Price	Close Price	No. of Shares	No. of Trades
Jul-25	2349	2424	2151	2166	75268	6,434
Aug-25	2131	2369	2015	2201	63017	6,959
Sep-25	2230	2241	2006	2090	83379	7,773
Oct-25	2125	2147	1995	2086	147557	5,635
Nov-25	2087	2639	2075	2195	271490	18,130
Dec-25	2230	2245	2051	2095	52653	6,192
Jan-26	2116	2180	1935	1955	47411	5,194
Feb-26	2000	2523	1932	2420	103354	11,713
Mar-26	2308	2463	2090	2112	69885	6,726
Apr-26	2183	2849	2121	2713	227849	11,391
May-26	2701	3397	2670	2909	60776	9,894
Jun-26	2892	3179	2734	3064	29434	7,288

Share price performance in comparison with BSE Sensex



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@intigratedindia.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 requests from shareholders are addressed within the stipulated timeframe.

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.

Shareholding pattern as of June 30, 2026 are 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	29,20,572	13.29
Foreign Portfolio Investors	51,399	0.23
Alternate Investment Funds	9,725	0.04
Financial Institutions/Banks	960	0.01
C) Public (Non-Institutions)	25,11,904	11.43
Total (A+B+C)	2,19,78,240	100.00

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. 99.65% of the Equity Shares of the Company are held in demat form as on June 30, 2026.

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

Distribution of Shares as on June 30, 2026 is as follows:

No. of Shares	No. of Shareholders	% to Total	Shares held	% to Total
Up to 5000	12,360	99.20	13,80,689	6.28
5001 to 10000	48	0.39	3,37,040	1.53
10001 to 20000	34	0.27	4,63,018	2.11
20001 to 30000	3	0.02	73,418	0.33
30001 to 40000	5	0.04	1,76,761	0.80
40001 to 50000	1	0.01	41,364	0.19
50001 to 100000	2	0.02	1,14,921	0.52
100001 and above	7	0.06	1,93,91,029	88.23
Total	12,460	100.00	2,19,78,240	100.00

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 2025-26 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 Company Private 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	The Company Secretary Kennametal India Limited 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 For the purpose of addressing investor complaints and also to take necessary follow-up action.

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

Amit Laroya
Chairman & Independent Director
DIN: 00098933

Bengaluru
August 13, 2026

Vijaykrishnan Venkatesan
Managing Director
DIN: 07901688

Bengaluru
August 13, 2026

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, Whole-Time Director;
- Chief Financial Officer;
- Company Secretary & Compliance Officer; and
- such other officer as may be prescribed.

"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 and listing regulations as amended from time to time.

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, if applicable.

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 for that financial year 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 any one Managing Director/Whole Time Director/Manager and upto ten percent in case of more than one such official.

Provided that subject to the provisions of Schedule V of the Companies Act 2013, the company in general meeting may vide requisite resolution, exceed the payment of remuneration to its directors.

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, its rules and Listing Regulations 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.

Provided that subject to the provisions of Schedule V of the Companies Act 2013, the company in general meeting may vide requisite resolution, exceed the payment of remuneration to its independent directors.

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

Corporate Identity No. : L27109KA1964PLC001546
Authorised Capital : Rs.23,97,82,400 (23.97824 Crores)

To
The Shareholders
Kennametal India Limited
Bengaluru

We have examined all the relevant records of KENNAMETAL INDIA LIMITED ("the Company") for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended June 30, 2026. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring compliance with the conditions of the corporate governance.

This certificate 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.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has complied with item A, C, D and E.

For V. Sreedharan & Associates
Company Secretaries

(Dr. Shobha Shridhar)
Partner
F.C.S.13360; C.P.No.22649
Place: Bengaluru
Date: August 13, 2026
UDIN: F013360H001098158

Peer Review Certificate No. 5543/2024

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
8/9th, Mile, Tumkur Road
Bangalore - 560073

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

In our opinion and to the best of our 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 us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on June 30, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI) and Ministry of Corporate Affairs (MCA), or any such other Statutory Authority.

Details of Directors :

Sl. No.	Name of Directors	Designation	DIN	Date of appointment in Company
1	Mr. Amit Laroya	Independent Director	00098933	11/03/2024
2	Mr. Narumanchi Venkata Sivakumar	Independent Director	03534101	09/05/2024
3	Ms. Bhavna Bindra	Independent Director	07314422	03/01/2020
4	Mr. Venkatesan Vijaykrishnan	Managing Director	07901688	17/09/2020
5	Mr. Faisal Saad Hamadi	Director	10961717	02/04/2025
6	Ms. Kelly Golden Lynch	Director	10270042	11/08/2023
7	Mr. Keith Alan Mudge	Director	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. Our responsibility is to express an opinion based on our 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.

For **V. Sreedharan & Associates**
Company Secretaries

(**Dr. Shobha Shridhar**)
Partner
F.C.S.13360; C.P.No.22649
Place: Bengaluru
Date: August 13, 2026
UDIN: F013360H001098466

Peer Review Certificate No. 5543/2024

Annexure IV to the Board's Report

SECRETARIAL COMPLIANCE REPORT OF KENNAMETAL INDIA LIMITED FOR THE FINANCIAL YEAR ENDED JUNE 30, 2026

[Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by KENNAMETAL INDIA LIMITED (CIN: L27109KA1964PLC001546), (and hereinafter referred as 'the listed entity'), having its Registered Office at 8/9th, Mile, Tumkur Road Bangalore- 560073.

Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the listed entity has, during the review period covering the financial year ended on June 30, 2026, complied with the statutory provisions listed hereunder and also that the listed entity has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined:

(a) all the documents and records made available to us and explanation provided by the listed entity;
(b) the filings/ submissions made by the listed entity to the stock exchanges;
(c) website of the listed entity;
(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification;

for the year ended June 30, 2026 ("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 ("LODR");
(b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable during the period under review)
(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the Company during the Review Period)
(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable to the Company during the Review Period)
(f) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not Applicable to the Company during the Review Period)
(h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not Applicable to the Company during the Audit Period); and
(i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (upto December 14, 2025) and the Securities Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 (from December 15, 2025) regarding the Companies Act and dealing with client; and
(j) circulars/ guidelines issued thereunder, and based on the above examination, we hereby report that, during the Review Period:

a) The listed entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder except in respect of matters specified below:

Sl. No.	Compliance Requirement (Regulations / circulars / guidelines includingspecific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations / Remarks of the Practicing Company Secretary	Management Response	Remarks
NIL										

b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No.	Observations/ Remarks of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended (the years are to be mentioned)	Compliance Requirement (Regulations/circulars / guidelines including specific clause)	Details of violation / deviations and actions taken / penalty imposed, if any, on the listed entity	Remedial actions, if any, taken by the listed entity	Remedial actions, if any, taken by the listed entity	Comments of the PCS on the action taken by the listed entity
NIL							

c) We hereby report that, during the Review Period, the compliance status of the listed entity with the following requirement is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS
1.	Secretarial Standards: 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	
2	Adoption and timely updation of the Policies: ▪ All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities. ▪ All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations / circulars / guidelines issued by SEBI.	YES	
3	Maintenance and disclosures on Website: ▪ The Listed entity is maintaining a functional website. ▪ Timely dissemination of the documents/ information under a separate section on the website. ▪ 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.	YES	
4	Disqualification of Director: None of the Directors of the Company are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	YES	
5	Details related to Subsidiaries of listed entities have been examined w.r.t: (a) Identification of material subsidiary companies. (b) Disclosure requirement of material as well as other subsidiaries.	NA	The Company does not have subsidiaries.
6	Preservation of Documents: 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	
7	Performance Evaluation: 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	
8	Related Party Transactions: (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions; or (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved / ratified / rejected by the Audit committee.	YES NA	There were no such transactions during the Review Period.
9	Disclosure of events or information: 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	
10	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	YES	

Sr. No.	Particulars	Compliance Status (Yes/No/NA)	Observations /Remarks by PCS
11	**Actions taken by SEBI or Stock Exchange(s), if any:** No Actions 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. The actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges are specified in the last column.	YES	No action has been initiated against the listed entity/ its promoters/directors/ subsidiaries either by SEBI or by stock Exchanges during the reporting period FY 2025-26.
12	**Resignation of statutory auditors from the listed entity or its material subsidiaries** In case of resignation of statutory auditor from the listed entity or any of its material subsidiaries during the financial year, the listed entity and / or its material subsidiary(ies) has / have complied with paragraph 6.1 and 6.2 of section V-D of chapter V of the Master Circular on compliance with the provisions of the LODR Regulations by listed entities.	NA	No such event
13	**Additional non-compliances, if any:** No additional non-compliance observed for all SEBI regulation / circular / guidance note etc.	NA	No such event

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. 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.

For **V. Sreedharan & Associates**
Company Secretaries

(**Dr. Shobha Shridhar**)
Partner
F.C.S.13360; C.P.No.22649
Place: Bengaluru
Date: August 13, 2026
UDIN: F013360H001098301

Peer Review Certificate No. 5543/2024

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, Vijaykrishnan Venkatesan, Managing Director and 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, 2026:

- 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

Bengaluru
August 13, 2026

For Kennametal India Limited

Anupriya Garg
Legal Counsel (Region) &
Company Secretary

Bengaluru
August 13, 2026

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, 2026, 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, 2026, 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, 2026.

Vijaykrishnan Venkatesan
Managing Director

Bengaluru
August 13, 2026

K V Suresh Reddy
Chief Financial Officer

Bengaluru
August 13, 2026

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 FY 2025-26:

1. Heat pump installed at 2 MW DG area for water preheater which ended up saving around 40% power consumption comparative with conventional electrical heating system.
2. Around 77% of the Company's energy requirements was catered by Solar Power.
3. Installation of timer-controlled operations for ventilation system for effective utilisation.
4. Installation of occupancy sensors at office area for Lighting & Air Conditioners.
5. Replaced Fluorescent /T5 Lighting fixtures with LED lights in the plant.
6. Upgradation of split AC from R22 gas system to R32gas system, with energy efficient systems (5-star rating)
7. CT upgradation at HT incomer Panel was carried out to avoid DG operation during peak load.

Impact of the Above Measures:

Due to the above energy conservation measures, your Company conserved about 1,40,245 units which contributed to savings of 115 mT of Co2.

The total annual CO2 reduction, inclusive of energy conservation and usage of green power was 13,432 mT.

B. Technology Absorption

The Research, Development and Engineering (RD&E) function focuses on developing new product and processes, with a strong focus on materials, sintering, coatings, machining technologies and overall process advancement.

RD&E, Bengaluru team focuses on meeting the market requirements by developing new products, customized solutions, executing cost saving initiatives, product benchmarking and fundamental 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) function of your Company remains focused on developing and indigenizing products that address manufacturing challenges while enhance our customers' productivity. These solutions not only help strengthen existing customer relationships but also support the expansion of our market presence. Ongoing innovation in product design and performance improvement has created strong value propositions, enabling customers to achieve higher level of efficiency, durability, and reliability in their operations.

We maintain close collaboration with key stakeholders to meet evolving market requirements, including the delivery of custom engineered solutions, product benchmarking, cost-saving projects, and application-specific innovations. These efforts ensure alignment with the industry trends and evolving customer expectations.

In parallel, we continue to invest significantly in advanced process technologies to drive operational excellence. Our focus area include materials, sintering, coatings, machining and process improvements, undertaken in collaboration with our parent company - Kennametal Inc. These initiatives aim to enhance product quality, reduce material cost, and optimize manufacturing lead times. The introduction and qualification of advanced process equipment have delivered notable improvements in production cycle time, consistency, and throughout.

By continuously refining our manufacturing practices, we are able to deliver higher efficiency at the plant level, ultimately contributing to better performance and greater cost competitiveness.

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

1. Develop a new range of products to drive market penetration, customer conversion and retention.
2. New process development and improvement in powder metallurgy processes including pressing, sintering, surface treatments, hard coatings, tool washing and joining process.
3. Collaboration with the manufacturing team for improved quality and reduced cost of production, that enhances customer experience and operational excellence.
4. Partnering with marketing for developing custom solution products to customers 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 through benchmarking test and simulating field machining condition in the lab.
8. Exploring and assess new technologies in machining & grinding 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 wear and forming products

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
16. Recycling of wet and dry carbides.

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 streamline 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	FY 2025-26	FY 2024-25
Capital Expenditure	0	0
Recurring Expenditure	53	48
Total Expenditure	53	48
Total R&D expenditure (as a percentage of turnover)	0.35%	0.41%

VI. Technology absorption, adaptation and innovation

1. Efforts, in brief, made towards technology absorption, adaptation and innovation:

   - Establishment of standardized and improved manufacturing processes of powder metallurgy processes, pressing, sintering, surface treatments, hard coatings, tool washing and joining
   - 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.	Sintering Cycles	Kennametal Inc.	2017-18	Full
2.	New Coating Process	Kennametal Inc.	2018-20	Full
3.	New CVD Coatings	Kennametal Inc.	2020-21	Full
4.	New CVD Coatings	Kennametal Inc.	2021-22	Full
5.	New Brazing Cycles	Kennametal Inc.	2022-23	Full
6.	Sintering Cycles	Kennametal Inc.	2023-24	Full
7.	Sintering Cycles	Kennametal Inc.	2024-25	Full
8.	New CVD Coatings	Kennametal Inc.	2025-26	Partial

VII. Foreign Exchange earnings and outgo

i. Initiatives taken to increase exports

Your Company continues to leverage on the surplus manufacturing capacities to support the exports as and when global requirements arises.

ii. Foreign Exchange used (₹ in Million):

Particulars	FY 2025-26	FY 2024-25
Capital Expenditure	72	76
Raw Materials	9,447	5,049
Cross Charge	199	231
Royalty	92	73
Expenditure	34	10
Total	**9,844**	**5,439**

iii. Total foreign exchange used and earned: FY 2025-26 (₹ in Million)

i. Foreign Exchange earned:	2,122
ii. Foreign Exchange used:	9,844

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

Amit Laroya
Chairman & Independent Director
DIN: 00098933

Bengaluru
August 13, 2026

Vijaykrishnan Venkatesan
Managing Director
DIN: 07901688

Bengaluru
August 13, 2026

Annexure VIII to the Board's Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED JUNE 30, 2026

[Pursuant to Sub Section (1) of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by KENNAMETAL INDIA LIMITED (hereinafter called "the Company") (CIN: L27109KA1964PLC001546) for the Financial Year ended June 30, 2026 ("audit period"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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, we hereby report that in our opinion, the Company has, during the Financial Year ended on June 30, 2026, 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:

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company during the audit period 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 Byelaws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the period under review)**

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not Applicable to the Company during the Audit Period);**

(e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 (upto December 14, 2025) and the Securities Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 (from December 15, 2025) regarding the Companies Act and dealing with client;

(f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not Applicable to the Company during the Audit Period);**

(g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not Applicable to the Company during the Audit Period);**

(h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 **(Not Applicable to the Company during the Audit Period); and**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR).

(vi) Other Laws Applicable Specifically to the Company: No other laws are applicable specifically to the Company.

We have also examined compliance with the applicable clauses of the following:

(a) Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Meetings of the Board of Directors and General Meeting.

(b) Listing Agreements entered into by the Company with BSE Limited.

During the period under review the Company has substantially complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above and filings of the returns were undertaken in time or within the extended time limits. Certain non-material findings made during the audit were addressed suitably by the Management.

We have not examined compliance with applicable Financial Laws, like Direct and Indirect Tax Laws, since the same have been subject to review by statutory financial audit and other designated professionals.

We 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 that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices have been given to all the directors to schedule the Board Meetings. The 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.

As per the minutes of the meetings duly recorded and signed by the Chairperson, the decisions of the Board were unanimous, and therefore no dissenting views were required to be captured and recorded as part of the minutes.

Based on the review of systems and processes adopted by the Company and the Statutory Compliance self-certification by the Company Secretary and other executive personnel of the Company which was taken on record by the Board of Directors, 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 including the list of laws as mentioned above in Point No. vi of para 3 of this report.

There were no events / actions that were having a major bearing on the company's affairs in pursuance of the above-mentioned laws, rules, regulations, guidelines etc., during the audit period.

For V. Sreedharan & Associates
Company Secretaries

(Dr. Shobha Shridhar)
Partner
F.C.S.13360; C.P.No.22649
Place: Bengaluru
Date: August 13, 2026
UDIN: F013360H001098081

Peer Review Certificate No. 5543/2024

This report (i.e., Form No. MR-3) is to be read with our letter of even date which is annexed as Annexure and forms an integral part of this report.

'Annexure'

To,
The Members,
KENNAMETAL INDIA LIMITED
8/9th, Mile, Tumkur Road
Bangalore- 560073

Our report of even date is to be read along with this letter:

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. 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.

For V. Sreedharan & Associates
Company Secretaries

(Dr. Shobha Shridhar)
Partner
F.C.S.13360; C.P.No.22649
Place: Bengaluru
Date: August 13, 2026
UDIN: F013360H001098081

Peer Review Certificate No. 5543/2024

Annexure IX to the Board's Report

Form AOC – 2

(Pursuant to Clause (h) of Sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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.

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: As per table below
   Number of material contracts or arrangement or transactions at arm's length basis: 09

Sl. No.	Corporate identity number or foreign company registration number or Limited Liability Partnership number or Foreign Limited Liability Partnership number or Permanent Account Number/Passport for individuals or any other registration number	Name of the related party and nature of relationship	Nature of relation	Nature of transactions	Transactions Value (₹ In Million)	Duration of transactions	Salient terms of transactions	Date of approdval by the Board	Amount paid in advance, if any
1.	25-0900168	Kennametal Inc., USA	Ultimate Holding Company	Sales	1,425	Ongoing, will be continuous year after year	Payment to be received in respective Country currency within 30 days from the end of the month billing.	May 15, 2025 and February 5, 2026	-
2.				Cross Charge - Revenue	34	Ongoing, will be continuous year after year			-
3.				Cross Charge - Expenses	32	Ongoing, will be continuous year after year	Payment to be made in Indian rupees within 30 days from the end of the month of Billing / Debit note.		-
4.				IT Cross Charge - Expenses	177	Ongoing, will be continuous year after year			-
5.				Professional Services - Expenses	12	Ongoing, will be continuous year after year			-
6.				Royalty	89	Ongoing, will be continuous year after year			-
7.				Purchases	2,919	Ongoing, will be continuous year after year	Payment to be made in Indian rupees within 30 days from the end of the month in which purchases were made.		-

Sl. No.	Corporate identity number or foreign company registration number or Limited Liability Partnership number or Foreign Limited Liability Partnership number or Permanent Account Number/Passport for individuals or any other registration number	Name of the related party and nature of relationship	Nature of relation	Nature of transactions	Transactions Value (₹ In Million)	Duration of transactions	Salient terms of transactions	Date of approval by the Board	Amount paid in advance, if any
8.	CHE-112.241.858	Kennametal Europe GmbH, Switzerland	Fellow Subsidiary	Sales	871	Ongoing, will be continuous year after year	Payment to be received in respective Country currency within 30 days from the end of the month billing.	May 15, 2025 and February 5, 2026	-
9.				Purchases	2,572	Ongoing, will be continuous year after year	Payment to be made in Indian rupees within 30 days from the end of the month in which purchases were made.		-

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

Amit Laroya
Chairman & Independent Director
DIN: 00098933

Bengaluru
August 13, 2026

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

Vijaykrishnan Venkatesan
Managing Director
DIN: 07901688

Bengaluru
August 13, 2026

Annexure X to the Board's Report

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 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 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.

Brief note on the CSR Projects:

Kennametal India Limited through its CSR Initiative of 'Promotion of Tech Education' had identified and implemented the following projects:

- 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 299 government schools covering 50,178 children in Davanagere & Shimoga 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 Davanagere & Shimoga.

- Kennametal India, through its CSR initiative of promoting Tech Education have extended support to 'Katalyst' by sponsoring professional degree education expense for 25 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 INR 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 'Kennametal in the Community' had identified and implemented the following projects:

- Kennametal India, through its CSR initiative of engaging in the Community, continued their engagement with NGO-Diya Ghar to support good health, well-being and quality education for underprivileged children thereby extending our support for Sustainable Development Goals.

- Your Company continues to focus on programs aimed at 'Reducing Inequalities' by supporting Persons with Disabilities (PwDs), concentrating on women with special abilities thereby aligning with Kennametal's DEI efforts, providing for their livelihood expenses, skill development training and ensuring economic empowerment.

- Kennametal India supported to strengthen a Public Health Centre (PHC) in Jalahalli by improving infrastructure and supporting the PHC with construction of Multi-Purpose hall, storage room and new toilets and capacity building for front-line health workers.

Kennametal India Limited through its CSR initiative of 'Protect our Planet' had identified and implemented 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 project is to ensure water security, storage of rainwater from being wasted and lost, rise in ground water level, ensure 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.

Kennametal India completed the final phase of Harokethanahalli Lake restoration during FY26, which has contributed the following results.

- Restoration of water body
- Increase in ground-water table
- Enhancement of vegetation
- Revival of eco-system with its flora and fauna
- Community ownership
- Surface water storage upto 6 crore liters
- Protection of lake from encroachments

The above project is 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 Environmentalist Foundation of India (EFI) planted 6,500 local and native varieties of tree saplings in approved 3 acres of land surrounding Hulikunte Lake on Tumkur-Koratagere Road These saplings will grow to become a natural forest intime. 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 improve green cover / vegetation around the site, rise in ground water and reduction in carbon pollution and a clear and pollutant free environment. During FY26, Kennametal completed the final phase of the Afforestation project by monitoring and maintaining the 6,500 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 (GoI) in increasing the country's forest cover to 33.33 per cent.

Kennametal India encourages employees to participate in CSR volunteering activities at its Corporate Office in Bengaluru and at Branch Office locations as well.

- During FY26 employees at Bangalore and Pune volunteered for tree plantation which resulted in planting of 300 saplings.
- Employees of Chennai branch participated in Beach cleaning activity and were able to clean-up 50 kilograms of trash around the Beach
- Employees of Gurgaon branch engaged in wall painting activity at a Community Children's Park in Gurgaon which resulted in beautification of the Park. Seed-balls too were made by employees at Pune and Gurgaon during the volunteering.

2. Composition of the CSR Committee (As at June 30, 2026):

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	Ms. Bhavna Bindra	Member	2	2
3	Mr. Amit Laroya	Member	2	2
4	Mr. Faisal Saad Hamadi	Member	2	0

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 https://www.in.investors.kennametal.com/

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): ₹ 1326.8 million

Sl. No.	Particulars	Amount (₹ in Million)
5a	Two percent of average net profit of the Company as per section 135(5)	26.54
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).	26.54

6.

a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 27 Million
b) Amount spent in Administrative Overheads: ₹ 1.32 million
c) Amount spent on Impact Assessment, if applicable: Not Applicable
d) Total amount spent for the Financial Year (6a+6b+6c): ₹ 27 million
e) CSR amount spent or unspent for the Financial Year: Nil

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
27.00	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	26.54
II.	Total amount spent for the financial year	27.00
III.	Excess amount spent for the financial year[(ii)-(I)]	0.46
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)]	NIL

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
					Amount	Date of transfer		
1	2022-23	-	-	-	-	-	-	-
2	2023-24	-	-	-	-	-	-	-
3	2024-25	-	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: ~~Yes~~ / 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
Not applicable					

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

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

Amit Laroya
Chairman & Independent Director
DIN: 00098933

Vijaykrishnan Venkatesan
Managing Director
DIN: 07901688

Bengaluru
August 13, 2026

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	:	8/9th Mile, Tumkur Road, Bengaluru, Karnataka - 560073, India
5.	Corporate address	:	8/9th Mile, Tumkur Road, Bengaluru, Karnataka - 560073, India
6.	E-mail	:	k-bngs-investor.relation@kennametal.com
7.	Telephone	:	080-28394321
8.	Website	:	https://www.kennametal.com/in/en/about-us/kennametal-india-story.html
9.	Financial year for which reporting is being done	:	FY 2025-26 (July 1, 2025 to June 30, 2026)
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 +91-8028394321 (Note: Full Phone No. +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 of KIL
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 of other fabricated metal products; metalworking service activities	90%
2.	Manufacturing	Manufacture of special-purpose machinery	10%

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
1.	Hard Metal Products	25910	90%
2.	Machining Solutions Group	282	10%

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 accounted for around 14% of KIL's total turnover for FY26.

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 & defense, 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)
		Employees				
1.	Permanent (D)	459	422	91.94%	37	8.06%
2.	Other than Permanent (E)	54	45	83.33%	9	16.67%
3.	Total employees (D + E)	513	467	91.03%	46	8.97%
		Workers				
4.	Permanent (F)	314	314	100%	0	0%
5.	Other than Permanent (G)	199	199	100%	0	0%
6.	Total workers (F + G)	513	513	100%	0	0%

b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
		Differently Abled Employees				
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total Differently abled employees (D+E)	0	0	0%	0	0%
		Differently Abled Workers				
4.	Permanent (F)	2	2	100%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	Total Differently abled workers (F + G)	2	2	100%	0	0%

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors	7	2	28.57%
Key Management Personnel	3	1	33.33%

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	19.43%	10.81%	17.86%	19.18%	14.71%	18.85%	16.27%	12.90%	16.00%
Permanent Workers	4.46%	NA	4.46%	5.92%	NA	5.92%	8.71%.	NA	8.71%

Note: Turnover includes retirals and entity transfer

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., Zug, Switzerland is Kennametal Inc., USA that also participates in the BRSR activities of KIL. Kennametal Inc. USA holds 24% and Meturit A.G., Zug, 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.)	15,107 Million
(iii) Net worth (in Rs.)	8,537 Million

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, provide web-link)	FY 2025-26 Current Financial Year			FY 2024-25 Previous Financial Year		
		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	0	1	NA	1	1	NA
https://in.investors.kennametal.com/corporate-governance/policies-codes							
Investors (other than shareholders)	Yes	Nil	Nil	NA	Nil	Nil	NA
https://in.investors.kennametal.com/corporate-governance/policies-codes							
Shareholders	Yes	0	0	NA	1	1	The investor complaint was received in June 2025 and was resolved by the Company on July 3, 2025
https://in.investors.kennametal.com/corporate-governance/policies-codes							
Employees and workers*	Yes	7	0	NA	13	1	NA
https://in.investors.kennametal.com/corporate-governance/policies-codes							
Customers	Yes	656	39	NA	656	31	NA
https://in.investors.kennametal.com/corporate-governance/policies-codes							
Value Chain Partners	Yes	512	35	NA	174	15	Nil
https://in.investors.kennametal.com/corporate-governance/policies-codes							
Other (please specify)	No	-	-	-	-	-	-

*Note:- All complaints received from employees & workers are considered here excluding the health and safety complaints which have been separately mentioned under the section Question 13 of Principle 3 (Businesses should respect and promote the well-being of all employees, including those in their value chains).

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 ▪ Transition to green energy is expected to reduce overall Greenhouse Gas emissions and energy costs in the long run.	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 year, the company consumed 77.19% of its energy from solar.	Positive
2.	Occupational Health and Safety (OHS)	Risk and Opportunity ▪ Health and Safety hazards are intrinsic to the engineering industry. Despite implemented systems and controls by KIL, any lapse can result into an incident and injury.	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 lapse 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. The company has established 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.	Positive and Negative
3.	Product Safety and Quality	Risk ▪ KIL products are used as key components in aerospace, earthworks, energy, general engineering, and transportation industries. ▪ While KIL has implemented a quality management system consistent with global and industry standards, any rare incident of slippage can impact customers.	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	Opportunity ▪ 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.	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.	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, and cultural activities – all aimed at ensuring a vibrant workforce, propelling its business growth.	Positive
5.	Diversity & Equal Opportunity	Opportunity ▪ To attract broader pool of talent and contribute to employee satisfaction and retention.	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 & equal opportunity, it seeks to achieve operational efficiency	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. 13.	Positive
6.	Ethics and Compliance	Risk ▪ The intrinsic nature of this material issue has the potential of severe consequences in the event of minor deviation from protocols. ▪ 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	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.	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.	Negative
7.	Data security and information security	Risk ▪ This is an evolving global risk, and the organization keeps assessing its vulnerability from time to time.	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 https://www.kennametal.com/in/en/about-us/data-privacy.html 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	https://in.investors.kennametal.com/corporate-governance/policies-codes								
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, Trustee) 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.	The following goals for FY30 have been defined The ESG Committee of Board of Directors 1. Renewable Energy - >90% of energy sourced through solar 2. Waste Management - 100% waste recycling and zero waste to landfill 3. Gender Diversity - >15% permanent female employees 4. Water Consumption - 20% reduction over FY25								
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		
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.
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).	Yes, an ESG committee of the Board of Directors has been constituted comprising five Directors – responsible for decision making on sustainability related issues.
	If yes, provide details.	-

10. Details of review of NGRBCs by the Company:

Subject for Review	Indicate whether review was under Taken 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									Half yearly by the ESG Committee of the Board of Directors								
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	Yes, Committee of the Board									Half yearly for All Principles								

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.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Yes/No	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:

Disclosure Questions	P1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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 Disclosure

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	%age of persons in respective category covered by the awareness programmes
Board of Directors	2	P1, P3	100%
Key Managerial Personnel	12	P1, P2, P3, P5, P6	100%
Employees other than BoD and KMPs	347	P1, P2, P3, P4, P5, P6, P7, P8, P9	100%
Workers	57	P1, P2, P3, P4, P5, P6, P7, P8, P9	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:

Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	Not Applicable				
Settlement	Not Applicable				
Compounding	Not Applicable				
Non-Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	Not Applicable				
Punishment	Not Applicable				

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
Not Applicable	Not Applicable

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.
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://in.investors.kennametal.com/corporate-governance/policies-codes

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 2025-26 (Current Financial Year)	FY 2024-25 (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 2025-26 (Current Financial Year)		FY 2024-25 (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.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payables	135	87

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 2025-2026 (Current Financial Year)	FY 2024-2025 (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
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	47%	50%
	b. Number of dealers/distributors to whom sales are made	352	359
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	17%	18%

Parameter	Metrics	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Share of RPTs in	a. Purchases (Purchases with related parties/Total Purchases)	41%	43%
	b. Sales (Sales to related parties/Total Sales)	14%	13%
	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

1. 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	0	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 https://investors.kennametal.com/corporate-governance/corporate-responsibility
Capex	0	0	Not Applicable

2. Does the entity have procedures in place for sustainable sourcing? If yes, what percentage of inputs were sourced sustainably?

   No

3. 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.

   The company has a buy back policy for used carbide cutting tools & wear components, the details of which can be accessed at: https://www.kennametal.com/us/en/services/carbide-recycling.html. In addition to the above, waste carbide generated at KIL are collected and sent to other Kennametal sites for recycling.

   During the year, KIL procured a substantial amount of carbide scrap from its customers, grinding sludge from inhouse operations that has been sent for recycling and reuse in new products.

4. 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 is compliant to EPR requirement for importer and brand owner. Annual returns are filed on time and EPR credits are taken as per requirement.

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)
Permanent Employees											
Male	422	422	100%	422	100%	NA	NA	422	100%	422	100%
Female	37	37	100%	37	100%	37	100%	NA	NA	37	100%
Total	459	459	100%	459	100%	37	8.06%	422	91.94%	459	100%
Other than Permanent employees*											
Male	45	45	100%	45	100%	NA	0%	NA	0%	NA	0%
Female	9	9	100%	9	100%	NA	0%	NA	0%	NA	0%
Total	54	54	100%	54	100%	0	0%	0	0%	0	0%

Note: 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)
Permanent Workers											
Male	314	314	100%	314	100%	NA	NA	NA	NA	314	100%
Female	0	0	0%	0	0%	NA	0%	NA	0%	0	0%
Total	314	314	100%	314	100%	0	0%	0	0%	314	100%
Other than permanent worker											
Male	199	199	100%	199	100%	NA	0%	NA	0%	NA	0%
Female	0	0	0%	0	0%	NA	0%	NA	0%	NA	0%
Total	199	199	100%	199	100%	0	0%	0	0%	0	0%

Note: These numbers also include employees covered under the ESIC Act.

C. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Cost incurred on well- being measures as a % of total revenue of the company	0.88%	1.20%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2025-26 Current Financial Year			FY 2024-25 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/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers FY	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	Y	100%	100%	Y
ESI	0%	29.12%	Y	0%	0%	NA
Others – please specify	NA	NA	NA	NA	NA	NA

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?

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://in.investors.kennametal.com/corporate-governance/policies-codes

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent Employees		Permanent workers	
Gender	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	26	100%	3	100%
Female	NA	NA	NA	NA
Total	**26**	**100%**	**3**	**100%**

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://in.investors.kennametal.com/corporate-governance/policies-codes). 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. 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 workers in association(s) or Unions recognized by the listed entity:

Category	FY 2025-26 Current Financial Year			FY 2024-25 (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	459	NA	NA	451	NA	NA
Male	422	NA	NA	417	NA	NA
Female	37	NA	NA	34	NA	NA
Total Permanent Workers	314	296	94.27%	321	290	90.34%
Male	314	296	94.27%	321	290	90.34%
Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (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)
Employees										
Male	467	416	89.09%	451	96.57%	528	528	100%	437	82.77%
Female	46	40	86.96%	45	97.83%	44	44	100%	36	81.82%
Total	513	456	88.89%	496	96.69%	572	572	100%	473	82.69%
Workers										
Male	513	502	97.86%	494	96.30%	425	425	100%	41	9.65%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	513	502	97.86%	494	96.30%	425	425	100%	41	9.65%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	422	402	95.26%	417	396	94.96%
Female	37	37	100%	34	33	97.1%
Total	459	439	95.64%	451	429	95.1%
Workers						
Male	314	0	0%	321	0	0%
Female	0	0	0%	0	0	0%
Total	314	0	0%	321	0	0%

Note: The performance management policy includes permanent employees who are on-roll till 31st March 2026.

As of today, production employees/ workers (Union members) and other than permanent employees 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).	Yes
If yes, the coverage such system?	Our manufacturing facility and head office at Bangalore 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 nonroutine 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?	Yes, Kennametal India, through its established HIRA register, has well-defined processes for both routine and non-routine 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 training. 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/workers of the entity have access to non-occupational medical and healthcare services?	Yes, Kennametal India Limited has contracted with a local hospital at Bangalore 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	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) - Employees	0	0
Total recordable work-related injuries - Workers	2	2
No. of fatalities - Employees	0	0
No. of fatalities - Workers	0	0
High consequence work related injury or ill-health (excluding fatalities) - Employees	0	0
High consequence work related injury or ill-health (excluding fatalities) - Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

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, drive/campaigns along with trainings are regularly provided for 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 training 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 with its plants 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 identification (RCA) and taking preventive as well as corrective actions. Incidents of Kennametal Inc. have been studied to take proactive actions to prevent 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 the procedure is defined for approval of 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 ensure 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 training is regularly conducted for employees and workers by certified agencies.

13. Number of Complaints on the following made by employees and workers:

	FY 2025-26 (Current Financial Year)			FY 2024-25 (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	-	-	-	-	-	-
Health & Safety	25	0	-	40	0	-

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%

* Sales Offices were not assessed in FY2025 – 2026

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 root cause analysis (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.

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	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.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group (Cont'd)

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 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. employee's workers covered (B)	% (B / A)	Total (C)	No. employee's workers covered (D)	% (D / C)
Employees						
Permanent	459	459	100%	451	376	83.37%
Other than permanent	54	54	100%	121	106	87.60%
Total Employees	**513**	**513**	**100%**	**572**	**482**	**84.27%**
Workers						
Permanent	314	309	98.41%	321	274	85.36%
Other than permanent	199	196	98.49%	104	89	87.91%
Total Workers	**513**	**505**	**98.44%**	**425**	**363**	**85.41%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (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)
Employees										
Permanent										
Male	422	0	0%	422	100%	417	0	0%	417	100%
Female	37	0	0%	37	100%	34	0	0%	34	100%
Other than Permanent										
Male	45	0	0%	45	100%	111	0	0%	111	100%
Female	9	0	0%	9	100%	10	0	0%	10	100%

2. Details of minimum wages paid to employees and workers, in the following format: (Cont'd)

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (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)
Workers										
Permanent										
Male	314	0	0%	314	100%	321	0	0%	321	100%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent										
Male	199	0	0%	199	100%	104	0	0%	104	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)*	3	INR 34,77,273	1	INR 21,13,636
Key Managerial Personnel	2	INR 3,46,76,379	1	INR 1,41,26,718
Employees other than BoD and KMP	420	INR 18,99,558	36	INR 9,74,382
Workers	314	INR 14,72,496	0	0

*Note: Directors receiving remuneration during FY 2025-26 have been considered for calculating median remuneration. Mr. Faisal Saad Hamadi, 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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Gross wages paid to females as % of total wages	5.13%	4.45%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

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 and 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 2025-26 (Current Financial Year)			FY 2024-25 (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	1	0	Nil	Nil	Nil	Nil
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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	Nil
Complaints on POSH as a % of female employees / workers	2.2%	0
Complaints on POSH upheld	1	Nil

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

We have a toll free number to report cases if any. Also it can be addressed to Legal Department. Refresher session on POSH were conducted for all the employees.

9. Do human rights requirements form part of your business agreements and contracts?

Yes. All our business agreements specifically provide for labour law compliances to be adhered to by all our suppliers and business partners, including fair wages and timely payment of statutory dues.

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%
Others – please specify	-

Note: 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 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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From renewable sources		
Total electricity consumption (In GJ)(A)	58464	66186
Total fuel consumption (In GJ)(B)	0	0
Energy consumption through other sources(In GJ) (C)	0	0
Total energy consumed from renewable (In GJ) (A+B+C)	58464	66186
From non-renewable sources		
Total electricity consumption(In GJ) (D)	15334.17	6468.54
Total fuel consumption(In GJ) (E)	1999.10	1857.05
Energy consumption through other sources(In GJ) (F)	0	0
Total energy consumed from non-renewable sources(In GJ) (D+E+F)	17333.28	8325.59
Total energy consumed(In GJ) (A+B+C+D+E+F)	75797.28	74511.59
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	5.02 GJ/million-INR	6.37 GJ/million-INR
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	5.02 GJ/million-INR	6.37 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: The energy intensity per rupee turnover has improved from 6.37 GJ/million-INR in 2024-25 to 5.02 GJ/million-INR, reflecting KIL's focus to drive energy efficiency in its processes. The non-renewable energy includes electricity consumed by KIL sales offices

b) Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? 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. (a) Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	31874.96	37022
(iii) Third party water	15107.64	13869.77
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	46982.33	50891.77
Total volume of water consumption (in kilolitres)	46982.33	50891.77
Water intensity per rupee of turnover (Water consumed / turnover)	3.11 KL/million-INR	4.35 KL/million-INR
Water intensity per rupee of turnover adjusted for Purchasing (Total water consumption / Revenue from operations adjusted for PPP)	3.11 KL/million-INR	4.35 KL/million-INR
Water intensity in terms of physical output	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

3 (b) Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency for liquid discharge?

No

4 (a) Provide the following details related to water discharged:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(I) To Surface water		
- No treatment - With treatment – please specify level of treatment	NA	NA
(ii) To Groundwater		
- No treatment - With treatment - please specify level of treatment	NA	NA
(iii) To Seawater		
- No treatment - With treatment - please specify level of treatment	NA	NA
(iv) Sent to third-parties		
- No treatment - With treatment - please specify level of treatment	NA	NA
(v) Others		
- No treatment - With treatment - please specify level of treatment	0 0	0 0
Total water discharged (in kilolitres)	0	0

Note: Tertiary treatment is done to waste water before discharge. 100 % treated water is utilized for the purpose of gardening within the company premises. The reporting data for FY25 has been revised to exclude water sent for gardening as water discharged.

4 (b). Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency for water discharge?(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, Plant is zero liquid discharge. Wastewater generated is treated in STP/ ETP plant and reused for gardening purpose within plant premises.

6 (a). Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial year)
NOx	PPM(v)	10263	15723
SOx	PPM(v)	3534	3504
Particulate matter (PM)	mg/m^3	19344	12535
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others – please specify	-	NA	-
Carbon Monoxide (CO)	mg/m3	3998	3763
Non-Methane Hydrocarbons	mg/m3	2	2
Acid mist as HCL	mg/m3	285	38

Note: The value is considered as summation for whole year from FY2025. The analysis and sampling methodology was revised from Jan 2025 with change in NABL accredited agency for sampling and monitoring.

6 (b). Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency for GHG emissions? If yes, name of the external agency.

No

7 (a). Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2e	1582.76	452.39
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO2	3024.24	1306.29
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO2/million INR	0.30	0.15
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted	tCO2/millionINR	0.30	0.15
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenuefrom operations adjusted for PPP)	tCO2/millionINR	0.30	0.15
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: Scope 2 emissions includes electricity consumed by KIL sales offices.

7 (b). 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, We support our operations with renewable energy through solar power and leverage Renewable Energy Certificates (RECs).

9 (a). Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	5.86	4.51
E-waste (B)	3.07	3.23
Bio-medical waste (C)	0.00	0.01
Construction and demolition waste (D)	0	0
Battery waste (E)	0	3.42
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	425	377.10
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	303.89	285.98
Total (A+B + C + D + E + F + G + H)	737.85	674.24
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.05 mt/million-INR	0.06 mt/million-INR
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.05 mt/million-INR	0.06 mt/million-INR
Waste intensity in terms of physical output	NA	-
Waste intensity (optional) – the relevant metric may be selected by the entity	NA	-

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (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	458.65	374.86
(ii) Re-used	232.25	252.45
(iii) Other recovery operations	46.93	46.93
Total	**737.83**	**674.24**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(I) Incineration	0.00	0.01
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	**0.00**	**0.01**

9 (b). 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 your products and processes and the practices adopted to manage such wastes.

Waste generated from the process is stored at the plant in the 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 arrival, the waste is disposed of to the KSPCB approved vendor by managing the online e-manifest. The general Waste (Non-Hazardous) is shifted to the central waste storage area on daily basis. This includes paper, plastics, metals, etc. which is sold to authorized vendors on a 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. The team has introduced a sustainable process to recover tungsten from carbide grinding sludge, enabling over 50% tungsten recovery, reducing raw material dependency, enhancing supply chain resilience and generating significant savings.

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?	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 (a). 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, We are compliant with the applicable environmental laws

13 (b). Provide details of all such non-compliances, in the following format

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

1. A. Number of affiliations with trade and industry chambers/ associations.

   Fifteen affiliations are present as of now.

   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

Sl. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National/International)
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
9	Society of Indian Automobile Manufacturers (SIAM)	National
10	Institute of Directors (IOD)	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.

   Not Applicable

Name of authority	Brief of the case	Corrective action taken
Not Applicable		

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	Results communicated in public domain	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)
Not Applicable					

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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial year)
Directly sourced from MSMEs/ small producers	15%	9%
Directly from within India	36%	45%

Note: As per purchase register

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 2025-26 Current Financial Year	FY 2024-25 Previous Financial Year
Rural	NA	NA
Semi-urban	NA	NA
Urban	NA	NA
Metropolitan	100%	100%

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. Kennametals 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 2025-26 (Current Financial Year)		Remarks	FY 2024-25 (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	Nil	Nil	NA	Nil	Nil	NA
2	Advertising	Nil	Nil	NA	Nil	Nil	NA
3	Cyber-security	Nil	Nil	NA	Nil	Nil	NA
4	Delivery of essential services	NA	NA	NA	NA	NA	NA
5	Restrictive Trade Practices	Nil	Nil	NA	0	0	Nil
6	Unfair Trade Practices	Nil	Nil	NA	Nil	Nil	NA
7	Other	Nil	Nil	NA	Nil	Nil	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 safety of products / services.

   Not Applicable

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

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

Amit Laroya
Chairman & Independent Director
DIN: 00098933

Bengaluru
August 13, 2026

Vijaykrishnan Venkatesan
Managing Director
DIN: 07901688

Bengaluru
August 13, 2026

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, 2026, 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, 2026, 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
Assessment of ongoing income tax litigations and provisions recognised [Refer Note 2 "Significant estimates, judgements and assumptions", Note 8 (b) – "Current tax liabilities, Note 28 "Contingent liabilities" and Note 40.12 "Provisions" to the financial statements] The Company has certain disputed matters with the Income tax authorities, which include tax demands in respect of transfer pricing adjustments related to margin earned on manufacturing activities and proposed disallowance of certain expenses. As at June 30, 2026, the Company has income tax demands aggregating to INR 179 mil, of which INR 41 mil has been provided for and INR 138 mil has been disclosed under Contingent liabilities. The Company has filed appeals against these demands at various appellate forums, which are currently pending adjudication. Significant estimates and management judgements are involved in evaluation of the ultimate outcome of these tax disputes and the probable amount of the provisions to be recognised or contingent liabilities to be disclosed and hence this has been determined to be a key audit matter.	Our audit procedures included the following: ▪ Understood, evaluated and tested the design and operating effectiveness of controls in respect of assessment of tax litigations and identification of income tax exposures, its accounting and disclosure thereof. ▪ Obtained a list of disputed income tax matters and read the correspondence with income tax authorities and, where relevant, the advice received by management from external tax consultants. ▪ Examined the assessment from the Company's external tax consultants (management's expert), where applicable, to confirm our understanding of the outstanding disputed matters. ▪ Evaluated the capability, competence, independence and objectivity of the management's expert. ▪ Along with the auditor's expert, gained an understanding of the status of income tax disputes and assessed the impact, if any, based on recent judicial rulings and latest developments in the income tax laws. ▪ Perused minutes of the Audit Committee and Board of Directors meetings for indications of unrecorded contingencies, if any. ▪ Along with the auditor's expert, evaluated management's assessment of the probability of outcome and the magnitude of potential outflow of economic resources in respect of provisions for tax exposures based on case history and other available evidence. ▪ Evaluated the relevant accounting policies with respect to provisions and contingent liabilities and assessed whether they are in compliance with applicable accounting standards. ▪ Evaluated the adequacy of the disclosures and provisions made in the financial statements.

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 Indian 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

8. 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

9. 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.

10. 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.

11. 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.

12. 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.

13. 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

14. 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 Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. 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 other books and papers maintained in electronic mode 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 15(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 Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of written representations received from the directors as on June 30, 2026, taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2026, 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 15(b) above and paragraph 15(h)(vi) below.

(g) With respect to the adequacy of 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 Notes 8(b) and 28 to the financial statements.

ii. The Company was not required to recognise a provision as at June 30, 2026 under the applicable law or Indian Accounting Standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any derivative contracts as at June 30, 2026.

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 ended June 30, 2026.

iv. (a) The management has represented that to the best of its knowledge and belief, as disclosed in the Note 39 (b) (vii) (A) 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;

(b) The management has represented that to the best of its knowledge and belief, as disclosed in the Note 39 (b) (vii) (B) to the 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; 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 interim dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act to the extent it applies to declaration and payment of interim dividend until the date of this audit report.

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 organisation 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. Further, the audit trail, to the extent maintained in the prior year, has been preserved as per the statutory requirements for record retention. (Refer Note 40A to the financial statements).

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009

Shivakumar Hegde
Partner
Membership Number: 204627
UDIN: 26204627NUDBBA2042

Bengaluru
August 13, 2026

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(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, 2026

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, 2026 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 specified 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, 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, 2026 , 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 the ICAI.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009

Shivakumar Hegde
Partner
Membership Number: 204627
UDIN: 26204627NUDBBA2042

Bengaluru
August 13, 2026

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 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, 2026

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 of the Company are physically verified by the management according to a phased programme designed to cover all the items over a period of three 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 to the financial statements, are held in the name of the Company, except for the following:

Description of property	Land (Plot numbers 108, 109 and 110, Tumakuru Machine Tool Park Industrial Area, Tumakuru, Karnataka)
Gross carrying value (Rs. million)	215
Held in the name of	Karnataka Industrial Areas Development Board (KIADB)
Whether the title deed holder is promoter, director or relative of promoter/ director or employee of promoter/ director	No
Period held - indicate range, where appropriate	Since May 25, 2026
Reason for not being held in the name of the Company	The land has been allotted to the Company on a "lease cum sale basis" by KIADB. The "lease cum sale" deed has not yet been executed. However, the Company has obtained possession of the land with effect from May 25, 2026.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or Intangible Assets or both during the year. 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) No proceedings have been initiated on 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 the 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. (a) The Company has not made any investments, granted secured/ unsecured loans, or stood guarantee, or provided security to any parties during the year. The Company has granted unsecured advances in nature of loan to 154 employees during the year. The aggregate amount granted during the year, and balance outstanding at the balance sheet date with respect to such unsecured advances in the nature of loan to employees are as per the table given below:.

Particulars	Advances in nature of loan (INR in million)
Aggregate amount granted/ provided during the year: Others – Employees	8
Balance outstanding as at balance sheet date in respect of the above case: Others – Employees	3

[Also, refer Note 6(d) to the financial statements].

(b) In respect of the aforesaid advances in nature of the loan granted to employees, which are interest free, the terms and

conditions under which such loans were granted are not prejudicial to the Company's interest.

(c) The Company has granted interest-free loans to its employees and, accordingly, the question of our commenting on regularity of payment of interest does not arise. However, in respect of such loans where the schedule of repayment of principal has been stipulated, the employees are repaying the principal amounts as stipulated.

(d) In respect of the advances in nature of loan, there is no amount which is overdue for more than ninety days.

(e) There were no advances in nature of loan which have fallen due during the year and were renewed/ extended. Further, no fresh loans were granted to same parties to settle the existing overdue advances in nature of loan.

(f) There were no advances in nature of loan which were granted during the year, including to promoters/ related parties that were repayable on demand or without specifying any terms or period of repayment.

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 to in Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder. Accordingly, the reporting under clause 3(v) of the Order is not applicable to the Company.

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 books of account maintained by the Company pursuant to the said requirement, 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 generally regular in depositing undisputed statutory dues in respect of withholding income tax though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other statutory dues, as applicable, with the appropriate authorities. Also, refer Note 28(b) to the financial statements regarding management's assessment on certain matters relating to provident fund. However, there are no arrears of statutory dues outstanding as at June 30, 2026, for a period of more than six months from the date they became payable.

(b) The particulars of statutory dues referred to in sub-clause (a) as at June 30, 2026, 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 (FY)	Forum where the dispute is pending
The Income Tax Act, 1961	Income tax	19.75	-	April 2011 to March 2012	Commissioner of Income Tax ("CIT") (Appeals), Bengaluru
		12.21	-	April 2013 to March 2014	Income Tax Appellate Tribunal ("ITAT"), Bengaluru
		10.41	-	April 2016 to March 2017	
		16.30	-	April 2019 to March 2020	CIT (Appeals), Bengaluru
		31.43	7.02	April 2020 to March 2021	ITAT, Bengaluru
The Finance Act, 1994	Service tax	1.15	0.58	April 2007 to March 2008	The Customs Excise and Service tax Appellate Tribunal, Bengaluru
The Goods and Services Tax, 2017	Goods and Services Tax	1.55	0.08	July 2017 to March 2018	The Goods and Services Tax Appellate Tribunal, Bengaluru

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 Wilful 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, 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 by us, as statutory auditors, with the Central Government. Further, no such report has been filed by any other auditor appointed by the Company under the Act. 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 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 the directors. 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 additional reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion, the Group [as defined in the Reserve Bank of India (Core Investment Companies) Directions, 2025] does not have any CICs, which are part of the Group. 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) of the Order is not applicable.

xix. On the basis of the financial ratios [Also, refer Note 39(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) The Company does not have any amount remaining unspent under sub-section (5) of Section 135 of the Act as at balance sheet date in respect of "other than ongoing projects" of Corporate Social Responsibility. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable to the Company.

(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.

xxi. The reporting under clause 3(xxi) 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: 26204627NUDBBA2042

Bengaluru
August 13, 2026

Balance Sheet as at June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

	Notes	As at June 30, 2026	As at June 30, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	3A	2,809	2,712
Right of use assets	31	14	21
Capital work-in-progress	3B	66	80
Investment property	4	0	0
Intangible assets	5	0	0
Financial assets			
(i) Other financial assets	6(d)	21	21
Deferred tax assets (net)	7	78	41
Current tax assets (net)	8(a)	7	79
Other non-current assets	9	24	61
Total non-current assets		**3,019**	**3,015**
Current assets			
Inventories	10	6,088	2,949
Financial assets			
(i) Trade receivables	6(a)	2,694	1,905
(ii) Cash and cash equivalents	6(b)	460	1,645
(iii) Bank balances other than (ii) above	6(c)	12	9
(iv) Other financial assets	6(d)	54	57
Other current assets	11	322	87
Total current assets		**9,630**	**6,652**
Total assets		**12,649**	**9,667**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	220	220
Other equity	13	8,317	7,253
Total Equity		**8,537**	**7,473**

Balance Sheet as at June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

	Notes	As at June 30, 2026	As at June 30, 2025
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Lease liabilities	31	11	15
Provisions	15	9	10
Total non-current liabilities		20	25
Current Liabilities			
Financial liabilities			
(i) Lease liabilities	31	8	10
(ii) Trade payables	14A		
Total outstanding dues of micro enterprises and small enterprises		187	69
Total outstanding dues other than above		2,562	1,054
(iii) Other financial liabilities	14B	408	385
Current tax liabilities (net)	8(b)	105	-
Other current liabilities	16	580	478
Provisions	15	242	173
Total current liabilities		4,092	2,169
Total liabilities		4,112	2,194
Total equity and liabilities		12,649	9,667

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 13, 2026

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

Venkatesan Vijaykrishnan
Managing Director
DIN - 07901688
Bengaluru
August 13, 2026

Amit Laroya
Chairman
DIN - 00098933
Bengaluru
August 13, 2026

Suresh Reddy K V
Chief Financial Officer
Bengaluru
August 13, 2026

Anupriya Garg
Company Secretary
Membership Number - 18612
Bengaluru
August 13, 2026

Statement of Profit and Loss for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

	Notes	Year ended June 30, 2026	Year ended June 30, 2025
INCOME			
Revenue from operations	17	15,107	11,703
Other income	18	108	144
Total income		**15,215**	**11,847**
EXPENSES			
Cost of materials consumed	19	5,470	3,158
Purchases of stock-in-trade	20	4,710	3,324
Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	(2,250)	(215)
Employee benefits expense	22	1,872	1,582
Finance costs	23	3	4
Depreciation and amortisation expense	24	479	460
Other expenses	25	2,268	2,132
Total expenses		**12,552**	**10,445**
Profit before tax		**2,663**	**1,402**
Tax expense			
Current tax	26	721	392
Current tax relating to earlier years		13	16
Deferred tax charge / (credit)		(31)	(35)
Total tax expense		**703**	**373**
Profit after tax		**1,960**	**1,029**

Statement of Profit and Loss for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

	Notes	Year ended June 30, 2026	Year ended June 30, 2025
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligation		(23)	(7)
Income tax relating to above item		6	2
Total other comprehensive income for the year, net of tax		(17)	(5)
Total comprehensive income for the year		1,943	1,024
Earnings per equity share in ₹ [Nominal Value per share ₹ 10 (June 30, 2025 ₹10)]	30		
Basic		89.18	46.82
Diluted		89.18	46.82

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 13, 2026

Venkatesan Vijaykrishnan
Managing Director
DIN - 07901688
Bengaluru
August 13, 2026

Amit Laroya
Chairman
DIN - 00098933
Bengaluru
August 13, 2026

Suresh Reddy K V
Chief Financial Officer
Bengaluru
August 13, 2026

Anupriya Garg
Company Secretary
Membership Number - 18612
Bengaluru
August 13, 2026

Statement of Changes in Equity for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

(A) Equity Share Capital

	Amount
Balance as at July 1, 2024	220
Changes in equity share capital during the year	-
Balance as at June 30, 2025	220
Changes in equity share capital during the year	-
Balance as at June 30, 2026	220

(B) Other equity

	Notes	Securities premium	Share based compensation reserve	General reserve	Retained earnings	Total
Balance as at July 1, 2024		1	12	1,488	5,614	7,115
Profit for the year		-	-	-	1,029	1,029
Other comprehensive Income, net of tax		-	-	-	(5)	(5)
Other transactions						
Interim dividend	12A	-	-	-	(879)	(879)
Share based compensation expense	29	-	23	-	-	23
Recharge for share based compensation from ultimate holding company	29	-	(30)	-	-	(30)
Balance as at June 30, 2025		1	5	1,488	5,759	7,253
Profit for the year		-	-	-	1,960	1,960
Other comprehensive Income/(loss), net of tax		-	-	-	(17)	(17)
Other transactions						
Interim dividend	12A	-	-	-	(879)	(879)
Share based compensation expense	29	-	27	-	-	27
Recharge for share based compensation from ultimate holding company	29	-	(27)	-	-	(27)
Balance as at June 30, 2026		1	5	1,488	6,823	8,317

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 13, 2026

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

Venkatesan Vijaykrishnan
Managing Director
DIN - 07901688
Bengaluru
August 13, 2026

Amit Laroya
Chairman
DIN - 00098933
Bengaluru
August 13, 2026

Suresh Reddy K V
Chief Financial Officer
Bengaluru
August 13, 2026

Anupriya Garg
Company Secretary
Membership Number - 18612
Bengaluru
August 13, 2026

Statement of Cash Flows for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

	Notes	Year ended June 30, 2026	Year ended June 30, 2025
Cash flow from operating activities			
Profit before tax		2,663	1,402
Adjustments for:			
Depreciation and amortisation expense	24	479	460
Gain on sale of mutual funds	18	(53)	(85)
Disputed taxes and duties provision written back	18	-	(9)
Provision for product support	25	33	22
Allowance for loss on financial assets (net)	25	3	6
(Gain)/ loss on sale of property, plant and equipments (net)	25	1	(1)
Interest paid on lease liabilities	23	1	2
Other interest expense	23	2	2
Interest income on bank deposits	18	(3)	(13)
Unrealised foreign exchange loss/(gain), (net)	25	3	-
Share based compensation expense	22	27	23
Operating profit before working capital changes		3,156	1,809
Adjustment for working capital changes:			
(Increase)/ decrease in inventories		(3,139)	(240)
(Increase)/ decrease in trade receivables		(792)	(124)
(Increase)/ decrease in other receivables		(240)	(34)
(Increase)/ decrease in financial assets		3	(10)
(Increase)/ decrease in bank balances other than cash and cash equivalents		(3)	(6)
Increase/ (decrease) in trade payables		1626	34
Increase/ (decrease) in provisions and other liabilities		129	172
Cash generated from operations		740	1,601
Taxes paid (net of refunds)		(557)	(153)
Net cash generated from operating activities (1)		183	1,448
Cash flow from investing activities			
Purchase of property, plant and equipment		(536)	(312)
Gain on sale of mutual funds, net of purchase ₹ 5,600 (June 30, 2025: ₹ 7,775)		53	85

Statement of Cash Flows for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

	Notes	Year ended June 30, 2026	Year ended June 30, 2025
Proceeds from sale of property, plant and equipment		0	20
Proceeds from bank deposits with maturity of more than twelve months		-	3
Interest income on income tax refund		-	152
Interest income on bank deposits		3	13
Net Cash (used in) investing activities (2)		**(480)**	**(39)**
Cash flow from financing activities			
Interim dividend declared and paid		(879)	(879)
Unclaimed dividend paid		-	(0)
Principal repayment of lease liabilities		(8)	(9)
Interest paid on lease liabilities		(1)	(2)
Other interest paid		-	(2)
Net Cash (used in) financing activities (3)		**(888)**	**(892)**
Net (decrease)/increase in cash and cash equivalents (1+2+3)		**(1,185)**	**517**
Add: Cash and cash equivalents at the beginning of the year		1,645	1,128
Cash and cash equivalents at the end of the year	6(b)	**460**	**1,645**
Note:			
Non-cash financing and investing activities			
Acquisition of right-of-use assets		3	4

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 13, 2026

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

Venkatesan Vijaykrishnan
Managing Director
DIN - 07901688
Bengaluru
August 13, 2026

Amit Laroya
Chairman
DIN - 00098933
Bengaluru
August 13, 2026

Suresh Reddy K V
Chief Financial Officer
Bengaluru
August 13, 2026

Anupriya Garg
Company Secretary
Membership Number - 18612
Bengaluru
August 13, 2026

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

1 Background and basis of preparation

1.1 Background

Kennametal 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 13, 2026.

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:

a) Certain financial assets and liabilities measured at fair value;

b) Defined benefit plans - plan assets measured at fair value; and

c) 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

A. New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated May 7, 2025 and August 13, 2025 notified the Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, which amended certain accounting standards (see below), and are effective for annual reporting periods beginning on or after April 1, 2025:

(a) Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to Ind AS 1

(b) Supplier Finance Arrangements – Amendments to Ind AS 7 and Ind AS 107

(c) International Tax Reform – Pillar Two Model Rules – Amendments to Ind AS 12

(d) Lack of Exchangeability – Amendments to Ind AS 21

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

B. New standards or amendments not yet adopted

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1 - This amendment also includes specific provisions that will take effect for reporting periods beginning on or after 1 April 2026, as outlined below.

Under the existing Ind AS 1, where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

However, the amended requirements stipulate that entities will no longer be permitted to consider lender waivers that are granted after the reporting date but before the financial statements are approved for the purpose of classification of loans. This amendment is required to be applied retrospectively in accordance with Ind AS 8. The above amendment is not expected to have an impact on the Company's financial statements.

The material accounting policy information related to preparation of the financial statements have been disclosed in the respective notes.

(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 28)

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

2. Significant estimates, judgements and assumptions (cont'd)

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.

Also, refer Note 40.12 for other accounting policies.

3A Property, plant and equipment

Accounting policy

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 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 40.1 for other accounting policies.

	Land	Buildings	Data processing equipment	Plant and machinery	Furniture and fixtures	Office equipment	Total
Year ended 30 June 2025							
Gross carrying Amount							
Opening gross carrying amount	1	903	94	4,088	34	40	5,160
Additions	-	26	42	198	-	3	269
Disposals	-	-	(42)	(73)	(3)	(11)	(129)
Closing gross carrying amount	1	929	94	4,213	31	32	5,300
Accumulated depreciation							
Opening accumulated depreciation	-	112	50	2,052	14	20	2,248
Depreciation expense during the year (refer note 24)	-	31	26	383	3	7	450
Disposals	-	-	(42)	(54)	(3)	(11)	(110)
Closing accumulated depreciation	-	143	34	2,381	14	16	2,588
Net carrying amount	1	786	60	1,832	17	16	2,712

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

3A Property, plant and equipment (Cont'd)

	Land	Buildings	Data processing equipment	Plant and machinery	Furniture and fixtures	Office equipment	Total
Year ended 30 June 2026							
Gross carrying Amount							
Opening gross carrying amount	1	929	94	4,213	31	32	5,300
Additions(*)	215	89	29	230	17	11	591
Disposals	-	(1)	(24)	(120)	(6)	(10)	(161)
Closing gross carrying amount	216	1,017	99	4,323	42	33	5,730
Accumulated depreciation							
Opening accumulated depreciation	-	143	34	2,381	14	16	2,588
Depreciation expense during the year (refer note 24)	-	34	31	397	4	5	471
Disposals	-	(0)	(24)	(98)	(6)	(10)	(138)
Closing accumulated depreciation	-	177	41	2,680	12	11	2,921
Net carrying amount	216	840	58	1,643	30	22	2,809

Contractual obligations:
Refer Note 27 for contractual commitments for the acquisition of property, plant and equipment.

(*) During the year, the Company was allotted 21.34 acres of land by the Karnataka Industrial Areas Development Board ('KIADB') in Tumakuru Machine Tool Park Industrial Area for establishment of an industrial facility. The Company has paid the full consideration specified under the land allotment arrangement and obtained possession of the land from KIADB. Based on the terms and conditions of the allotment, the Company is reasonably certain that it will fulfill the stipulated land development and land utilisation conditions within the prescribed timelines, and that the legal title to the land will be transferred to the Company upon execution of the sale deed, without any further consideration being payable. Accordingly, the Company has recognised the land as property, plant and equipment. As at the Balance Sheet date, the sale deed has not yet been executed by KIADB and, therefore, the title deeds are presently not held in the name of the Company.

	As at June 30, 2026	As at June 30, 2025
3B Capital work-in-progress		
Opening Balance	80	79
Additions during the year	577	270
(Less): Capitalised during the year	(591)	(269)
Closing Balance	66	80

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and 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, 2026	Less than 1 Year	1–2 years	2–3 years	More than 3 Years	Total
Projects in progress	53	1 1	1	1	66
Projects temporarily suspended	-	-	-	-	-
Total	53	11	1	1	66

(*)It includes projects whose completion is overdue compared to its original plan. Following is the completion schedule of such projects:

	To be Completed in				
	Less than 1 Year	1–2 years	2–3 years	More than 3 Years	Total
Building	9	-	-	-	9
Plant and machinery	30	-	-	-	30
Total	39	-	-	-	39

Ageing of Capital work-in-progress (CWIP)(**)

Amount in CWIP as at June 30, 2025	Less than 1 Year	1–2 years	2–3 years	More than 3 Years	Total
Projects in progress	78	1	1	-	80
Projects temporarily suspended	-	-	-	-	-
Total	78	1	1	-	80

(**) It includes projects whose completion is overdue compared to its original plan. Following is the completion schedule of such projects:

	To be Completed in				
	Less than 1 Year	1–2 years	2–3 years	More than 3 Years	Total
Building	2	-	-	-	2
Plant and machinery	7	-	-	-	7
Total	9	-	-	-	9

Note: Capital work-in-progress mainly comprises new plant and machinery under installation and commissioning, pending capitalization.

		As at June 30, 2026	As at June 30, 2025
4	Investment property		
	Opening gross carrying amount	0	0
	Additions	-	-
	Disposals	-	-
	Closing gross carrying amount	0	0

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

4 Investment property (Cont'd)

	As at June 30, 2026	As at June 30, 2025
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.

b) There is no rental income derived from investment properties. Further, no direct operating expenses have been incurred to maintain the investment property.

c) Fair value of investment property is ₹ 151 (June 30, 2025: ₹ 150).

d) 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.

	As at June 30, 2026	As at June 30, 2025
5 Intangible assets		
Computer software (acquired)		
Opening gross carrying amount	9	9
Additions	-	-
Disposals	-	-
Closing gross carrying amount	9	9
Opening accumulated amortisation	9	8
Amortisation expense for the year (refer note 24)	0	1
Disposals	-	-
Closing accumulated amortisation	9	9
Net carrying amount	0	0

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

6 Financial Assets

6 (a) Trade receivables

Accounting policy

Trade receivables are amounts due from customers for goods sold or services rendered 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 recognised from initial recognition of the receivables.

	As at June 30, 2026	As at June 30, 2025
At amortised cost		
Trade receivables from contract with customers – billed (refer note below)	2,474	1,739
Trade receivables from contract with customers – related parties (refer Note 38)	233	177
(Less): Expected credit loss allowance	(13)	(11)
Total	**2,694**	**1,905**
Current portion	2,694	1,905
Non-current portion	-	-
Break-up of security details		
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	2,707	1,916
Trade receivables which have significant increase in credit risk	-	-
Trade receivable - credit impaired	-	-
Total	2,707	1,916
Expected credit loss allowance	(13)	(11)
Total	2,694	1,905

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)	2,609	1,831
(Less): Volume based incentives and rebates payable	(135)	(92)
Trade receivables from contract with customers – related parties	233	177
Expected credit loss allowance	(13)	(11)
Trade receivables as reported	**2,694**	**1,905**

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

6 (a) Trade receivables (cont'd)

Ageing of trade receivables as at June 30, 2026

		Outstanding for following periods					
	Unbilled	Not Due	Less than 6 months	6 months –1 year	1–2 years	2–3 years	More than 3 years	Total
Undisputed trade receivables								
considered good	-	2,588	116	2	1	-	-	2,707
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit Impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit Impaired	-	-	-	-	-	-	-	-
Total	-	2,588	116	2	1	-	-	2,707

Ageing of trade receivables as at June 30, 2025								
Undisputed trade receivables								
considered good	-	1,766	141	4	5	-	-	1,916
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit Impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
considered good	-	-	-	-	-	-	-	-
which have significant increase in credit risk	-	-	-	-	-	-	-	-
credit Impaired	-	-	-	-	-	-	-	-
Total	-	1,766	141	4	5	-	-	1,916

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

	As at June 30, 2026	As at June 30, 2025
6 (b) Cash and cash equivalents(*)		
Balances with banks		
In current accounts	32	1,539
Bank depsits with original maturity of three months or less	428	105
Cheques on hand	-	1
Cash on hand	0	-
Total	**460**	**1,645**

(*) There are no repatriation restriction with regard to cash and cash equivalent at the end of the reporting year and prior year.

6 (c) Bank balances other than cash and cash equivalents		
Unpaid dividends	12	9
Total	**12**	**9**

6 (d) Other financial assets

At amortised cost. Unsecured, considered good unless otherwise stated

Non-current

Security deposits	3	3
Other deposits	18	18
Total	**21**	**21**

Current		
Export benefits receivable	34	30
Other deposits	7	5
Employee advances	5	5
Other receivables (**)	8	17
Total	**54**	**57**

(**) Includes receivables from related parties, refer Note 38.

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

		As at June 30, 2026	As at June 30, 2025
7	Deferred tax assets (net)		
	Deferred tax (liabilities)		
	Difference between book balance and tax balance of property, plant and equipment and intangible assets	(18)	(38)
	Right of use assets	(4)	(5)
	Deferred tax assets		
	Provision for gratuity, compensated absences and long service award	53	35
	Provision for overtime and workmen variable pay	22	27
	Allowance for loss on financial assets (net)	3	3
	Lease liabilities	5	6
	Others	17	13
	Deferred tax assets/ (liabilities), net	78	41

Movement in the deferred tax assets/ (liabilities)

	As at July 1, 2025	(Charge)/ Credit to Statement of Profit and Loss	Charge/ (credit) to other comprehensive income	As at June 30, 2026
Deferred tax assets				
Provision for gratuity, compensated absences and long service award	35	12	6	53
Provision for overtime, workmen variable pay	27	(5)	-	22
Allowance for loss on financial assets (net)	3	(0)	-	3
Lease liabilities	6	(1)	-	5
Others	13	4	-	17
Deferred tax (liabilities)				
Difference between book balance and tax balance of property, plant and equipment and intangible assets	(38)	20	-	(18)
Right of use assets	(5)	1	-	(4)
Total	41	31	6	78

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

7 Deferred tax assets (net) (cont'd)

	As at July 1, 2024	(Charge)/ Credit to Statement of Profit and Loss	Charge/ (credit) to other comprehensive income	As at June 30, 2025
Deferred tax assets				
Provision for gratuity, compensated absences and long service award	34	(1)	2	35
Provision for overtime and workmen variable pay	3	24	-	27
Allowance for loss on financial assets (net)	2	1	-	3
Lease liabilities	7	(1)	-	6
Others	16	(3)	-	13
Deferred tax (liabilities)				
Difference between book balance and tax balance of property, plant and equipment and intangible assets	(50)	12	-	(38)
Right of use assets	(7)	2	-	(5)
Total	5	35	2	41

	As at June 30, 2026	As at June 30, 2025
8 Current tax assets/ liabilities (net)		
8 (a) Current tax assets		
Advance income tax [net of provision ₹ Nil (June 30, 2025: ₹ 2,902)]	-	72
Income taxes paid under protest	7	7
Total	7	79
8 (b) Current tax liabilities		
Provision for Income tax [net of advance tax ₹ 3,539 (June 30, 2025: ₹ Nil)]	105	-
Total	105	-

	As at June 30, 2026	As at June 30, 2025
9 Other non-current assets		
Unsecured, considered good unless otherwise stated		
Capital advances	15	51
Prepaid expenses	9	10
Deposits with government authorities	-	0
Total	24	61

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and 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 40.6 for other accounting policies.

	As at June 30, 2026	As at June 30, 2025
Raw materials [Including goods in transit ₹ 91 (June 30, 2025: ₹ 127)]	1,605	703
Work-in-progress	2,507	1,112
Finished goods	1,031	740
Stock-in-trade [Including goods in transit ₹ 349 (June 30, 2025: ₹ 93)]	894	330
Stores and spares	51	64
Total (*)	6,088	2,949

(*) Inventories are net of provision on account of obsolescence, slow moving inventory and lower of cost or net realisable value aggregated to ₹ 310 (June 30, 2025: ₹ 117) 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		
Balances with government authorities (includes input tax credit)	221	13
Advance to suppliers	43	30
Contract assets	34	28
Prepaid expenses	22	14
Travel advances to employees	2	2
Total	322	87

	As at June 30, 2026	As at June 30, 2025
12 Equity share capital		
Authorised		
23,978,240 nos. (June 30, 2025: 23,978,240 nos.) equity shares of ₹ 10 each	240	240
Issued, subscribed and fully paid up		
21,978,240 nos. (June 30, 2025: 21,978,240 nos.) equity shares of ₹ 10 each	220	220
Total	220	220

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

12 Equity Share Capital (Cont'd)

	As at June 30, 2026		As at June 30, 2025	
	Number of shares	Amount	Number of shares	Amount
(a) Reconciliation of number of equity shares				
Balance as at the beginning of the year	21,978,240	220	21,978,240	220
Add: Issued and subscribed during the year	-	-	-	-
Balance at the end of the year	21,978,240	220	21,978,240	220

(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, 2026		As at June 30, 2025	
	Number of equity shares	Amount	Number of equity shares	Amount
(c) Shares held by ultimate holding company, holding company and subsidiaries of holding company				
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
Total	16,483,680	165	16,483,680	165

	As at June 30, 2026		As at June 30, 2025	
	Number of equity shares	Percentage	Number of equity shares	Percentage
(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company				
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	19,51,955	8.88%	1,954,675	8.89%
Total	18,435,635	83.88%	18,438,355	83.89%

(e) Shares held by promoters at the end of the year(*)				
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%
Total	16,483,680	75.00%	16,483,680	75.00%

(*) 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, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

12 Equity share capital (cont'd)

(f) During five years immediately preceding June 30, 2026, 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, 2026	As at June 30, 2025
12A Dividends		
Interim dividend for the year ended June 30, 2026 of ₹ 40 (June 30, 2025 – ₹ 40) per fully paid equity share (**)	879	879
Total	879	879

(**) Includes dividend paid to related parties, refer Note 38.

	As at June 30, 2026	As at June 30, 2025
13 Other equity		
Securities premium	1	1
Share based compensation reserve	5	5
General reserve	1,488	1,488
Retained earnings	6,823	5,759
Total	8,317	7,253

	As at June 30, 2026	As at June 30, 2025
13 (a) 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.		
Opening balance	1	1
Additions during the year	-	-
Closing balance	1	1

	As at June 30, 2026	As at June 30, 2025
13 (b) 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 29).		
Opening balance	5	12
Share based compensation expense	27	23
Recharge for share based compensation from ultimate holding company	(27)	(30)
Closing balance	5	5

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

	As at June 30, 2026	As at June 30, 2025
13 (c) General reserve		
The general reserve is created by way of transfer of profits from retained earnings for appropriation purposes.		
Opening balance	1,488	1,488
Additions during the year	-	-
Closing balance	1,488	1,488

	As at June 30, 2026	As at June 30, 2025
13 (d) Retained earnings		
Retained earnings are the profits that the Company has earned, less any transfers to general reserve and dividends or other distributions paid to shareholders.		
Opening balance	5,759	5,614
Profit for the year	1,960	1,029
Other comprehensive Income, net of tax	(17)	(5)
Interim dividend	(879)	(879)
Closing balance	6,823	5,759

	As at June 30, 2026	As at June 30, 2025
14A Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer below)	187	69
Total outstanding dues other than above		
Due to related parties (also refer Note 38)	1,226	543
Due to other creditors	1,336	511
Total	2,749	1,123
Disclosure of dues/payments to micro and small enterprises to the extent such enterprises are identified by the Company:		
i. 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	194	69
ii. Interest due on (I) above	0	0
iii. Principal amounts paid to suppliers registered under MSMED, beyond the appointed day during the year	152	51
iv. Interest due on (iii) above	1	1
v. Interest paid, other than under Section 16 of MSMED, to suppliers registered under MSMED, beyond the appointed day during the year	-	-
vi. 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
vii. Interest accrued and remaining unpaid at the end of the accounting year	2	1
viii. 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	6	4
Total	194	69

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

14A Trade payables (cont'd)

Ageing of trade payables as at June 30, 2026	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	-	123	64	-	-	-	187
(ii) Undisputed trade payables - related parties	-	854	372	-	-	-	1,226
(iii) Undisputed trade payables - others	284	907	145	0	-	-	1,336
Total	**284**	**1,884**	**581**	**0**	**-**	**-**	**2,749**

Ageing of trade payables as at June 30, 2025	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	-	66	3	0	-	-	69
(ii) Undisputed trade payables - related parties	-	420	121	2	-	-	543
(iii) Undisputed trade payables - others	135	295	81	0	-	-	511
Total	**135**	**781**	**205**	**2**	**-**	**-**	**1,123**

The Company did not have any disputed dues as at June 30, 2026 and June 30, 2025.

	As at June 30, 2026		As at June 30, 2025	
	Non-current	Current	Non-current	Current
14B Other financial liabilities				
Deposit from customers	-	10	-	3
Capital creditors(*)	-	8	-	25
Unpaid dividends	-	12	-	9
Employee benefits payable	-	366	-	339
Other current liabilities	-	12	-	9
Total	**-**	**408**	**-**	**385**
(*) Includes MSME creditors				
15 Provisions				
Provisions for employee benefits				
Gratuity [refer Note (d) below]	-	44	-	-
Compensated absences [refer Note (e) below]	-	146	-	127
Long service award	5	1	5	0
Other provisions				
Product support [refer Note (a) and (c) below]	4	50	5	45
Disputed taxes and duties [refer Note (b) and (c) below]	-	1	-	1
Total	**9**	**242**	**10**	**173**

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

15 Provisions (cont'd)

(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 of up to 36 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
Balance as at July 1, 2024	5	46	-	10	5	56
Addition(*)	2	26	-	-	2	26
Utilisation	(1)	(22)	-	-	(1)	(22)
Reversal(*)	(1)	(5)	-	(9)	(1)	(14)
Balance as at June 30, 2025	5	45	-	1	5	46
Addition(*)	1	46	-	-	1	46
Utilisation	(1)	(28)	-	-	(1)	(28)
Reversal(*)	(1)	(13)	-	-	(1)	(13)
Balance as at June 30, 2026	4	50	-	1	4	51

(*) Included under respective heads in the Statement of Profit and Loss.

(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 at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's last drawn wages 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 Gratuity Trust). The Trustees administer the contributions made to the Gratuity 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 the last drawn fifteen days' wages for each completed year of service in line with The Code on Social Security, 2020. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after 5 years of continuous service for full-time employees and after 1 year of service for fixed-term employees. The Board of Trustees is responsible for the administration of the Plan assets and the investment strategy.

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

15 Provisions (Cont'd)

(d) Defined benefit obligation (Gratuity - Funded) (Cont'd)

		As at June 30, 2026	As at June 30, 2025
i)	Movement in defined benefit obligation		
	Opening defined benefit obligation	357	357
	Current service cost	25	20
	Past service cost	52	-
	Interest on defined benefit obligation	26	24
	Benefit payments from plan assets	(44)	(54)
	Remeasurement (gain)/loss due to		
	Change in demographic assumptions	-	(0)
	Change in financial assumptions	3	7
	Experience adjustments	59	3
	Closing defined benefit obligation	478	357
ii)	Opening fair value of plan assets	364	357
	Investment income	23	24
	Employer contribution (Refer Note 38)	99	34
	Benefit payments from plan assets	(44)	(54)
	Remeasurements:		
	Returns on assets (excluding interest income)	(8)	3
	Closing fair value of plan assets	434	364
iii)	Net liabilities / (assets) recognised in the balance sheet:		
	Present value of defined benefit obligations	478	357
	(Less): Fair value of plan assets (*)	(434)	(364)
	Add: Excess of plan assets over defined benefit obligations (*)	-	7
	Net defined benefit liability/ (asset) recognised in the balance sheet	44	-
	Current	44	-
	Non-current	-	-
	Total	44	-

(*) Recognition of fair value of plan assets is restricted to the amount of present value of defined benefit obligations in the financial statements.

		Year ended June 30, 2026	Year ended June 30, 2025
iv)	Expense recognised in the statement of profit and loss		
	Remeasurement of other long term benefits		
	Current service cost	25	20
	Past service cost	52	-
	Total Service cost	77	20

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

15 Provisions (Cont'd)

(d) Defined benefit obligation (Gratuity - Funded) (Cont'd)

	Year ended June 30, 2026	Year ended June 30, 2025
Net interest cost		
Interest expense on defined benefit obligation	26	24
Interest income on plan assets	(23)	(24)
Total net interest cost	**3**	**0**
Excess of plan assets over defined benefit obligations	(7)	7
Gratuity payable on exit cases	38	-
Considered as Past service cost in the Statement of Profit and Loss (**)	47	-
A. Defined benefit cost included in statement of profit and loss (Refer Note 22)	**158**	**27**
Remeasurement recognised in other comprehensive income (OCI)		
Actuarial (gains)/ losses due to		
Change in demographic assumptions	-	(0)
Change in financial assumptions	11	4
Experience adjustments	59	3
Considered as Past service cost in the Statement of Profit and Loss (**)	(47)	-
B. Total remeasurement in other comprehensive income (OCI)	**23**	**7**
Total defined benefit cost recognised in statement of profit and loss	**181**	**34**

(**) The amount classified as an experience adjustment by the independent actuary has been re-assessed by the Company by evaluating the underlying reasons for the adjustment and has reclassified it as past service cost to be included under Employee benefits expense in the Statement of Profit and Loss.

	As at June 30, 2026	As at June 30, 2025
v) **Significant actuarial assumptions**		
Discount rate per annum	7.07%	6.78%
Expected salary increase per annum		
Officers	Year 1-3 8.50%, thereafter 5.00%	Year 1 7.50%, thereafter 5.00%
Workmen	5.00%	5.00%
Mortality rate per annum	100% of IALM 2012-14	100% of IALM 2012-14
Attrition (rate of employee turnover)		
Officers	15.00%	15.00%
Workmen	0.00%	0.00%
Retirement age	60	60

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

15 Provisions (Cont'd)

(d) Defined benefit obligation (Gratuity - Funded) (Cont'd)

v) Significant actuarial assumptions (Cont'd)

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 2027 is ₹ 75 (June 2026: ₹ 20).

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, 2026		Year ended June 30, 2025	
		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	(21)	24	(16)	18
Salary increase rate	+100 / -100	24	(22)	18	(17)
Attrition rate	+50 / -50	1	(1)	1	(1)
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, 2026	87	274	197	213	771
June 30, 2025	57	205	158	171	591

ix) Risk exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. 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.

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

15 Provisions (Cont'd)

(d) Defined benefit obligation (Gratuity - Funded) (Cont'd)

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 insurance company's 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 ₹ 146 (June 30, 2025: ₹ 127) is presented as current, as 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 40.9 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 the 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, 2026	As at June 30, 2025
i) Changes in present value of defined benefits plan		
Opening defined benefit obligation	1,723	1,675
Current service cost	54	52
Interest expense	140	134
Benefit payments from plan assets	(252)	(279)
Employee contributions	123	119
Transfer in/ out	17	12
Remeasurement loss/ (gain) due to		
Change in experience adjustments	(33)	10
Closing defined benefit obligation	1,772	1,723
ii) Changes in plan assets		
Opening fair value of plan assets	1,752	1,685
Investment income	142	135

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and 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, 2026	As at June 30, 2025
Employer contribution (Refer Note 38) (*)	54	52
Employee contribution	123	119
Benefit payments from plan assets	(252)	(279)
Transfer in/ out	17	12
Returns on assets (excluding interest income)	(48)	28
Closing fair value of plan assets	**1,788**	**1,752**
(*) Excludes amount to be transferred to the PF trust as on June 30, 2026 : ₹17 (June 30, 2025: Nil)		
iii) **Net (assets)/ liabilities** (refer Note below)		
Present value of defined benefit obligations	1,772	1,723
Fair value of plan assets	1,788	(1,752)
Total	**(16)**	**(29)**

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.

	As at June 30, 2026	As at June 30, 2025
iv) **Major categories of plan assets as percentage of total plan assets**		
Government bonds	50.73%	51.55%
Equity in public sector undertakings	39.23%	37.27%
Equity in other than public sector undertakings	7.48%	8.07%
Others : Funds managed by an insurance company	2.56%	3.11%
v) **Significant Actuarial Assumptions**		
Discount rate per annum	7.07%	6.78%
Expected salary increase per annum		
Officers	Year 1-3 8.50%, thereafter 5.00%	Year 1 7.50%, 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	15.00%	15.00%
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 for the estimated term of the obligation.

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

15 Provisions (Cont'd)

f) Defined benefits plan (Provident Fund - Trust set by employer) (cont'd)

	Change in assumption (basis points)	Year ended June 30, 2026		Year ended June 30, 2025	
		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	(28)	83	(50)	41
Interest guarantee rate	+100 / -100	77	(28)	96	(50)

15A Labour Codes

On November 21, 2025, the Ministry of Labour & Employment, Government of India, notified the implementation of four Labour Codes: The Code on Wages, 2019; The Industrial Relations Code, 2020; The Code on Social Security, 2020; and The Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as the "Labour Codes").

The Labour Codes, among other things, introduces changes, including a uniform definition of wages and enhanced employee benefits relating to leave. The Company has assessed the impact of changes arising from the implementation of the Labour Codes on the financial statements. While assessing the impact, the Company has also considered the Rules notified by the Central Government, the FAQs issued by the aforesaid Ministry and views obtained from external consultants, which has resulted in the Company revising its employee compensation structure with effect from April 1, 2026, to align with the change in regulations.

The financial implications of the implementation of the Labour Codes has resulted in an increase in Gratuity liability, a defined benefit plan, arising from past service cost estimated at INR 52 mil (June 30, 2025: Nil) ,which has been presented and included under "Employee benefits expense" in accordance with Ind AS 19 "Employee Benefits" in the Statement of Profit and Loss for the year ended June 30, 2026. The Company continues to monitor the finalisation of Rules to be issued by the State Governments and further clarifications, if any, from the Central Government and would give appropriate accounting effect in the period in which they are notified.

	As at June 30, 2026	As at June 30, 2025
16 Other current liabilities		
Contract liabilities		
Advances from customers	363	337
Refund liabilities	41	29
Deferred revenue	34	28
Statutory remittances payable	142	84
Total	580	478

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and 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 a corresponding 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 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 pending performance obligations is deferred and recognised as and when the provision of service is completed.

(iii) Sale of scrap:

Revenue from the sale of scrap generated internally during the manufacturing process is recognised on a gross basis upon the transfer of control to the customer in accordance with the agreed contractual terms. Revenue is measured at the transaction price net of applicable discounts, rebates, incentives and taxes collected on behalf of governmental authorities

(iv) Contract liabilities:

Contract liabilities (deferred revenue) primarily consists of installation and commission on sale of machining 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.

(v) 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 40.17 and 40.18 for other accounting policies

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

	Year ended June 30, 2026	Year ended June 30, 2025
17. Revenue from operations (Cont'd)		
Revenue from contracts with customers (refer Note(I) below)		
Sale of products		
Finished goods	8,438	6,919
Stock-in-trade	6,233	4,560
Sale of services	193	214
	14,864	**11,693**
Other operating income		
Sale of scrap	145	5
Net income on procurement arrangement for scrap (refer Note(ii) below)	98	-
Commission on order based sales	-	5
	243	**10**
Total	**15,107**	**11,703**

(I) Refer Note 38 for related party transactions.

(ii) In certain arrangements where the Company's role is limited to procuring scrap from external vendors and thereafter selling it to external scrap processing parties, who ultimately sell it to Kennametal Inc, USA, the ultimate holding company, the Company performs a facilitation role and acts as an 'agent' in such arrangements in accordance with Ind AS 115 "Revenue from Contracts with Customers" and, therefore, the margin arising from the sale of scrap and the purchase of scrap are netted and the resulting gain is disclosed as "Net income on procurement arrangement for scrap". The income on such arrangements is recognised at a point in time when the performance obligation is satisfied and the right to receive the consideration is established.

A) Disaggregation of revenue		
a) Revenue based on geography		
Domestic	13,005	9,872
Export	2,102	1,831
Total	**15,107**	**11,703**
b) Revenue based on Business Segment		
Hard metal products	13,636	10,169
Machining solutions	1,471	1,534
Total	**15,107**	**11,703**
B) Reconciliation of Revenue from operations		
Contract Price	15,335	11,884
(Less):		
Refund liabilities - right to return	(11)	(10)

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

17 Revenue from Operations (Cont'd)	Year ended June 30, 2026	Year ended June 30, 2025
Annual turnover discount	(169)	(130)
Others	(48)	(41)
Total	15,107	11,703
C) Assets and liabilities related to contracts with customers		
Contract liabilities		
Current		
Advance from customers	363	337
Refund liabilities	41	29
Deferred revenue	34	28
Total	438	394
Contract assets		
Current		
Other current assets	34	28
Total	34	28
D) Reconciliation of contract liabilities/ unsatisfied performance obligation		
Opening balance	394	271
(Less): Revenue recognised during the year	(374)	(92)
Add: Contract liabilities recognised during the year	418	215
Closing balance	438	394
E) Revenue recognised during the year from the performance obligation satisfied up to prior year amounts to ₹374 (June 30, 2025: ₹92).		
18. Other income		
Interest income on bank deposits	3	13
Other non-operating income		
Gain on sale of mutual funds	53	85
Customs duty refund	16	-
Excise provision written back	-	9
Lease rentals (refer Note 38)	15	15
Support service charges from fellow subsidiary (refer note 38)	13	16
Miscellaneous income	8	6
Total	108	144
19 Cost of materials consumed		
Consumption of raw materials and components		
Opening inventory	703	704
Add: Purchases during the year (refer Note below) (*)	6,372	3,157

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

	Year ended June 30, 2026	Year ended June 30, 2025
19 Cost of materials consumed (Cont'd)		
(Less): Closing inventory	(1,605)	(703)
Total	**5470**	**3,158**
(*) Refer note 38 for related party transactions.		
Note: Purchases are net of export incentives of ₹ 49 (June 30, 2025: ₹ 63)		
20. Purchases of stock in trade		
Stock-in-trade (**)	4,710	3,324
Total	**4,710**	**3,324**
(**) Refer note 38 for related party transactions.		
21. Changes in inventories of finished goods, work in progress and stock in trade		
Opening stock:		
Finished goods	740	632
Work-in-progress	1,112	1,005
Stock-in-trade	330	330
	2,182	**1,967**
Closing stock:		
Finished goods	1,031	740
Work-in-progress	2,507	1,112
Stock-in-trade	894	330
	4,432	**2,182**
(Increase)/ Decrease in inventories	**(2250)**	**(215)**
22 Employee benefits expense		
Salaries, wages and bonus (***)	1,463	1,324
Contribution to provident and other funds [Note (a) below]	91	68
Gratuity (refer Note 15 and 15A)	158	27
Share based compensation expense (refer Note 29) (***)	27	23
Staff welfare	133	140
Total	**1,872**	**1,582**
(***) Net of recovery from ultimate holding company and fellow subsidiaries of ₹ 23 (June 30, 2025: ₹ 32). Also, refer Note 38 for related party transactions.		
Note:		
a) Contribution to provident and other funds		
Contribution to employees provident fund and employee pension scheme	82	62
Contribution to national pension scheme	9	6
Total	**91**	**68**

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

	Year ended June 30, 2026	Year ended June 30, 2025
23. Finance costs		
Interest on lease liabilities	1	2
Other interest expense	2	2
Total	3	4
24. Depreciation and amortisation expense		
Depreciation on property, plant and equipment (refer Note 3A)	471	450
Depreciation of right-of-use assets (refer Note 31)	8	9
Amortisation on intangible assets (refer Note 5)	0	1
Total	479	460
25. Other expenses		
Subcontracting charges	383	417
Consumption of stores and spare parts	396	301
Forwarding and freight	223	209
Information technology services (refer Note 38)	239	206
Power and fuel	162	157
Legal and professional [refer Note (a) below and refer Note 38]	159	140
Repairs and maintenance	179	209
Travelling and conveyance	130	136
Temporary workmen	50	48
Insurance	30	23
Business promotion	33	39
Expenditure towards Corporate Social Responsibility (CSR) [refer Note (b) below]	27	27
Provision for product support (refer Note 15)	33	22
Royalty (refer Note 38)	107	85
Rates and taxes	23	27
Commission on sales	11	8
Communication	6	7
Advertisement and sales promotion	24	30
Rent	1	1
Allowance for loss on financial assets (net)	3	6

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

	Year ended June 30, 2026	Year ended June 30, 2025
25 Other expenses (Cont'd)		
(Gain)/ loss on sale of property, plant and equipments (net)	1	(1)
Net foreign exchange (gain)/ loss	(32)	(23)
Directors' commission (refer Note 38)	9	5
Directors' sitting fee (refer Note 38)	2	2
Miscellaneous expenses	69	51
Total	2,268	2,132
Notes		
(a) Payments to auditors (excluding GST) included under legal and professional above:		
Statutory audit	3	3
Audit of tax accounts and tax audit	1	1
Quarterly limited reviews	1	1
Group audit	-	0
Out of pocket expenses	0	0
Total	5	5
(b) Expenditure towards CSR as per Section 135 of the Act:		
i. Gross amount required to be spent by the Company during the year	27	27
ii. Amount spent during the year:		
Amount spent on other than ongoing projects	27	27
iii. Nature of CSR activities:		
Environmental initiatives	10	9
Promoting education	8	6
Nutrition related initiatives	3	-
Promoting gender equality and empowering women	4	6
Health related projects	2	5
Others	-	1
	27	27
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, 2026

(All amounts in ₹ millions, except share and 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 2026	-	27	27	-

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 2025	-	27	27	-

	Year ended June 30, 2026	Year ended June 30, 2025
26. Tax expense		
(a) Income tax expense		
Current tax on profit for the year	721	392
Adjustments for current tax for prior years	13	16
Total current tax expense	734	408
Deferred tax charge / (credit):		
Decrease/ (increase) in deferred tax asset (net)	(31)	(35)
Adjustments for current tax for prior years	-	-
Total deferred tax charge / (credit)	(31)	(35)
Income tax expense	703	373
Deferred tax related to items recognised in OCI		
Tax on re-measurement of post employment obligations	(6)	(2)
Income tax expense	697	371
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before tax	2,663	1,402
Tax at the Indian tax rate of 25.17%	670	353

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

26 Tax expenses (Cont'd)	Year ended June 30, 2026	Year ended June 30, 2025
Tax effect on non deductible expenses/ income		
CSR expenditure	7	7
MSME Interest	2	0
Adjustments for current tax for prior years	13	16
Others	11	(3)
Tax expense	703	373

27. Capital and other commitments	As at June 30, 2026	As at June 30, 2025
Expected amount of contract remaining to be received on capital account not provided for (net of advances)	131	149

28. 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.

	As at June 30, 2026	As at June 30, 2025
Income tax matters [refer Note (a) below]	138	49

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 ('AY') 2012-13, 2014-15, and 2017-18, which is disputed by the Company and the said matters are lying under appeal with the Income Tax Appellate Tribunal ("ITAT"), Bengaluru/ the Commissioner of Income Tax (Appeals) LTU, Bengaluru/ the Dispute Resolution Panel ("DRP"), Bengaluru. With respect to the disputed income tax matters, ₹ 7 (June 30, 2025: ₹ 7) has been paid "under protest" by the Company.

The Company has received a draft assessment order for AY 2023-24 wherein the Transfer Pricing Officer has made adjustments for margin by recalculating and reallocating expenses between segments, towards which the Company has filed objections with the DRP and the matter is yet to be heard.

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) 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.

c) It is not practicable for the Company to estimate the timings of the cash outflows if any in respect of the above litigations pending resolution of the respective proceedings.

d) The Company does not expect any reimbursements in respect of the above contingent liabilities.

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

29. Share 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 certain 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, 2026		As at June 30, 2025	
	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	$18.51	7,146	$21.24	10,250
Granted during the year	$22.50	17,856	$25.00	15,459
Exercised during the year	$22.76	(14,558)	$25.47	(13,216)
Forfeited during the year	$25.04	(223)	$25.31	(5,347)
Closing balance	**$19.29**	**10,221**	**$18.51**	**7,146**

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 1.54 years (June 30, 2025: 1.46 years).

Expenses arising from share based payment transactions

	Year ended June 30, 2026	Year ended June 30, 2025
Shares issued under RSU (Refer Note 38)	27	23
Total	27	23

Note 3: There is recharge of expense by Kennametal Inc, USA of ₹ 27 (June 30, 2025: ₹ 30) 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.

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

	Year ended June 30, 2026	Year ended June 30, 2025
30. Earnings per equity share		
Profit attributable to equity shareholders (₹)	1,960	1,029
Weighted average number of equity shares outstanding during the year	21,978,240	21,978,240
Nominal value of equity share (₹)	10	10
Basic earnings per share (₹)	89.18	46.82
Diluted earnings per share (₹)	89.18	46.82
Note: Dilutive equity shares during the year is nil (June 30, 2025: Nil).		

31. 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:

	As at June 30, 2026	As at June 30, 2025
Right of use assets		
Buildings	12	17
Plant and machinery	2	4
Total	14	21
Changes in lease liabilities (refer Note below)		
Opening balance	25	30
Addition/ extension of leases	3	4
Termination of lease	(1)	-
Repayment of principal portion of lease liabilities	(8)	(9)
Interest expense	1	2
Interest paid	(1)	(2)
Total	19	25
Lease liabilities		
Current	8	10
Non-current	11	15
Total	19	25

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

	As at June 30, 2026	As at June 30, 2025
31 Lease Accounting (Cont'd)		
Net debt reconciliation:		
Cash and cash equivalents	460	1645
Lease liabilities	(19)	(25)
Net asset	441	1,620

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:

Depreciation charge of right-of-use assets (Refer Note 24)		
Buildings	6	6
Plant and machinery	2	3
Total	**8**	**9**
Interest expense on lease liabilities (included in finance costs)	2	2
Expense relating to low-value assets (included in other expenses)	1	1

(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	10
After one year but not more than five years	12	17
More than five years	-	-

(iv) The total cash outflow for leases for the year was ₹ 9 (June 30 2025 was ₹ 11).

(v) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

32. 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.

33. 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.

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

33 Financial risk management (Cont'd)

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 ₹ 2,694 as of June 30, 2026 (June 30, 2025: ₹ 1,905).

Assets under credit risk	As at June 30, 2026	As at June 30, 2025
Trade receivables	2,694	1,905
Other financial assets	75	78
Total	2,769	1,983

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 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 with the 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, 2026			As at June 30, 2025		
	Gross Carrying Amount	Expected Credit Loss (%)	Expected Credit Loss (%) Amount	Gross Carrying Amount	Expected Credit Loss (%)	Expected Credit Loss (%) Amount
Within the credit period	2,588	0.3%	8	1,766	0.3%	6
Less than 6 months past due	116	2.4%	3	141	1.3%	2
6 months - 1 year past due	2	76.7%	2	4	42.7%	2
1 - 2 years days past due	1	62.0%	1	5	21.6%	1
> 2 years past due	-	0.0%	-	-	0.0%	-

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

33 Financial risk management (Cont'd)

Expected credit loss for trade receivables	As at June 30, 2026	As at June 30, 2025
Opening provision	11	6
Additional provision	3	8
Utilisation/ reversal	(1)	(3)
Closing provision	**13**	**11**

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 ₹13 and ₹11 as at June 30, 2026 and June 30, 2025 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 certain financial assets, 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.

Contractual maturities of financial liabilities	Less than 1 year	1 - 2 years	More than 2 years	Total
As at June 30, 2026				
Other financial liabilities	408	-	-	408
Trade payables	2,749	-	-	2,749
Lease Liabilities	9	12	-	21
Total	**3,166**	**12**	**-**	**3,178**
As at June 30, 2025				
Other financial liabilities	385	-	-	385
Trade payables	1,123	-	-	1,123
Lease Liabilities	10	17	-	27
Total	**1,518**	**17**	**-**	**1,535**

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 Company's functional currency (Rupees).

The risk is measured through a forecast of highly probable foreign currency on cash flows. To an extent, the risk is mitigated with export revenues in foreign currency and the residual exposure is not substantial compared to overall operational volume.

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

33. Financial risk management (Cont'd)

C. Market Risk (Cont'd)

The Company's 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, 2026	As at June 30, 2025	As at June 30, 2026	As at June 30, 2025
Financial assets				
Trade receivables				
USD	1,712,651	1,746,063	162	150
EUR	810,962	767,961	87	77
Net exposure to foreign currency risk (assets)			**249**	**227**
Financial liabilities				
Trade Payables				
USD	9,260,630	1,003,894	877	86
EUR	363,479	130,660	39	13
CHF	103,834	53,318	12	6
Total financial liabilities			**928**	**105**
Net foreign exchange exposure			**(679)**	**122**

(*) Amounts in foreign currency are absolute numbers. Conversion rate considered are as follows:
₹ 94.70/USD, ₹ 107.89/EUR and ₹ 116.98/CHF (June 30, 2025: ₹ 85.76/USD, ₹ 100.46/EUR and ₹ 107.47/CHF).

Sensitivity

A reasonably possible strengthening/ weakening of Rupee against USD and EUR at June 30 would have affected the measurement of financial instruments denominated in foreign currency and affected the profit or loss by the amount shown below. This analysis assumes that all other variables remain constant.

Particulars	Impact on profit after tax	
	June 30, 2026	June 30, 2025
USD sensitivity		
INR/USD - Increase by 2%	(14)	1
INR/USD - Decrease by 2%	14	(1)
EUR sensitivity		
INR/EUR - Increase by 2%	1	1
INR/EUR - Decrease by 2%	(1)	(1)

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

34. Capital Management

A. 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, 2026	As at June 30, 2025
Equity	220	220
Other equity	8,317	7,253
Total Equity	**8,537**	**7,473**
Lease liabilities	19	25
Total capital (equity and borrowing)	**8,556**	**7,498**
Net Debt Equity Ratio	**0.22%**	**0.33%**

B. Dividends	Year ended June 30, 2026	Year ended June 30, 2025
Equity Shares		
Interim dividend for the year ended 30 June 2026 of INR 40 (30 June 2025 – INR 40) per fully paid share	879	879

35. Amounts remitted during the year on account of dividends paid	Year ended June 30, 2026	Year ended June 30, 2025
Amounts of interim dividend remitted in foreign currency	659	659
Total number of non-resident shareholders (to whom the interim dividends were remitted in foreign currency)	2	2
Total number of non-resident shareholders	341	336
Total number of shares held by all non-resident shareholders	16,619,554	16,763,112
Years to which the interim dividend relates	2025-26	2024-25

36. 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, 2024 to March 31, 2025, 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, 2025 to March 31, 2026 and the subsequent period up to June 30, 2026. 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, 2026.

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

37. 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. The 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:	Hard Metal Products		Machining Solutions		Total	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Segment revenue	13,636	10,169	1,471	1,534	15,107	11,703
Segment result	3,161	1,634	(123)	58	3,038	1,692
Unallocated income					80	106
Unallocated expense					(455)	(405)
Interest income					3	13
Interest expense					(3)	(4)
Profit before tax					**2,663**	**1,402**
Tax (expense)					(703)	(373)
Profit after tax					**1,960**	**1,029**
Segment assets						
Segment assets	10,574	6,507	922	1,294	11,496	7,801
Unallocated assets	-	-	-	-	1,153	1,866
Total	**10,574**	**6,507**	**922**	**1,294**	**12,649**	**9,667**
Segment Liabilities						
Segment liabilities	3,354	1,357	512	746	3,866	2,103
Unallocated liabilities	-	-	-	-	246	91
Total	**3,354**	**1,357**	**512**	**746**	**4,112**	**2,194**

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

37 Segment information: (Cont'd)

B. Segment information: (Cont'd)	Hard metal Products		Machining Solutions		Total	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Capital Expenditure						
Capital expenditure	198	266	243	41	441	307
Unallocated capital expenditure	-	-	-	-	95	5
Total	198	266	243	41	536	312
Depreciation and amortisation						
Depreciation and amortisation	426	413	35	32	461	445
Unallocated depreciation	-	-	-	-	18	15
Total	426	413	35	32	479	460

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:

	Hard Metal Products		Machining Solutions		Total	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
India	11,796	8,626	1,209	1,246	13,005	9,872
Germany	870	696	-	0	870	696
USA	485	651	-	39	485	690
China	315	80	246	202	561	282
Others	170	116	16	47	186	163
Total	13,636	10,169	1,471	1,534	15,107	11,703

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, 2026 and June 30, 2025.

(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, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

38. Related party disclosures

I. Names of related parties and description of relationship:

a) 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 Ltd., South Korea
	Kennametal Japan Ltd., Japan
	Kennametal Do Brasil Ltda, Brazil
	Kennametal Hardpoint (Shanghai) Co., Ltd., China
	Kennametal Distribution Services Asia Pte. Ltd., Singapore
	Kennametal Shared Services Private Ltd., India
	Kennametal (China) Co Ltd., China
	Hanita Metal Works Ltd., Israel
	Kennametal Asia (China) Management Co., Ltd., China
	Kennametal Stellite L.P. USA (up to June 6, 2025)
	Kennametal Stellite Inc., Canada
	Kennametal Stellite (Shanghai) Co., Ltd., China
	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)	Amit Laroya, Director and Chairman (Chairman with effect from November 4, 2024)
Directors	Narumanchi Venkata Sivakumar, Director
	Bhavana Bindra, Director
	Vijaykrishnan Venkatesan, Managing Director
	Faisal Saad Hamadi, Director (with effect from April 2, 2025) (*)
	Kelly Golden Lynch, Director (*)
	Keith Alan Mudge, Director (*)
	Bidadi Anjani Kumar, Director and Chairman (up to November 3, 2024)
	Vinayak Kashinath Deshpande, Director (up to November 3, 2024)
	Franklin Gerardo Cardenas Castro, Director (up to January 20, 2025) (*)

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, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

38. 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	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Revenue from operations	2,296	1,347	480	213	-	-	-	-	2,776	1,559
Kennametal Inc, USA(*)	1,425	651	-	-	-	-	-	-	1,425	651
Kennametal Europe GmbH, Switzerland	871	696	-	-	-	-	-	-	871	696
Kennametal HardPoint (Shanghai) Ltd., China	-	-	305	73	-	-	-	-	305	73
Kennametal Distribution Services Asia Pte. Ltd., Singapore	-	-	80	90	-	-	-	-	80	90
Others	-	-	95	50	-	-	-	-	95	50
Other income	-	-	24	29	-	-	-	-	24	29
Kennametal Shared Services Private Ltd, India	-	-	24	24	-	-	-	-	24	24
Others	-	-	-	5	-	-	-	-	-	5
Reimbursement of expenses (income)	34	53	15	22	-	-	-	-	49	75
Kennametal Inc, USA	34	53	-	-	-	-	-	-	34	53
Kennametal Shared Services Private Ltd, India	-	-	2	2	-	-	-	-	2	2
Kennametal Distribution Services Asia Pte. Ltd, Singapore	-	-	12	18	-	-	-	-	12	18
Others	-	-	1	2	-	-	-	-	1	2
Interim dividend	659	659	-	-	-	-	-	-	659	659
Metruit A.G. Zug, Switzerland	448	448	-	-	-	-	-	-	448	448
Kennametal Inc, USA	211	211	-	-	-	-	-	-	211	211
Managerial remuneration(**)	-	-	-	-	59	45	-	-	59	45
Vijaykrishnan Venkatesan	-	-	-	-	47	38	-	-	47	38
Short-term employee benefits	-	-	-	-	35	29	-	-	35	29
Contribution to provident fund	-	-	-	-	1	1	-	-	1	1
Share based payment	-	-	-	-	11	8	-	-	11	8
Independent directors commission	-	-	-	-	9	4	-	-	9	4
Anjani Kumar	-	-	-	-	-	2	-	-	-	2

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

38. Related party disclosures (cont'd)

	Parties where control exist		Fellow subsidiaries		KMP		Others		Total	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Vinayak Despande	-	-	-	-	-	1	-	-	-	1
Bhavana Bindra	-	-	-	-	2	1	-	-	2	1
Amit Laroya	-	-	-	-	4	0	-	-	4	0
N V Sivakumar	-	-	-	-	3	0	-	-	3	0
Independent directors sitting fees	-	-	-	-	3	3	-	-	3	3
Anjani Kumar	-	-	-	-	-	0	-	-	-	0
Vinayak Despande	-	-	-	-	-	0	-	-	-	0
Bhavana Bindra	-	-	-	-	1	1	-	-	1	1
Amit Laroya	-	-	-	-	1	1	-	-	1	1
N V Sivakumar	-	-	-	-	1	1	-	-	1	1

(*) Refer Note (ii) under Note 17.

(**) 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

	Parties where control exist		Fellow subsidiaries		KMP		Others		Total	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Purchase of goods - others	5,491	3,477	821	408	-	-	-	-	6,312	3,885
Kennametal Inc, USA(*)	2,919	1,430	-	-	-	-	-	-	2,919	1,430
Kennametal Europe GmbH, Switzerland	2,572	2,047	-	-	-	-	-	-	2,572	2,047
Kennametal (Xuzhou) Co.,Ltd. China	-	-	606	139	-	-	-	-	606	139
Others	-	-	215	269	-	-	-	-	215	269
Services received / Recharge of expenses	310	328	179	104	-	-	-	-	489	432
Information technology services	177	206	62	-	-	-	-	-	239	206
Kennametal Inc, USA	177	206	-	-	-	-	-	-	177	206
Kennametal Shared Services Private Ltd, India	-	-	62	-	-	-	-	-	62	-
Professional fees (Technical services)	12	11	91	84	-	-	-	-	103	95
Kennametal Inc, USA	12	11	-	-	-	-	-	-	12	11
Kennametal Shared Services Private Ltd, India	-	-	91	84	-	-	-	-	91	84

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

38. Related party disclosures (cont'd)

	Parties where control exist		Fellow subsidiaries		KMP		Others		Total	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Royalty payments	**89**	**71**	**18**	**13**	**-**	**-**	**-**	**-**	**107**	**85**
Kennametal Inc, USA	89	71	-	-	-	-	-	-	89	71
Hanita Metal Works Ltd, Israel	-	-	18	13	-	-	-	-	18	13
Others	**5**	**8**	**8**	**7**	**-**	**-**	**-**	**-**	**13**	**15**
Kennametal Inc, USA	5	8	-	-	-	-	-	-	5	8
Kennametal Asia China Management Co., China	-	-	8	7	-	-	-	-	8	7
Others	0	0	0	-	-	-	-	-	0	0
Stock compensation expenses	**27**	**32**	**-**	**-**	**-**	**-**	**-**	**-**	**27**	**32**
Kennametal Inc, USA	27	32	-	-	-	-	-	-	27	32
Contributions to other related parties	**-**	**-**	**-**	**-**	**-**	**-**	**170**	**87**	**170**	**87**
Kennametal India Limited Employees Provident Fund Trust	-	-	-	-	-	-	71	52	71	52
Kennametal India Limited Employees Gratuity Trust	-	-	-	-	-	-	99	35	99	35
Outstanding receivables - Trade and others	**144**	**161**	**97**	**33**	**-**	**-**	**-**	**-**	**241**	**194**
Trade receivables	**138**	**149**	**95**	**28**	**-**	**-**	**-**	**-**	**233**	**177**
Kennametal Inc, USA	49	76	-	-	-	-	-	-	49	76
Kennametal Europe GmbH, Switzerland	89	73	-	-	-	-	-	-	89	73
Kennametal Distribution Services Asia Pte. Ltd., Singapore	-	-	10	21	-	-	-	-	10	21
Kennametal Hardpoint (Shanghai) Ltd, China	-	-	60	0	-	-	-	-	60	0
Others	-	-	25	6	-	-	-	-	25	6
Other receivables	**6**	**12**	**2**	**5**	**-**	**-**	**-**	**-**	**8**	**17**
Kennametal Inc, USA	6	12	-	-	-	-	-	-	6	12
Kennametal Distribution Services Asia Pte. Ltd., Singapore	-	-	2	5	-	-	-	-	2	5
Others	-	-	0	0	-	-	-	-	0	0

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

38. Related party disclosures (cont'd)

	Parties where control exist		Fellow subsidiaries		KMP		Others		Total	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Outstanding payable - Trade	728	485	498	58	-	-	-	-	1,226	543
Kennametal Inc, USA	474	297	-	-	-	-	-	-	474	297
Kennametal Europe GmbH, Switzerland	254	188	-	-	-	-	-	-	254	188
Kennametal (Xuzhou) Co.,Ltd. China	-	-	442	38	-	-	-	-	442	38
Others	-	-	56	20	-	-	-	-	56	20

(*) Refer Note (ii) under Note 17.

39 Regulatory information required by Schedule III

(a) Key Ratios (refer notes below)

S.No	Particulars	Numerator	Denominator	June 30, 2026	June 30, 2025	% Variance	Reason for Variance (*)
1	Current Ratio (times)	Current Assets	Current Liabilities	2.35	3.07	-23%	Not applicable.
2	Debt Equity Ratio (times)	Debt	Equity	0.002	0.003	-33%	Impacted by lower lease liability and higher closing equity due to higher profits.
3	Debt Service Coverage Ratio (DSCR) (times)	Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA)	Interest and Principal	249	136	84%	Higher earnings driven by better price volume leverage, timing of raw material market pricing compared to cost, higher sales and production volume in Hard Metal segment during the year.
4	Return on Equity Ratio (percentage)	Net Profit after Tax	Average shareholders' equity	24%	14%	78%	Higher net profits driven by better price volume leverage, timing of raw material market pricing compared to cost, higher sales and production volume in Hard Metal segment.
5	Inventory turnover ratio (times)	Cost of goods sold	Average Inventory	1.76	3.97	-56%	Impacted by increase in inventory as a result of higher raw material prices.
6	Trade Receivable Turnover Ratio (times)	Net Credit Sales	Average Trade Receivable	6.88	6.34	8%	Not applicable.

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

39. Regulatory information required by Schedule III (cont'd)

S.No	Particulars	Numerator	Denominator	June 30, 2026	June 30, 2025	% Variance	Reason for Variance (*)
7	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	6.78	7.57	-10%	Not applicable.
8	Net Capital Turnover Ratio (times)	Net Sales	Working Capital (Current Assets less Current Liabilities)	2.85	2.61	9%	Not applicable.
9	Net Profit Ratio (percentage)	Net Profit after Tax	Net Sales	12%	9%	41%	Higher net profits driven by better price volume leverage, timing of raw material market pricing compared to cost, higher sales and production volume in Hard Metal segment.
10	Return on Capital Employed (percentage)	Earnings before Interest and Tax (EBIT)	Capital Employed	31%	19%	66%	Higher earnings driven by better price volume leverage, timing of raw material market pricing compared to cost, higher sales and production volume in Hard Metal segment.
11	Return on Investment (percentage)	Net Profit after Tax	Average Capital	24%	14%	75%	Higher net profits driven by better price volume leverage, timing of raw material market pricing compared to cost, higher sales and production volume in Hard Metal segment.

(*) Further explanation is provided for any change in the ratio by more than 25 percent as compared to the prior year.

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

39 Regulatory information required by Schedule III (cont'd)

(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.

(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.

(ix) 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.

(x) 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.

(xi) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or prior year.

(xii) Title deeds of immovable properties not held in name of the company

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 3A to the financial statements, are held in the name of the company except below:

Relevant line item in the Balance Sheet	Description of item of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or relative of promoter / director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the company
Property, plant and equipment	Land – Plot number 108, 109 and 110, Tumakuru Machine Tool Park Industrial Area	215	KIADB	No	May 25 2026	The land has been allotted to the Company on a "lease cum sale basis" by KIADB. The "lease cum sale" deed is in the process of being executed. However, the Company has obtained possession of the land with effect from May 25, 2026.

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

39 Regulatory information required by Schedule III (cont'd)

(xiii) Utilisation of borrowings availed from banks and financial institutions

The Company has not availed borrowings from banks and financial institutions during on current or prior year.

40A Audit trail

The Company uses an Enterprise Resource Planning (ERP) system that includes an audit trail feature, which can be enabled to log changes to financial data. This audit trail feature was operational throughout the year for all relevant routine transactions recorded in the ERP. At both, the application and database levels, certain users have privileged access to operate the ERP system. Changes made using such privileged access at the application level (e.g., through debug access) are not captured by default in the ERP audit trail. Further, the audit trail of the changes made directly at the database level captures only modified values and not pre-modified values.

40 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.

40.1 Property, plant and equipment

Tangible assets

The Company's accounting policy for land and other property plant and equipment 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.

40.2 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.

40.3 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 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.

40.4 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.

40.5 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 (if any) are presented in Balance Sheet by deducting the grant in calculating the carrying amount of the assets

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

40 Other accounting policies (cont'd)

40.6 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.

40.7 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.

40.8 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.

40.9 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.

40.10 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

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

40.10 Foreign currency translation (cont'd)

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.

40.11 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.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

40.12 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle present obligation at the end of reporting period, taking into account the risk and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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.

40.13 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

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

40.13 Financial instruments (cont'd)

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.

Classification of financial assets at fair value through profit or loss

The Company classifies at FVTPL certain financial assets like debt investments (bonds, debentures and mutual funds) that do not qualify for measurement at either amortised cost or FVTOCI.

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.

40.14 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 33 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.

40.15 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.

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-

Notes to the financial statements as of and for the year ended June 30, 2026

(All amounts in ₹ millions, except share and per share data unless otherwise stated)

40.15 Fair value measurement (cont'd)

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.

40.16 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.

40.17 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.

40.18 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.

40.19 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.

40.20 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.

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 13, 2026

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

Venkatesan Vijaykrishnan
Managing Director
DIN - 07901688
Bengaluru
August 13, 2026

Amit Laroya
Chairman
DIN - 00098933
Bengaluru
August 13, 2026

Suresh Reddy K V
Chief Financial Officer
Bengaluru
August 13, 2026

Anupriya Garg
Company Secretary
Membership Number - 18612
Bengaluru
August 13, 2026

The C2Win Team's Super Minute League brought colleagues together through a series of high-energy micro challenges, fostering teamwork, camaraderie, and healthy competition.



Kennametal India celebrated National Safety Month and other safety and environment days, reinforcing its commitment to sustainability and employee well-being.



As part of our inclusion efforts, we launched "Real Talk," a storytelling series that provided employees a platform to share authentic experiences and perspectives.



CSR Employee Engagement

'Protect our Planet' initiatives at Kennametal India's Regional Offices- Chennai, Pune & Gurugram



Gurugram

Wall painting and Seed-ball making activity by employees of Gurugram Branch at Jhod Darbarepur Badshpur Community Park, Gurugram



Pune

Planting of 150 saplings and seedballs made by employees of Pune Branch at Sahu Maharaj Vatika, Pune





Chennai

Beach Clean-up activity by Chennai Branch employees at Ashtalakshmi Beach, Besant Nagar, Chennai - 17 volunteers; 50 Kgs of trash removed



WIDIA 100

Celebrating a Century of Solutions That Work as Hard As You Do

WIDIA pioneered the first commercial applications of tungsten carbide cutting tools over 100 years ago, delivering hardness and durability comparable to the strength of a diamond. Ten decades of real work in real shops with tooling that doesn't stop until the job is done.

Let's Get To Work

Reliable Cutting Tools for Every Machine Shop