

KENNAMETAL INDIA LIMITED

TRANSCRIPTS OF THE 55TH ANNUAL GENERAL MEETING OF KENNAMETAL INDIA LIMITED HELD AT 12.00 NOON IST ON WEDNESDAY, NOVEMBER 11, 2020 THROUGH VIDEO CONFERENCING

B ANJANI KUMAR:

Good afternoon shareholders. On behalf of the board of directors of your company. I have great pleasure in extending a warm Welcome to all of you, to this 55th annual general meeting of Kennametal India limited. I also extend a warm welcome all the directors of the company, the Statutory auditors, the secretarial auditors, the cost auditors and the India leadership team who have joined us for this meeting through audio visual means. In view of the unprecedented and the extraordinary times that we are going through, caused by the COVID 19 pandemic. We are convening this 55th annual general meeting of the shareholders through audio visual means. For the 1st time ever in the history of Kennametal India limited. We do hope however that this will not be required next year and the world will be free from this pandemic well before that. However, I suppose every hurdle every obstacle also presents an opportunity and this way of communicating with our shareholders is actually an opportunity also to enable us to connect with a larger number of shareholders living in different parts of the country who can participate virtually without having to take the trouble or risk of traveling. Before I proceed any further, I'll request Mr. Naveen Chandra, General manager legal and Company Secretary to provide the safety briefing and the general advisory to shareholders who have logged into this Virtual AGM. Over to you Naveen.

NAVEEN CHANDRA:

Thank you, chairman.

Safety briefing: This being a virtual meeting, all shareholders, attendees to the meeting are requested to take care while handling electrical wires and pluck points. You're requested not to let leave wires hanging or pluck points with switch on unattended. Request you all to maintain the right sitting posture while you're attending this meeting. For the directors' personal, administrators who are present in this meeting through in person, I would like to appraise you that this is accurate with 2 exits. One, to your Left and other to your right. In the event of any emergency when communicated to move out from this fall please use both exits to avoid overcrowding and to reach the safe assembly point, which is just opposite to this particular building near the flag post. If you were to take the exit to my left please proceed ahead and take the left opposite the elevator to locate the downstairs, the downstairs takes you to the ground floor and the safe assembly point is near the flag post opposite to this building if you wish to use the exit to my right after you land Down the stairs take a left, walk for about 5 meters to reach the safe assembly point please be careful while getting off the stairs as to avoid slipping and or falling. In view of the covid 19, I

wouldn't recommend using handrails by using the stairs. The First Aid medical health is available, close by and the occupational health centre. I would also appraise would like to take this opportunity to pass on a few instructions to the shareholders and attendees by participating in the virtual AGM. The chairman Mr Anjani Kumar will lead the proceedings of this meeting. We would commence with the chairman speech, and this will be followed by presentation by Mr. Vijaykrishnan Venkatesan our managing director. After the presentation by MD, the chairman will take us through the proceedings of this meeting as detailed in the notice convening this AGM. The chairman will be answering those questions, which we have received from the shareholders by email, on or before November 2020. This will also be followed by Q&D session, wherein, I will be calling out the names of the shareholders who have registered themselves for speaking at the AGM in the order in which we have received the request by email. Apart from this we will also be attending to those questions, which will be posted by the shareholders in the question-and-answer box made available on the portal. The members are requested to mention their name their folio ID or client ID while typing their questions in the question-and-answer box. All shareholders are requested to kindly make sure that they are on voice mute until requested by the panellists to unmute themselves. We request those shareholders who have registered themselves to talk with the AGM to position themselves in a place where there is pleased background noise. The Register of directors and key managerial personal and that shareholding and register contracts arrangements in which the directors are interested and available, these will remain accessible to the members Electronically for inspection, if they so desire. Members seeking to inspect such documents can send email as mentioned in the notice. This being a virtual AGM proxies and not entitled to attend this meeting and there will be no voting by show of hands as per section 107 read with section 108 of the Companies Act, 2013. As required under section 108 of the Companies, 2013 the company has provided remote E voting facility to the shareholders to cast their votes electronically in respect of all businesses mentioned in the notice. Members who are currently attending the AGM virtually shall be permitted to exercise their right to vote using the E voting facility provided they have not cast their votes using the remote E voting facility. The members who has already cast their votes prior to AGM using the remote E voting facility will not be able cast their vote again. The combined results of remote voting and the votes cast by shareholders who attended this AGM will be declared on or before November 13, 2020 on the BSE limited website and also on your company's website and now, I request the chairman to proceed to resume the proceedings of this AGM.

Thank you.

B ANJANI KUMAR:

Thank you, Naveen, before I do anything else I would 1st like to introduce all of you the new managing director of your company Mr. VIJAYKRISHNAN VENKATESAN who is seated here my

left and who has taken over as the managing director of Kennametal India limited with effect from 17th of September 2020.

Mr. VIJAY comes with 22 years of experience in strategic and operational leadership globally experience in working across various industry verticals including infrastructure, automotive, construction, mining, oil and gas and General engineering industries, Vijay handle responsibilities at 3m India limited, including being the vice president of abrasive system division, the vice president of strategic planning, Executive director and safety and graphics business, Business Development manager, Asia Pacific region - Personal safety division, and most recently as the global portfolio leader called disposal respirators at 3M. Welcome to the board Vijay and we wish you all the very best for a very successful Tenure as the MD of this great organization.

I would be failing in my duty if I do not also take this opportunity to thank Mr. BC Rao who retired from the MD post with effect from 16th of September 2020. We will always remember his significant contributions to the company and wish him all the very best for his retirement and for any future endeavours that he may take up.

Mr. Vijaykrishnan:

Thank you Chairman.

B ANJANI KUMAR:

Thank you, Vijay. To the left of Mr. Vijaykrishnan on that side to the left of Mr. Vijaykrishnan we have Mr. Suresh ready the CFO of your company and to my right I have with me Mr. Naveen Chandra the Company Secretary of your company joining us virtually on this webx platform. I have with me, my colleagues and independent directors Mrs. Bhavna Bindra and Mr. Vinayak Deshpande who are participating in this meeting. We also have this is Ms. Colleen Cordova and Mr. Parmeshwar Reddy attending the meeting from the US, and from Singapore, my warm welcome to each one of you and I request each one of you to kindly announce your full name announced the place from where you have logged into this meeting and confirm, if you have with you, the annual report and the notice and convening the AGM. Confirm if you can hear us and see us clearly and lastly, confirm that nobody else has access to the proceedings of this meeting other than yourself from your location. I will now request each one of the directors to kindly go through this procedure. May I start with Mrs. Bhavna Bindra. Bhavna could you kindly go ahead.

BHAVNA BINDRA:

Good afternoon. This is Bhavna Bindra I am logging into this meeting from Mumbai my residence. I confirm that I have the annual report and the notice convening the AGM. I also confirm that I can see and hear everybody clearly and I confirm that nobody else has access to the proceedings of this meeting other than me. Thank you.

B ANJANI KUMAR:

Thank you, **Bhavna**, Mr. Vinayak Deshpande please.

VINAYAK DESHPANDE:

Good afternoon. I am the Vinayak Deshpande taking this meeting from my residence in Pune. I confirm to have received the annual report and the notice convening this AGM. I confirm that I can hear and see all of you very clearly and I also confirm that I'm alone attending this meeting from this location. Thank you

B ANJANI KUMAR:

Thank you. Mr. VINAYAK DESHPANDE, Ms. Colleen Cordova

COLLEENJ CORDOVA:

Hello, this is Colleen Cordova. I'm taking this meeting in my residence in Galesburg, Marlin, USA. I have the annual report, and the notice. I can hear and see you all clearly and only myself has access to this meeting.

B ANJANI KUMAR:

Thank you, Colleen. Mr. Parmeshwar Reddy

PARMESHWAR REDDY:

Good afternoon, everyone. This is Parmeshwar Reddy taking this call from Singapore office. I do confirm that I have received the annual report and notice to the AGM. I can hear all of you very clearly and I can see all of your clearly as well. I do confirm that no else has access to these proceedings of this meeting other than myself. Thank you.

B ANJANI KUMAR:

Thank you very much. I now request Company Secretary. Mr. Naveen Chandra to confirm the quorum of the meeting and the corporate representations received.

NAVEEN CHANDRA:

The company has received 2 valid corporate representations for 1,64,83,680 Equity Shares aggregating to 75% of the paid-up capital of the company. The total shareholders who are present in this Virtual AGM is 54. I kindly request the chairman to proceed to call the meeting to order as we have adequate quorum.

B ANJANI KUMAR:

Thank you, Naveen. The required quorum being present, the meeting is validly constituted and I call the meeting to order. With the permission of the members present. May I take the notice convening this annual general meeting as read.

Thank you.

I will now request Mr. Naveen Chandra the Company Secretary to read the forward-looking statement.

NAVEEN CHANDRA:

Disclaimer on any forward-looking statements that will be made during the meeting. Members are requested to note that certain forward-looking statements will be made during the course of this meeting that involves risks and uncertainties.

The company undertakes no obligation to publicly update or revise any forward-looking statements, whether, as a result of new information, future events, or otherwise. Actual results performances or achievements could differ materially from those expressed, or implied in such forward-looking statements.

Members are cautioned not to place undue reliance on these forward-looking statements that speak only as of that dates. I now request the chairman to take forward the proceeds of the meeting.

B ANJANI KUMAR:

Thank you, Naveen. Dear Shareholders since you have the annual report with you with my message, I will not waste everyone's time by reading out the whole thing again. But I will be failing in my duty if I do not highlight some of the key parts of the message today. There are 3 points that I would definitely like to mention here to you personally, and to bring it to your attention.

Firstly, as you know, the financial year 2019-20 has been a very disappointing year for the Indian economy with the GDP growth coming down quarter on quarter and ending and just 3.1% for the Jan-March quarter. In the case of your company, it was even more of a problem as the companies quarter from April to June was very severely affected due to the lock down announced by the government. As a result, of the covid crisis. As a result, your Company's sales revenue came down by 25% compared to the prior year, the last quarter Q4 of your company's financial year was almost washed out. The bottom line was of course affected even more adversely as the fixed expenses and several overheads can never come down correspondingly in the short term. I'm sure the MD will explain this better to you in his coverage of operations for the year.

The 2nd point is that I wanted to mention to you here today was that there were quite a few changes the board of directors during the financial year starting with the retirement of the past chairman. Mr. Prakash on 3rd, November 2019. After he completed his 5-year term as the chairman of the company.

Then Mr Alexander Rhodes resigned from the board effective from 30 to June 2020 as he left the services of Kennametal Inc to pursue other prospects.

Thirdly as I mentioned the short while ago, was that Mr. BC Rao, the MD of the company retired on 16th of September 2020 after completing his term as MD of the company.

I would definitely like to take this opportunity to thank all of them for the very significant contributions to the company during their tenure and wish them all the very best for the future. I will be failing in my duty if I do not take this opportunity and I do it very happily very gladly to welcome Mr. VIJAYKRISHNAN VENKATESAN again who has taken over as the MD of your company with effect from 17th of September 2020. As I also mentioned earlier Mr VENKATESAN has an excellent track record of professional achievements in excellent companies and I'm sure that he will lead the company to much greater heights in the years to come. Is here with me today, as I mentioned earlier, sitting to my left and I wish him all the very best on behalf of the entire board.

VIJAYKRISHNAN VENKATESAN:

Thank you.

B ANJANI KUMAR:

Finally, the last point that I would like to mention is something that I have great pleasure in doing, I would definitely like to take this opportunity to Sincerely thank all our esteemed customers, Distribution partners, Suppliers and Bankers who have stood by us for so many years and decades. My sincere thanks also all our employees for the hard work and diligent efforts even during these most difficult days. To my fellow board members for their guidance and support many thanks and to all of you Dear shareholders for your loyal support to the company over so many years and decades. I'm very happy that many of you have been able to join us today for this virtual AGM. I wish, I could have met you and thanked you personally. But unfortunately, the circumstances do not permit that but I'm still very glad that you have joined online, and I really appreciate the trouble that you have taken to do so I will now hand it over to the Company Secretary to take us through the agenda items one by one.

I think Naveen what we can do is, if we are, okay, I will request our Managing Director Mr. VIJAYKRISHNAN VENKATESAN to give you an overview of the performance of your company for the financial year ended 30th of June 2020. Vijay Over to you,

VIJAYKRISHNAN VENKATESAN:

Thank you, chairman.

Good afternoon. I would like to extend a very warm welcome to everyone who have taking time to join Kennametal India's 55th Annual general meeting. So warm welcome to everyone was made it possible in this difficult time to join this meeting. Before I provide an update on the operations of your company, just a reminder on a disclaimer on any forward-looking statements, which probably would be made as part of this update and I would take the opportunity to once again remind about the disclaimer on any forward-looking statements that might be made during this presentation.

Your company at a glance, your company was incorporated in 1964 headquartered out of Bangalore. We have 2 businesses, one is the hard metal products and the other one is a machine solutions group. Both as been very successful over the years. In being relevant, staying relevant with the customers, growing as well as contributing to the productivity improvements and serving the customers are best in their endeavour to serve their customers.

In the financially year FY 20 your company finished the year with the turnover of 705 crores or 7050 million Indian rupees. Your company today has 800 plus employees, we served today more than 1500 customers through 300 plus channel partners. Your company continues to strive its best to stay relevant. Beat environmental initiatives, like protecting our planet. Beat the safety for both employees as well as our customers, as well, as any initiative, in terms of maintaining our own standards, any of the regulations and statutory requirements, which are required in the country and globally. With this backdrop like, to step into the environment, what we live in. Thus, all of you know, the past few months has not been easy for any of us.

In December, 2019 what Started as a small epidemic in Wuhan, China grew to our massive propositions to be defined as what we call a global pandemic. WHO defined this as a global pandemic in March 2020 and it has its repercussions over the last 3 quarters. Starting with China, then spreading to Europe then to US and then to India over the months. The pandemic created have just not in the business continuity, but also in personal lives of every citizen of every country around the world. Briefing to more specific to what happened in India. The government impose lockdowns to prevent the spread of this virus along with it came the hardships of slowdown in manufacturing sector, slowdown in service sector leading to economic contraction, not only it was employee economic contraction. We also witnessed employment losses as well as loss in

revenue, both for companies and individuals at large. The chart from our ministry of statistics explains this way better in terms of our GDP contraction what happened in the quarter of April to June, this is probably the 1st time India witnessed steep contraction in the GDP of close to 23.9% unprecedented and I never witnessed in the past several decades in the country since we started measuring GDP. What this meant is between April and June, every sector irrespective of what sector any, any part of the economy was involved, had an impact due to the lockdowns and the pandemic.

Now, going to be one step further into IIP or what we call the industrial production index IPI. With that, it clearly explains the quantum of dip in the manufacturing activities in the country. More than just a percentage DIP, the graph explains the quantum and volume in terms of the purple shaded space, what we are showing. A percentage is usually a starting point, but when we look at the volume of impact it's extremely large. India being a large automotive manufacturing base one of the large markets in the country, this contraction also impacted severely the automotive industry.

I'm going to a little more depth. This talks to our financial performance in a little more detail this is a busy chart. Here we have explained to sectors, very clearly. One is the passenger vehicle production data and the other graph talks about the two-wheeler production data. This data is from CM, clearly articulate the impact of lockdown between the period of April to June, when virtually the production was completely halted and a slow revival, which happened within the month of May and June. During this month is just not the production of the OEM which are impacted it had a cascading impact on all the tiers of players be it tier 1 tier 2 or 3 suppliers.

There are a lot of industries, which support automotive industry like, steel manufacturing or rubber or plastic industries, which everybody together has a cascading impact on the slowdown, which also impacts the end use demand for your company's products.

With the advent of the pandemic, we did cover about the details of the GDP drop. I spoke about a drop in the manufacturing index contraction, which impacted IPI more specifically spoke about the contraction in the automotive production which happened between the period of April to June had a severe impact in your company's quarter for performance. In terms of sales and a service ability to the customers. The contraction of Q4 impacted the full financial years performance to a large extent with sales contracting to an extent of 25.4% and profit before tax contracting to allow 62.9%. This is a pretty saviour impact due to a Environment that we live in and factors, which we had limited control over But I'm pleased to also inform in the last 4 years your company invested close to 280 crores in efforts towards modernizing facilities in Bangalore, and all of them have been done through internal accruals.

Here I'm referring to a more detailed chart of your company's performance over the last 5-year period. We were in a very nice I would say very nice growth path over the last 4 years before we encountered the slowdown in the automotive sector, and the impact of covid 19 pandemic, which resulted in a decline in sales in FY 20. The impact of top line dip resulted in a drop in the PBT, increase in working capital due to the lockdown and strain on liquidity and cash flow.

When we had an impact in sales, I'm pleased to inform your company's machine solutions group, which is our capital business which supplies pretty much to a wide variety of industries withstood the environmental pressure and performed extremely well, the decline was in single digit percentage, and was able to meet a lot of customer requirements in spite of lockdowns and pandemic, so one of the reasons for us, showing this slide is to embark on the point, the diversification what we have done over the years has helped us mitigate some of the risk as we see consumable businesses go down during the pandemic.

With the backdrop of FY 20 performance. We now want to take a look at what your company is doing. What we are seeing as the environment that we live in. How it has changed and what our outlook is in the short term to medium term. Now, as we look into the into the economy and the market, we live in. We see a lot of green shoots coming up these leads us to believe there is a reason to be a little more cautiously optimistic. The 1st, good news. What we are seeing is the covered 19 infections in the country. This refers to the graph on the right bottom corner where you're seeing the daily infection rates coming down in the country, the declined rate has been 14 per cent week on week for the last 3 weeks, it's a huge positive for a nation of our size, and this leads us to believe that there is chance for the economic revival to sustain. Well, this has been reflected extremely well in our financial markets or Sensex as a rebound and it is shown the positivity and the confidence of economic activity, coming back as well as confidence in the earnings for the next 2 quarters. When we look at the GDP predictions, which is on the left top corner, we saw severe contraction in 1 quarter, coming back to zero level. Then the, most of the economists have been projecting the GDP of the country to get into a positive zone. A similar trend is also seen in the IPI The contraction level and quantum has been dropping month on month, we did see a huge recovery in automotive production in the last 2 months. We need to wait and see how sustainable this is. Given the pandemic is still not out and we are still living through the pandemic. One needs to be a little cautious on how the overall economic activity will continue.

I want to take a few minutes and explain. What your company is doing to continue to stay relevant in the market, be relevant to the customers and how do we continue our operations given that we still go through the pandemic and the uncertainties of the economic outlook. First and foremost is to keep the employees of your company safe. I'm very happy to inform that your company has taken several measures which has helped in business continuity it has helped in our operations

since the beginning of I would say May, which is post lockdowns. we have been having uninterrupted operations at Bangalore site.

The 3 key activities, which we have done the First, one is training and awareness, two is creating a safe work Environment and Third one is increase the use of personal protective equipment.

Your company has also taken several initiatives to be relevant to the market, the first being the focus on customers, given the environment that our sales teams, or commercial teams are found it very difficult to reach to customers. We have leverage technology platforms to make sure that the customers continue to be engaged. Customer service continues uninterrupted. While we are doing this continuous engagement with customers. We're also focusing on productivity solutions. The productivity solutions include launch of new products read hard metal products like eboarding solutions or inserts, which work on, or milling cutters While we continue to stress the importance of new product launches. Our team continues to work with the customers on electronic platforms to ensure the communication as well as the trials are done effectively.

Your company's machining solutions group did launch 2 products in the last financial year, which has found huge impact with the customers as well as improving productivity of the, at the customers end to stay relevant in the increasing and more competitive work environment. We have highlighted through products here one is an EcoGrind version and the second one is a vertical turning machine or upgraded version, which was introduced last year.

Now I coming on to a very interesting and exciting part of a global solution, which was introduced last year what we call as Nova platform. This enables a digital experience for all our customers and becomes more relevant given that a face-to-face interaction has been very limited. What we are doing currently is to give the customer a digital end to end solution where a customer picks up a product simulates the performance. As our ability to order the product online. Get it delivered and see the performance physically. So, these kinds of solutions enable us to be relevant to the market. As well, as to make sure the disruptions due to covid is not impacting the way we work with our customers despite all the lock downs and restrictions which have come through.

When they touched upon the revival of economy, I spoke a little bit about how we worked with our customers. We spoke about new product launches, which is all more towards how do we drive growth. While, we talk about growth we should not lose the fact that the economic activity is still a little slow and there is a need to continue to stay on top of operational excellence so we stay true to our operational excellence, your company continues to stay focused on simplification and modernization efforts. Your company continues to work on cost control measures your company continues to work on several six Sigma projects to make sure that we stay on top of our cost control measures and deliver very strong financials. With this, I would like to also take an

opportunity to share some of the good work your company has done in the area of corporate social responsibility. Has shared in the past AGMs and as discussed in our annual report, your company continues to work on three strategic pillars.

One is a promotion of technical education.

Two in the area of Kennametal in the community.

Three to Protect our planet

It's always a proud moment when once sees the kind of efforts leading to results in areas of corporate social responsibility as well as community service.

We've covered your one slide with pictures, which shares some of the effort which was done by your company in the last financial year. We did sponsor some of the Meritorious students in technical education. The company was involved in a fight against covid. Be it supply of PPEs or Promoting education in the space of protecting your planet.

Last, but not the least I also like to take this opportunity to introduce all the shareholders as well as everybody on this meeting to a very experienced management team, which has, led this company during crisis the last several months are being a testing period for your company. I want to take this opportunity to thank the India team for its support and effort during the times.

Thanks Mr. Chairman.

With this I come to the conclusion of my presentation I also like to take this opportunity to thank each and every one of the Shareholders, our Suppliers, our Customers, Bankers, Auditors, expert advisors and all our employees for their continued support, especially in at times, which we witness, it has never been an easy path. So, a heartfelt thanks to all our supporters and your trust in this company, thank you.

B ANJANI KUMAR:

Thank you, Vijay, I would like if I may now move on to the specific agenda items mentioned in the notice of the AGM. I would like to put up the 1st matter of ordinary business mentioned in the notice and that is to receive, consider and adopt, the audited standalone financial statements of the company for the financial year ended 30th of June 2020 together with the reports of the board of directors and the auditors, they're on. and B, the audited consolidated financial statements of the company for the same financial year together with the report of the auditors there on. I understand from the company secretary, the voting has been happening on line and we will

therefore, not pause now for that the results of the voting will be announced to the stock exchanges and on our website I think by the 13th of November. There being no qualifications in the auditor's report, the need to read the auditor's report does not arise I repeat there are no qualifications in the auditor's report, and therefore we are not reading out the report.

We can now actually move on to the question-and-answer session, we have received a lot of questions from our shareholders. There are couple of things that I want to mention before we actually before we get down to answering those questions. The first is something which I had mentioned last year also and I would like to repeat it, we perhaps the only listed company, marketing the hard metal products and the WIDMA special machines in this country. Being a listed company, we already disclose a substantial amount of information to the public through the stock exchanges, whether we like it or not none of our competitors are listed companies and therefore, most of the information as far as they are concerned is confidential. Now, in this situation, if we go ahead and answer all the detailed questions that we have received from our shareholders many of them are very detailed asking for very specific information about products about how much of each product we sell, how we go about it, etc, answering these questions and so much of detail will actually be detrimental to the interests of your company and I would therefore request you to kindly bear with us if we don't answer all these questions, and as much detail as you wanted it. However, we will answer your questions to the extent that as possible.

Secondly, we also noticed that we had received a lot of common questions from several shareholders, so instead of going through each question separately what we thought was that some of these common questions from shareholders. We could give you a reply all together and I'll request our Managing Director, Mr. Vijaykrishnan Venkatesan and kindly cover answers to these important common questions that we have received from several shareholder. After that, if required, we can also get down with certain other specific questions, if required. Thank you, Vijay, over to you.

VIJAYKRISHNAN VENKATESAN:

Thank you. Chairman.

There are several questions what we have in group, the first, one is on the topic of Covid 19 impact. Like, we have explained in the annual report on the financial performance, the impact due to covid 19 locked down have been very severe during Q4. Not only did we lose sales but there were fixed cost which couldn't be recovered the impact on profitability was occasion by margin on sales lost plus under recovery of fixed costs in manufacturing and other areas. We also incurred additional covid 19 preventive and safety measures across the plant, the cash flow has been impacted largely due to the lowest sales of the business as well as shut down of various plants across the country. Which impacted consumption of our products. Even prior to that there was a

general slowdown in the economy from October 2019 itself as by the drop in quarter on quarter, with eventually ending at 23.9% drop in GDP in the last quarter of our financial year, there are questions related to market outlook which we will answer now as a group. With uncertainty surrounding the market outlook and in end customer confidence in covid 19 situation being read Corporate are taking cautious approach on the outlook.

So, any prediction or any direction on how the next few months will pan out in relation to the end user demand is something which needs to be seen. The next area of Questions were grouped under the impact of Government business in the light of localization incentives of Central Government. Your company being an Indian company, the localization efforts by the Government is expected to have very minimal impact on our current operations. It may be noted that the procurement by Government is dependent, not only on local may but on a number of other elements, including mandated by the alliance of machine manufacturers, technical prescriptions and pretty much a lot of it will be a performance based evaluation. Hence, the impact is expected to be minimum on your company. There are questions related to new product developments, the details of new product lines introduced during the year, and the review are made part of the annual report. Kindly refer page number 14. Moving to confidentiality. Kennametal will not be able to provide the information on the percentage of revenues emanating from the sale of new products.

However, we closely monitor this and ensure good growth comes from new products launched in the last few years. The next segment applies to the machine solutions group where there are some questions from the shareholders associated with it. As you will be aware the machine solutions group but a significant opportunity due to the regulation changes of BS4 in the BS6 in the last few years which has driven high sales which held the company perform better during the period of 2018 to 2019. This was a one-time opportunity, such opportunities keep coming for us, but what the business does is to stay relevant and continue to stay focused to be winning in such opportunities, there things related to modernization and capacity enhancing. The simplification and modernization programs are aimed at staying relevant in the market appears, including capacity enhancements, productivity and quality improvements. The total investments for the last 4 years is about 280 crores, out of which 100 crores is towards modernization and capacity enhancement. We believe that these investments should aid in keeping pace with our competitors, the full investment in capacity enhancement is not complete. We have slowed down some of the capacity building initiatives due to covid 19 situation and drop in volumes to conserve cash. Ss soon as the situation improves, we will proceed with the completion of capacity enhancement projects, with this, we expect the capacity to increase by 50%. The questions related to exports, and this would be our answered for all questions related to the exports Kennametal believes in manufacturing in the country for markets and hence all capacities that are being built to meet the domestic market demand and being relevant to the local customer

requirements. However, any surplus capacity based on global planning, our capacities can be leverage for exports to service requirements in global markets.

The next area of questions who are related to raw materials and production. So, we'll address one by one. One of the questions are related to importing raw materials. All cutting tools players in India generally import cyanide and carbonate from outside India and prices of these imports are driven by international metal markets. The company sources from the best available suppliers to meet the requirements from time to time. In terms of localization of production. That was the 2nd, the next question, the company regularly evaluates a need for localization of products and investments are made accordingly, the localization strategy is to make sure that we stay relevant in the market. It's also to make sure that we service the customer requirements herein India. Depending upon the viability of return of investment. We undertake localization of these products. Till such time, we ensure that we import the products from other facilities in Kennametal group companies to meet the customer requirements.

There were a set of questions, which are related to cost reduction initiatives that your company had taken. To answer these set of questions would be, the company undertook major steps to contain costs, including savings and employment cost. Which included savings and account of incentives amounting INR 15 crores and savings from other non-employment costs, including travel, seminars, advertising and depreciation, which, which came to INR 13 crores. We expect at least 50% of the employee wants to be sustainable. The sustainability of non-employment related cost would depend on covid 19 situation going forward for this year and the need to incur such expenses towards business growth will be evaluated as economic activity as well as our outlook towards business growth. There's a question related to reasons for increasing information technology charges from 1.8% of sales in FY 19 to 3% of sales and FY 20 The percentage increase is due to depressed sales during 4th quarter, however the business of sharing of cost across the entities remains the same. The reasons for absolute value increase is due to multiple reasons. Including increase in overall infrastructure cost due to drive and automation and other projects. Most of the IT costs going towards license subscription fees-based model. Payments being attached to building IT capabilities in manufacturing, HR activities, CRM and so on, so this completes some of the questions which were sent to us via email by our shareholders, which we have grouped, and since there are a lot of questions or comments, we try to address them as one.

B ANJANI KUMAR:

Thank you, Vijay. I think that has covered. Quite a few important, but common questions that had come up from several shareholders. Before I invite the shareholders to post any further questions that they may have I would request the Company Secretary to read any questions received from the shareholders.

NAVEEN CHANDRA:

Thank you again chairman.

We've answered all the questions that we have received via email, till November 3rd, 2020. The management was considerate, we did not go by the deadline indicated in the AGM notice. But we also took those questions that came up there after until, as much as November 6 and November 7, 2020. We have attempted to collate all the questions and I believe that being well addressed by Vijay.

Now the second mode in which the shareholders can post questions is by opting to register themselves to be a speaker at this AGM. We have 15 shareholders who have registered to talk in the AGM, I would be calling out the names of each of the shareholders in sequence number the sequence number has been intimated to them personally, by email saying, this is your sequence number 1, 2, 3. The 1st sequence number the shareholder's name is Rajat Sethiya the Folio number ends with 928691 I repeat the shareholder's name is Rajat Sethiya and the Folio number ends with 928691.

I also inform you that the shareholders are also entitled to post their question in the Q&A Chat box which option is made available.

B ANJANI KUMAR:

Mr. Rajat Sethiya you may kindly speak.

RAJAT SETHIYA:

Hi, am I audible?

B ANJANI KUMAR:

Yes, you are.

RAJAT SETHIYA:

Thanks for the opportunity. Sir here goes my questions so the first question I have is about the sales made over the last 2 years how has that changed in terms of auto and non-auto. Within the auto If it is possible to share the dependency on any particular segment of auto sector like commercial vehicle or passenger vehicle and then the other question is about Managements efforts to reduce the dependence on the auto sector and if at all, this is possible I mean, as per my understanding, I think, 60% of the Machine tools, industry components are used for actually automobile, but just wanted to check if there are any effort from the managements and to reduce the dependence on auto sector if that is possible and, where do we see ourselves in terms of non-

auto mixes of revenue over the next couple of years, the other question is on the competition as we understand, and you have also rightly mentioned that in the annual report, that competition has been intensifying over the last few years and some players actually, almost all global players are entering India. So, questions, related to competitions are, are we seeing any pressure on pricing and hence a margin because of that. Has our market share deteriorated over the years because of that? And what exactly is our strategy you know, which we are deploying to combat this competition. So, the other question is on the ready to margin and new product mix so I think our new products makes the products that we have launched over the last 5 years revenue contributions from such products stands at 40% and I think it's been pretty consistent for some years now, however despite that we have struggled to in terms of our margin profile, we have a little bit struggled over the last few years. Was that because of the poor demand environment or was there something else? Because as we understand new products, usually fetch high margins. The other question is about the current capacity utilization levels. When I say current time will be on the overall annual basis, what kind of utilization did you operate at in the financial year 20. And with the current capacity, what kind of revenue if we operate the current capacity at its optimum utilization, what kind of revenues can we generate. Do we have any more expansion plans on the cards? The other question is about the parent entity does the parent entity also have any other business operating in India besides this listed entity? And, finally on the machine tool segment, machine segment had reported around 20% margins on the segmental reporting and those 20% margin, I think was one of the best for the company for this segment in last many years so would want to understand what led to that and are those margins sustainable and what is the attraction in export market for Eco grind machines? I think that was one growth area that we had highlighted in last annual reports So, anything on that would be helpful and, and just one more question on the electric vehicle and its threat. So, how do we see, are we positioned to supply tools to the EV industry, how do we see the threat? If at all for us, coming in from the EV sector, that's about its sir. Thank you so much.

B ANJANI KUMAR:

Thank you. Mr. Sethiya, What I will try and do is answer some of your general questions and a couple of specifics, I will request the managing director to reply to you.

So, Mr. Sethiya, you know, I'm going back to what I said earlier and I hope you will understand questions such as your first one on how much we sell to the commercial vehicles sector. How much we sell to the Passenger vehicle sector these are very detailed questions they are confidential and frankly, if we start disclosing such information publicly it will be detrimental to the interests of the company. So, I would request your understanding for not going into such detail.

In terms of reducing our dependence on the auto sector yes, we are definitely working on that by looking at other important growth areas, such as the aerospace sector. We are moving ahead

well on that and we have several good products to move ahead in that sector. As far as, the parent entity is concerned. I can confirm to you that the parent entity does not have any other operations in India other than Kennametal India limited, and as far as the threat posed by electric vehicles is concerned. Yes, it will be an important area of competition going ahead. But in my personal opinion, and there are various opinions on this it is not likely to become a serious threat at least in the next 5 years, but we are always keeping our eyes open for this, we are tracking the growth of vehicles in the EV sector, especially the two wheelers and the three wheelers. But frankly, we don't see a major threat, at least over in the short term. Definitely not in the short term, may be 5 years from today, but we will gear up for it as soon as that is required. Vijay if you can deal with any other specific questions that Mr. Sethiya may have had.

VIJAYKRISHNAN VENKATESAN:

Thank you, chairman. Just adding to what the chairman answered there are some questions related to exports or EcoGrind or new products so I would touch upon those, our new products as any good organization we continue to measure products, which are launched just in the last few years, hence, as you mentioned Mr. Sethiya 40% that's a very healthy makes me continue to see where there are relevance and continue to address those requirements to make sure we have a very healthy new product vitality index. In relations to EcoGrind exports, I don't want to give details, which could be confidential in nature. Given the disruptions in the exports market because of the pandemic. There has been I would say, in terms of relative opportunity, there has been a shift. Would be continue to work towards building this business in the coming years.

In terms of, I think the last question which it was related to a competition, any pressure on pricing. Your company continues to work towards, towards margin expansion plans by staying relevant to the customer requirements. Now the way we do this is continuing to launch new products either it could be from the kennametal stable globally or products, which we localize and offer. The whole approach of new products being introduced into customers in India to drive productivity solutions, enables us to maintain relevance to the markets that we operate in stay ahead of the competition in India as well as expand margins. Mr. Sethiya we believe that between chairman and myself, we have answered all your questions, thank you.

RAJAT SETHIYA:

Sure Sir. Thanks

VIJAYKRISHNAN VENKATESAN:

Now I request the Company Secretary to let us know who the next speaker will be.

NAVEEN CHANDRA:

The next speaker is Aspi Bhesania, Aspi Bhesania with Folio number ending 23508 I repeat Aspi Bhesania with Folio number ending 23508.

ASPI BHESANIA:

Chairman, can you clearly hear me?

NAVEEN CHANDRA:

Yes Mr. Aspi Bhesania we can clearly hear you.

ASPI BHESANIA:

Sir, next year when physical AGM are going to held, I would request you to go for video conferencing also. So, we from Bombay have a chance to attend the AGM.

B ANJANI KUMAR:

Definitely consider that if it's possible to hold AGM in video conferencing also.

ASPI BHESANIA:

Also, sir why you are coordination is not there when the AGM is on Wednesday results are also at AGM which you didn't allow us to do. I'm sure the results will be bad that's why you're holding the board meeting after the AGM and lastly, assuming electric vehicles come fully what will be the loss of how much percentage is the last electric vehicles that start tomorrow I know that they will start before 5 years but assuming that, how much will we lose. How much income comes from auto and nonauto sector. I'm not asking for 2-wheeler and 4-wheeler breakup I'm just asking about auto and non-auto so thank you. And all the best.

B ANJANI KUMAR:

Thank you Mr. Bhesania as mentioned that having a meeting physically in our plant as possible. We will do that and we will also look at the possibility of doing it online so that you can participate from where you are. I'm not able to confirm it today, but yes, this is something that we will try and do. On The 2nd question I think it was about publication of the Q1 result. I can assure you that there was no such intention to hide the results. It doesn't make any difference, whether we let, you know this today or 2 days from today the board meeting as already intimated to the stock exchange is being held day after tomorrow on the 13th of November and the results will be announced to the stock exchanges on the same evening as required by the stock exchange regulations. Your 3rd questions. I think was on, what will be the loss if electric vehicles take over the market from tomorrow. I frankly have no answer for that let me see if this is the 1st time, I've heard this question. I don't have already answer for it. Let me see if our managing director Mr. Vijaykrishnan Venkatesan has a better answer than I had.

VIJAYKRISHNAN VENKATESAN:

Thank you Mr. chairman. It's a million-dollar question. There are several factors riding it, so it's very difficult to predict its impact. First from the adoption of the EV's in the industry because that falls a complete change in the automobile industry maker and also, what sector or automotive industry wouldn't EV vehicle replace? Wouldn't EV replace? a lot of questions more than answers, here Would I electric vehicle replace a commercial vehicle or a tractor? We don't know. So, it's going to be in our option of technology or time. Which will define the replacement curb of existing technology, which is a diesel or a petrol engine driven traditional automotive vehicle via EV. Over time we feel that it's we don't know maybe it's our lifetime or such an industry shift to happen. So, at this point Mr. chairman even, I can't guess how the outlook could be.

B ANJANI KUMAR:

So, Mr. Bhesania if you have the answer to that question, do let us know, we would be interested. We don't have a direct ready answer for that. But I think the question is still relevant because this is something that we perhaps need to start thinking about and prepare for it. In case, it hits us like lightning. Hopefully it will not. I think we can move on to the 3rd speaker. I will Request the Company Secretary to announce his name and folio number.

NAVEEN CHANDRA:

The sequence number 3 Shareholder is Deepankar Purkayasta with Folio number ending with 417188 I repeat Folio number 417188 Mr. Deepankar Purkayasta

DEEPANKAR PURKAYASTA:

Can you hear me.

B ANJANI KUMAR:

Yes, Mr. Purkayasta.

DEEPANKAR PURKAYASTA:

Okay, good morning and my questions are first of all during the year, the cash generated from operations decreased from, I think 108 crores to 50 crores. Of course, there was a decrease in profits, but I also note that there was a decrease in trade payables from, I think 126 crores to 57crores. So just wanted to know why have we paid off so much of our trade creditors. I mean, what do you want to support them or what was the reason for it. 2nd question is about these investment properties, which the company has at Mehsana and Bangalore with a total fair value I think of 48 crores. So, first of all what is the breakup between? Mehsana and Bangalore, Can you tell me. And then I noticed that last year the fair value of these properties was shown at 21 crores and this year it has been shown at 48 crores. In 1, it has jumped by, I think by 150% given

the current state of our real estate segment in this country. I just don't understand how this could happen. So, if you can clarify that and the other issue on this is, why are we not disposing of these properties when we have a stress balance sheet and we are unable to pay dividends to the shareholders? Why are we not disposing of these properties? Why are we holding onto that? And if you have a plan for disposing of this property, what is the timeline. My next question is on this 2-year working capital loan that you have taken from a related entity on which you are paying an interest, I think, of 7.55% now, Kennametal India is, I think, and A1 plus rated entity and if you had been taking 6 months and rolling it over, it would have been cheaper, substantially cheaper. I remember say 1 year back, those rates were 5.9 now they are 6.9 so you would have definitely been cheaper if you are taken CP and rolled it over. So, this is an expensive proposition to take the loan from this entity. Next question is on the machining solutions now, I heard from the MD that, the good, uh, business that we got under this segment was a one-time opportunity because of the transition from BS4 to BS6. So, that point is well taken. But I just wanted to know why we don't, uh, deploy in this segment abroad. Because my understanding of this business is that it involves a lot of collaborative effort involving visits of engineers and a discussion with the customers and interaction so, under the present coverage scenario, that would be constrained, but in the long run, we have any plans to develop this segment abroad given the cost competitiveness of the Indian engineers visibly engineers who are retained by Kennametal entities abroad. Next question on these traded goods I think currently the traded goods in the operation around 34% of the total revenue from operations for the past 2 years traded goods has hovering around 34%. So, any plans to reduce the share over the next 3 years. And my final question would be on these raw materials, Tungsten combined is our main raw material and I understand that it is almost entirely imported from abroad. So just want to know how much of that import would be specifically from China. And what has been the price string in respect of tungsten carbide for the past 3 years has it been going up? Or has it been going down? And what is your assessment of this trend in the pricing of a tungsten carbide over the next 3 years? So, uh, that is my question and my feedback, which I would like to give is, uh, being a non-Bengaluru base shareholder. All I have been a shareholder for some time, I could never participate in these AGMs. So, this virtual meeting has been very welcome. And I will very much like this system to continue. Even if you restore physical meetings from next year onwards uh, kindly think about, an interface session for external shareholder and that is non-Bengaluru based shareholders through to video conference, or say, 15 minutes or half an hour. It'll be very nice. Thank you.

B ANJANI KUMAR:

Thank you Mr. Purkayasta as far as a holding the, uh, AGMs, both physically as well as, uh, through the online mode as I mentioned earlier, we will definitely look into it. I'm not able to confirm to you today, but, if required, we will definitely do that, at the same time, if conditions come back to normal. We would definitely invite you to Bangalore. Please do come across. It's a lovely city with great weather. Many of your questions regarding the cash generation being lower. The

investment, and, you know, why are we not disposing them off? I will request our CFO. Mr. Suresh Reddy to kindly answer those questions and the question on the machine tools, the MSE group, the machining solutions I'll request Mr. Vijaykrishnan our MD to answer that Maybe along with the question on RM, Vijay you could take those two. Suresh why don't you go ahead with the other questions on the financial aspects?

SURESH REDDY:

Yeah, I will take on trade payables, then on the land and on the loan.

B ANJANI KUMAR:

Please, go ahead Suresh.

You might have to be a little louder.

SURESH REDDY:

Yeah. The best oh. Can you hear me? Yeah, first question on the trade payable so if you compare between your FY 19 and FY 20 one thing important, we should notice the covid 19 situation had really impacted our purchases had completely dropped off because it could not import everything people logistics and our requirements also due to the business being low, we never purchased. So, there is a no question of accumulated payables retained. The other important key element is during your FY 19, we had our major capex projects going on so, there were a lot of capex payable also during that time. As well, as a lot of for employee related provisions and benefits liabilities, which we had accrued during FY 19. In FY, 20 due to the poor performance lot of those things where, not existing has there is a big gap in the working capital a movement as well. Apart from the predominantly what was driving the cash flow was the profit generated out of the business. Due to low, poor performance of the business due to the reasons that was explained by our Managing Director. The second point on the land valuation. Okay, so this is not our factory land. This is we have one small land, which was earlier, used as part of very long back 2 acres of land. Opposite our facility but is not connected to our main factory land. So, that is being treated as an investment land, because it is not part of the factory land and there is a small piece of land in Gujaraj, which is very, very small. So, the valuation is predominantly driven by the land in front of our premises so if some time back, there was an NGT order, which was this is a close to a leg bed and if there was a ban on any development close to the leg bed, here's the market valuation for that piece of land was quite low, but after subsequently, there has been a revision in the guidelines and they have specified, uh, limit within which the landscape can be developed. Hence, the current valuation of that land has significantly gone up. So, if you remember, we are in the almost in the middle of the city today, because Bangalore has expanded beyond our limits as well factory limits so the valuation of land here is quite high. So, you were asking about why not deploy this and sell of course, yes, we are looking at this option and trying to position it, but then, uh, the

current market situation is not ideal enough for us to put it up, but we are exploring this as an option for these asset which currently are not used for manufacturing. On the intercompany loan so we do have a very arm's length pricing mechanism. So, we have a credit line approved by our Bankers. So, which is a bank, so we use that as a benchmark between what rate should be offered KSSPL because we have to pass through the arm's length principle. So, this is a very small, a temporary lot, because of covid situation, we wanted to make sure that we had adequate cash to support. Our regular running expenses as well as the projects, which we are ongoing. Though we could manage that and now, in month of October, actually, our cash flows have improved and we have cleared this loan and we are again back to zero debt, entity. Again, as what we were earlier. So, there is no longer an intercompany loan as well and we don't have borrowings Banks as well. So, we continue to support our investment activities? With our own internal generated cash flows. So, that's the three questions Vijay.

VIJAYKRISHNAN VENKATESAN:

There are 3 questions which are associated with our MSG business traded goods and RM so I would go one by one in the same model. Other question on solutions group was, uh, we did capitalize on the one time opportunity due to the regulation change in automotive industry and what are we doing for exports? We are selectively working on opportunities and in the past, we have one, few new businesses based on existing customers who have used a product, and there was a credibility with them in terms of their own satisfaction of using our machines so related other sites, we have exported our machines in the past and on an ongoing basis, we are working on opportunities, which are attractive. While making sure that we are not over stretching our resources in the current environment, being a pandemic and the lockdowns import impacting installations and service. So, to answer your question in summary yes, we are working on selective opportunities and we will continue to explore opportunities as they come for exports of the listing solutions business. The second question was on credit goods, any plans to reduce the extent of credit goods as explained during my presentation as well as in the summary we are selective about what we can localize it is driven predominantly by customer needs and our continuing expansion of relevance to the market, there could be products which can be given to a customer by sourcing it from our relevant Kennametal plant anywhere in the globe because that provides the best source of supply. So, in that manner, we make sure that we are competitive and also our agile. In terms of service capabilities to our customer. So that's a that's a global supply chain footprint. What we leverage. The last question was on tungsten carbide, we import multiple grades of powders from certain Asian countries and certain grades we also import from certain Kennametal locations. It depends on what mix and what locations based on prices the customer also was on do we see a trend. We don't want to provide any forward-looking statements on the pricing trends of key raw material for manufacturing but is linked to, I would say, in terms of the globally published data on current days prices of these materials. I think we have covered with that all the customers.

B ANJANI KUMAR:

Thank you Vijay We have several other shareholders who wish to speak. So, I think we should move ahead. I Request the Company Secretary to announce the name of the next shareholder who has registered to speak.

NAVEEN CHANDRA:

Sequence number 4, Santosh Kumar Saraf, I repeat Santosh Kumar Sarav Folio number ending with ending with 18019 your number ending with 18019 Santosh Kumar Saraf.

SANTOSH KUMAR SARAF:

Namaste

B ANJANI KUMAR:

Namaste Ji

SANTOSH KUMAR SARAF:

Can I speak in Hindi

B ANJANI KUMAR:

Yes, you can

SANTOSH KUMAR SARAF:

It will be good for me Sir; My English is weak anyway. Hon'ble Chairman, the Directors and members presented through this Video Conference Meeting, hello all of you, I am Santosh Kumar Saraf, I hope our Directors, staffs and eight hundred employees and their family are doing good and healthy. I have sent a letter to Naveen ji, maybe he has got that, it was written in English so that he can understand it better. I have asked him about cost cutting, Director's fees cutting to prevent Company from Covid pandemic.

B ANJANI KUMAR:

Saraf Ji, can you speak slowly. If you speak fast, it will be difficult for us to understand.

SANTOSH KUMAR SARAF:

I understand Sir, but the thing is we get only 2 minutes to speak that's why it has become a habit for me. Okay I will speak slowly. I had given letter to Naveen ji and he must have got it and I have written that in English so that he can understand the same. I have asked in that about cost cutting, If the company cut the salary of employees, staffs and Directors then the Company will have some savings Sir. Apart from this I have mentioned, cost cutting of Managers also and I have also asked

about the future plan of the Company sir. If company has done any job cutting or salary cutting then please do update on this Sir. Also, sir. Apart from this I have asked about Management and to improve the image of the company Investor relation exercise like, trunk call, quarterly presentation, meeting with foreign and local investors if it is done regularly, it would be better. And my biggest concern is for female employees sir. Sir, there are only 13 employees out of total employees. This comes to 1.5% sir, you also know that now a days women are progressing in all the fields sir and our finance minister is also a woman sir. The labour law also permits women to work at factory and it is the duty of the Company to provide proper safety. The women empowerment will benefit the society. Please do consider this in future sir. Apart from this, you don't have disabled employees out of your total employees which is very surprising. Sir, pls gave some chance to disabled employees as well. Sir, at page no. 66, there is a disputed matter which has been mentioned, request you to explain the same in detail and a last request, please convene the meeting virtually which gives me an opportunity to attend the meeting from anywhere like for instance I am in Kolkata and am able to talk and able to see you and also an advantage of the same is that one of your Director has joined from Singapore and the other from USA which is all because of video conference meeting. This also helps in saving lot of money, please consider the requests.

Also, from next year please provide a highlight of the financials, it's difficult to read and interpret such long financials and which will save time.

I will not take much time here; I wish the Company reaches great heights and pays dividend to the shareholders next year.

Jai hind! Jai Bharat sir. Namaskar to all of you.

B ANJANI KUMAR:

Saraf ji, Namaskar.

You have highlighted us many important matters and suggestions, on these we have already working on few of your suggestions and also on gender diversification, your company is already in process of increasing female employees and to support this the company had established a child care centre, so that the female employees who cannot leave their child at home, can come to office where their child will be taken care at child care centre. We will consider this matter and try to improve this idea and in our board has a lady director Mrs. Bhavna Bindra she has also promoted that idea and she has a lot of ideas about this and with her help we will try and continue the progress, thank you so much for giving this idea to us.

Your second question was about COVID you are right because of COVID a lot of opportunities has increased and also our Prime Minister of India has also spoken about manufacturing in India. We also keep that in mind and we are confident that is COVID issues will be sorted out in few days and by next Diwali we will celebrate normal Diwali for sure, maybe before the next Diwali depending on the vaccine availability you had also asked a question regarding job cuts and salary cuts. Yes, our employees have also participated in this and that employees also have taken a salary cut in this difficult situation. But immediately once the normalcy is restored maybe at the end of this calendar year, we will start paying normal salary again to our officers and managers. They've cooperated a lot with the company for accepting salary cuts which is ongoing but the company's confident by the end of the year we will definitely be able to restore the normal salary and we are trying very hard as we are seeing the economic environment improving, Saraf ji. There is a time shortage and I am able to answer your questions to your best possible satisfaction and we would like to apology if I'm not been able to answer something. Please do come to Bangalore and come to meet us when you are in Bangalore thank you.

B ANJANI KUMAR:

If we can move on to the next Shareholder who wishes to speak

NAVEEN CHANDRA:

Next shareholder is Santosh, sorry Vaibhav Badjatya folio number ending with 57076.

VAIBHAV BADJATYA:

Hello, can you hear me Sir.

B ANJANI KUMAR:

Yes, we can Mr. BADJATYA

VAIBHAV BADJATYA:

Yeah, thanks for providing the opportunity and I will be quick.

Sir you know, most of my questions are not related to any, competitive issues which you cannot disclose. It is more on a generic type more on the raw material side. So, I just wanted to understand that what is the percentage of imports of our tungsten carbide? I mean, what is the total sourcing and the percentage of imports in the total mix, because, you know, as I understand that the China is actually the global hub of tungsten carbon production so, I just wanted to understand from that perspective then, uh, that what would be the alternative. In case, some unfortunate circumstances happen with China. And what is, you know, domestically is it any tungsten carbide available? And if it is available, is it more on the recycled form? because there are one or two plans for recycling of tungsten in India, so just wanted to understand, domestic

availability is it more from the recycled piece of it? Rather than the raw tungsten carbide and you highlighted that it was pricing of the raw material is based on the international benchmarks. So, can you name one or two international benchmarks for us to understand and track regularly? I'm not asking for any Outlook or Future projection, just one or two international benchmarks so that we can just have a look at the benchmark and see, actually what is happening in term of pricing and lastly, you know, I have noticed from your financials and from one of the company's financials, which is not 100% comfortable to yours but there's a company that which is, which is also, which also uses raw material similar to yours I have noticed that whenever, you know, the domestic sourcing of tungsten carbon increases there is a pressure on ground cross margins because of that. So just wanted to understand why this happens and what drives this shift from global sourcing to domestic sourcing and back and forth. Apart from apart from the pricing. So, yeah, these are kind of questions and apart from that, I think most of the things you have answered. So, that's it from my side and these you can answer by point by point.

B ANJANI KUMAR:

Okay, yeah as far as the raw material is concerned, um, unfortunately, it is not available domestically in India. There is no source available domestically and therefore this has to be imported and this has to be imported from certain East Asian countries. As of today, there is no alternative for that and, therefore, to that extent, yes, we are dependent on these East Asian countries for the raw materials, what is available Locally, and to some extent from some parts of Europe and in India, it's basically the recycled raw material. It is not the original coming to the other specific questions. I think I'll request our MD to answer it.

VIJAYKRISHNAN VENKATESAN:

Specific too there was a question in terms of global market pricing. How do we track one of the areas or suggested tracker of what you can look at would be the European free market price to you, which would be able to give you the daily price trends. That's one area. The other area we just talked about this, the chairman has already covered in terms of, source of supply, it's multiple countries. We just want to reiterate because we already covered this answer. It's beyond China, there are multiple countries in Asia, which is a source of supply for tungsten carbon, but beyond which we also use specific mixes, it may not be just the raw material. We also depend on the group company supply zones. It could be Kennametal US or Europe so we leverage multiple Source of supply to make sure we are not over dependent on any one country I'm not sure if there any other questions so.

B ANJANI KUMAR:

I think you covered the specific ones. Naveen, can we have the next shareholder?

NAVEEN CHANDRA:

Shashikant Marathe, Shashikant Marathe with Folio number ending 1142

CENTRAL DEPOSITORY:

He is not present.

NAVEEN CHANDRA:

Not present. Okay, we move on to the next shareholder Vinay Binde with Folio number, ending with 796790.

Not available.

Okay. The 8th shareholder with sequence number 8 Anuj Sharma Folio number ending with 98133, 98133.

ANUJ SHARMA:

Am I audible?

VIJAYKRISHNAN VENKATESAN:

Yes

ANUJ SHARMA:

Yeah, Thank you to the management for conducting the way you've conducted this AGM appreciate it. I have a few questions you have been answered, so I'll not touch up on them but there are few which I'd like to highlight upon. Our margins have increased strongly from 9% in 2017 to 16% in 2019 in hard metals and again machine tools also the same level the best increasing in 10 years. What, and how what is led to this margin and is this sustainable going forward? second is what percentage of our sales are standardized and how much is customized solutions? the third is, you know, we sold the mining and construction business tool division to Sandvik in 2011. Are we planning to re-enter this segment again? And do we have a non-compete with Sandvik? And if we are that over, many have touched upon raw materials so I have not, but you know, one question on export many players have used India as an export base some, in fact, are near as completed as a 40 to 50% revenues from export. What structure advantages does Kennametal have in India in exports and can we ever go to these numbers of 40, 50% export. The last 2 question is, how important is product introduction for our company. What percentage of revenues have come from product introducing the past 3 to 5 years. And my last question is, what is the revenue breakup between Kennametal brand and the Widia brand. I'll appreciate your replies Thank you so much.

B ANJANI KUMAR:

Mr. Sharma as far as the breakup between the Kennametal product and the Widia product is concerned unfortunately, this is rather confidential, and we would not like to disclose that, uh, our business, as, you know, is a B2B business and a lot of this information is a rather confidential I can only assure you that in time we track this very, very regularly, almost on a daily and weekly basis. So, therefore, both are of great importance to us, but please understand that we are not able to disclose such information. As far as the margins is concerned your first question, I'll request a CFO Mr. Suresh Reddy to answer that.

SURESH REDDY:

Okay, between 17 to 19 and in some of our best performing year was 18 and 19 we had a really good utilization of our manufacturing capacity, both the hard metal aspect as well as our machining solutions group. So, with the BS6 orders also added. We had a very good mix of products with a high margin growth in the machining solutions group plus, the hard metals also, manufacturing was that its peak with a good amount of capacity utilization. Hence the overall benefit of various cost actions that we took plus the actions on utilization of the capacity gave us this improvement, what you are talking about, in the performance over the years. Last year has been really impact due to the last quarter impact due to the covid 19 plus last quarter also being weak because of the economy itself going slow in our country, so I hope that explains on the margins. Of course, once the market comes back, and if we are able to utilize the capacity, I'm sure to look at improving our performance from 2021.

VIJAYKRISHNAN VENKATESAN:

A couple more questions, one was that on what percentage of our sales come from standards and what's on customised? we would be little restrained on answering that question given. It's also competitive intelligence in terms of what is a mix between and some solution I hope we have your understanding on that. To answer the last question, which is related to mining and constructing tool business to Sandvik 2013 to re-enter that segment once again, we are not at liberty to make forward looking statements and again, this is more the nature of Confidential business information, so we would appreciate your understanding on this.

B ANJANI KUMAR:

Maybe, what I had mentioned is that as part of our overall business yes, we do supply to the mining and construction tool sector. We do have supplies here. Naveen move ahead in the interest of time.

NAVEEN CHANDRA:

Veena Chandrakant Patel with folio number 31424, Veena Chandrashekar Patel

VEENA PATEL:

Am I audible?

B ANJANI KUMAR:

Yes, you are.

VEENA PATEL:

Good afternoon, everyone just a few broad questions. First of all, as the earlier shareholders have asked what has our current proportion coming from the auto segment and the chairman also has touched upon the new areas that we have been focusing on, like, aerospace. So, like, that, we have some more segments that we have identified just to rediscover which are currently to the auto sector. Secondly, how has been the progress on the expansion of the Distribution network and how far we will recover the key target locations just to make us the PAN India player and the third question out of the total budgeted how much have you put on hold because of the current slowdown just to get an idea of how much we could be spending in the next couple of years once the situation normalizes and finally with the capex which is on hold, I'm just referring to go to your Capex on the activation of the automation, so how we can look at the situation normalizes. How would be the operating profit margins provide, going ahead, once the situation normalizes with all the initiatives, and the cases that you have at the I would like to know what that. Thank you.

B ANJANI KUMAR:

I'll request our MD to reply to you Mrs. Patel.

VIJAYKRISHNAN VENKATESAN:

Good afternoon, Mrs. Patel thank you for your questions the first one was our sales mixed from non-auto segment. Rather than giving a specific percentage given its also competitive intelligence. I would give them directionally in terms of how have we been executing on our strategy of diversification? And lowering our dependence on auto sector, we have been able to make great breakthroughs in areas of aerospace, infrastructure, defence, General engineering customers, which is much more spread out. This constitutes when one looks at manufacturing, I would say IPI 40 to 45% comes from general engineering and that's where our focus is and that's what helps us to mitigate some of the dependence of auto sector. So, directionally our company has been working towards it and year on year, we are being able to move the needle towards diversification and making sure we mitigate any risk on the vagaries of automotive industry. The second question, I think the first two questions were related to the mix of automotive and second was what is a growth on non-auto. So, I guess I've answered both in relation to the expansion of distribution network and as indicated in my presentation today, we have more than 300 channel partners the expansion of channel partners is kept in tandem with the expansion of market, if any new markets, which are opening up on an annual basis we do a review of where do we have the gaps? Where do we have the growth opportunities to make sure we reach the customer and win

new business. So, this is a dynamic, ongoing approach and on an average one can say the expansion could range from 4 to 6% In terms of capex, expansion plans. Once again, as indicated earlier in my presentation, we have slowed down the investments due to the covid. We would an appropriate time as the businesses come back. We would be looking at executing some of the projects what we have already put in the plan to give a range this should be anywhere between 50 crores spread over to two financial year.

SURESH REDDY:

Evaluate on an annual basis, depending upon our plans and the market requirement where we need to invest and then put it up into the annual plans and proceed further. So, this is just an indicative figure out what we could look at, possibly have the existing projects. But then always would be other projects as well when we go into the planning stages.

VIJAYKRISHNAN VENKATESAN:

Thank you, Suresh.

B ANJANI KUMAR:

So, can we move on to the next shareholder? Please.

NAVEEN CHANDRA:

Dinesh Kotecha, Dinesh Kotecha with Folio number ending 0564. Dinesh Kotecha.

DINESH KOTECHA:

Can you hear me. Good afternoon and am I audible?

NAVEEN CHANDRA:

Good afternoon, Dinesh.

DINESH KOTECHA:

Am I audible? Am I audible?

VIJAYKRISHNAN VENKATESAN:

Yes

DINESH KOTECHA:

Good afternoon to all of you. Sir several of my questions I've been asked by all the previous speakers mainly Deepankar ji and some other speakers have asked in detail all the macro question which I wanted to ask. Now my questions are few. You are saying of cost cutting, if you see your employee cost should not be more than 12% of sales, that is the first thing you must

ensure. Secondly, other expenses not be more than 16% of the sales. Now, these 2 fingers because of this two because there are extensive payments made to the employees and also the other expenses are expended going beyond 20%. There are two areas where you must focus to when you say cost cutting sir and in this particular way, and this particular area, what have you done in this current covid situation? I would like to know sir. So, secondly, on page 68, if you see the Capex working progress is 32.10 crores in the balance sheet. I would like to know how much has been incurred in the first 4 months after the balance sheet date, and how much is planned for the next 8 months now. Also, you know, what I find is that, you know there is mission statement, there is no vision statement, no 10 years financial highlight chart is there. I mean, I was not very happy with that and the presentation in the presentation, which was 2 months old, it was of August 2020, it should have been October 2020 the presentation which you made on the PPT because there's a deviation in that. You said in the presentation that the EPS was 41.13 last year where as in the balance sheet is 39.24 current year It is a 14.79 and in PPT its 15.42. In spite of having such EPS you paid dividend last year of 2 rupees but currently year you skipped dividends now many of the multinationals we just skipped the dividend in the first or the second quarter they are compensated very nicely and handsomely to the shareholders please think in this particular regard also. And, you know, what was the broad discussion in the board for not being dividends other than covid fear and uncertainty I would like to know that. I mean, multinational should have confidence in the future and also listening to the other speaker and doing my own analysis I think in the last 5 years, we have done a lot of things like in 2011 your solar mining division to Central Asia there are other things also Widia also you wanted to form a separate company and then sell it off and then you cancel that deed. I mean, can you do a SWAT analysis for the last 5 years? What went wrong with the company or what is going what has gone wrong? And how do you rectifying that situations that I want to know. Sir again, you know what I'd like to say is that, on page number 15, if you take it out page 15 I received the balance sheet on request I was very happy about it. The last paragraph under financial performance at the bottom. The company has initiative various actions to contain costs. I mean, again, I always told in detail the two ideas, but again, what are the specific areas you have? What in mind and you are working on that, cost savings? I would like to know that Sir.

B ANJANI KUMAR:

Okay.

DINESH KOTECHA:

Sir, Sir one minute, one minute, one minute Sir, page No 18 there are some 2 or 3 queries, specific queries. On page 18 under the corporate governance chart for Prakash M Telang date of appointment you have said first tenure, at least the date should have been mentioned. You cannot write first tenure I mean; I'm not agreeing with that particular point. It should be specific Sir. Your BSR I appreciate on page 54 also I appreciate the last 4 pages, which are given the depicted your

CSR activities by way of colours. So that that is convincing more convincing. Yes, on page, 66. And there are so many cases, you know, which are disputed under various laws. What is the up-to-date position of that? I would like to know that. And sir I'm not happy because many of the cases we are taken 2 or 3 cases separately. Every year cases should be given separately by the auditor. Every year should be taken separately, we cannot merge from 15 to 18 17 to 19. I mean, we don't get figures for every year then in that case. Please be Very specific to give answers to me, sir. And lastly all the very best and several of the questions you want a large answer to all the previous speaker you're saying, because of confidentiality competition, etc. 90% of the answers. You're not given, sir, which we want which the shareholders want. Other than you do one thing for the last 5 AGMs, whatever question answers have been asked, you make Q&A and give it printed in the balance sheet. So from next year, that will be better. So, that questions will reduce many companies are doing the Q&A is the last 5 years, and give me a SWAT of the last 5 years. So, thank you very much. Wish you all the best.

B ANJANI KUMAR:

Thank you Mr. Kotecha. As far as replying to the questions is concerned whether we like it or not, I will have to reiterate that certain questions are confidential. They are very detailed and in the interests of the company, in the interests of your company Kennametal India limited we will not be able to disclose or give you replies in that much of detail, it will actually be against the interests of the company to do. And it is our duty as the board, and the management of the company to make sure that the interests of the company are protected. Therefore, if some of the answers have been general, I'm afraid they will continue to be that way. That is something that we are not likely to change. And I will be very definite about that. Coming to the dividend and why the dividend was skipped I think many of our shareholders have also asked us why the cash generation was so low by the cash generation came down by almost 50% in financially year 19-20 for your company. I think that itself answers your question about why the dividend was not declared for this financially year. The drop in the cash generation has been answered by the CFO earlier and I will just reiterate that it was almost entirely because of the you know, the fact that the economy is slowed down from October 2019 onwards and then in Q4 the company received a massive hit in terms of both its revenue and its profitability. In those circumstances and in lieu of the fact that the capital expenditure had to be stored and has to be taken forward going ahead. The cash has to be consumed and therefore, very unfortunately this year we had to take a difficult decision, not to declare a dividend. As things pick up, as things get back to normal, and we see quarter on quarter results, which are steady, and which are growing, we will definitely get back to a situation where we will be able to declare dividends again to our value shareholders. Your question on the SWAT analysis, let me confirm to you that this is something that we do regularly within the organization, all the details of that we may not be able to share with you today in the AGM. But this is a standard practice that the company has, and we are doing it diligently in terms of a couple

of things, which might have been missed out in the annual reports, such as the tenure chart I'll request the Company Secretary to kindly explain that. Naveen, I mean, could you take up that.

NAVEEN CHANDRA:

Sorry, at page number 19 Mr. Dinesh mentioned that on the column number 4 wherein we were saying, date of reappointment we are saying it's first tenure so, the original date of appointment of Mr. Telang was 4th of November, 2014 he was eligible for a term of 5 years, and he completed one tenure. So, there he was not eligible for reappointment. So, the date of the reappointment cannot be there, because he was not reappointed was that only for one term and that's exactly where we have said, first tenure similarly for Mr. Param Reddy and Colleen also, we have done the same thing so, it's not an error it is the factual position.

B ANJANI KUMAR:

If you would like to know when Mr. Telang retired that was on 3rd of November last year after yeah. Completed his term as the chairman

NAVEEN CHANDRA:

That is also mentioned in the adjacent column 3rd, November 2019.

B ANJANI KUMAR:

I think there was one other question. That you had regarding the cases and the mention of the cases here on here, we will definitely take that sub matter up with the statutory auditors and if that is statutorily required, that is mandated, then we will definitely have it done. We will definitely look into that. If it is mandated to be required, we will definitely do it. I'm sure the auditors have already looked into it and what we have presented is, well, within the regulations and what is allowed. But we will double check with them in view of your concern. I think we need to move on Naveen Can we move to the next shareholder

NAVEEN CHANDRA:

Bagyam the next shareholder with Folio number ending 10607. Bagyam

BAGYAM:

Is it audible?

NAVEEN CHANDRA:

Yeah.

BAGYAM:

Yeah, thank you so much, few questions. See, it's important to the shareholders to know where, which is our largest revenue contributor by sector right? I mean, that's very important that is confidentiality at least a request for the chairman and the management as responsible Leaders to give an indication clearly that what has been the revenue contribution from the largest segment which is transportation over the last 3 years right? And I say confidential, if you can actually go and ask your competitors obviously they would know what is your contribution from the top, right? Because there will be talent moving from one company to the other. It is not difficult for them to get that information and what are we going to do with that information we are just want to know with it is at 70 or 80% or 60%. And with that information, even if you give it to us, it's not going to be detrimental to the organization as the people in the dais would know. I think it's important for shareholders to know what is it? Right, we are investing. And if we don't know what is the largest thing it doesn't do well and given the transparency at which the global organization is giving this information at a broader level in a range. I don't know why you want to hold it so close. I think that's something which I want to make a comment on. The second thing is that the second question is that if you go back to your presentation during which you may during the OFS at the time you, you were quite nice to give the information. You mentioned that the addressable market one is called metal working market, which you said around 2300 crores and the market share was 16% and in the wear market, you said 300 crores, the market share was 24%. Just want to understand how the industry grew. Where do you stand? and this is very general information, I think it's not detrimental to the company. You can actually give that information. The third question is, if you look at your domestic sales either in machine solutions or hard metal products would like to know what is the apex sales for the customer? What does the capex? You something which they would incur on a yearly basis. It's a metal consumable right? How much is of your machine solution? Is an apex for the customer and how much is capex so that how much of hard metal is apex and what is the capex? I think this is also information, which you can actually share. The next question is that you have dealers and you actually sell to the OE like the tool room of the OEs right? What is a broad mix between trade and non-trade for you right? Again, this is a number with any marketing person of your competitor would have and as shareholders, it's not, we're not going to do anything with this information if your competition may already have it. So, if you can just give what sale goes through trade and what doesn't go through, trade that is one, coming to exports, right? Does global parent have any specific targets to procure from low-cost countries like India? Does the Indian management get measured on exports from India? And what is a specific strategy for export, if I look at the global annual report of your firm, there are only 3 locations where Widia tools are being manufactured one is in Massachusetts. second, is in Israel and third is India. And when there's almost 200 million dollars of Widia sales, only 10% is made from India. Now, is that a strategy intent to actually increase it, where does it fit in at a global scheme of things, right? Is the Indian management is incentivize, or the KRA Is there for exports? And what is the overall importance of this Because there are only 3 places in the world Widia is manufactured, and then it's important to understand that. Now. you talked about capital

expenditure to modernize and last year you also mentioned in your annual report there are 58 crores are being spent based on cash flows and another 16 crores has been, is there in terms of pending right. So, are we done with the capex? because we wanted to make all our plans, and the best in class, are done with the capex? What does the maintenance capex? whether it's all the plan are modernized, you talked about 50% as run rate. Whether that 50 crore oh, how much is the maintenance capex and how much is the non-maintenance capex right? And I think the other questions for fairly answer. So, if we can just touch upon some basic questions, like, how much is the largest revenue quantity data? I think it is not confidential the way in which you portray it. Because it's not like minute please try to understand a trend, whether it is like, 60% of 40%. And, as I said, right the competitor will have this data anyway and then on the OFS, you mentioned metal working, brand marketing, how are you thinking about what is the apex related capex related you know, what is the trade mix and non-trade mix and what does that strategy for exports? And there is also a decline in exports to China and Europe. How much is recurring in nature in those exports? Is it that it just fell and then it doesn't. I mean, how do we look at it as a decline in exports in Europe and China. Thank you so much. You've been very kind and you've been answering every question your CSR expenses have been really, really good. Very few companies in India are able to match the CSR expenses. Thank you so much and all the best and hope you revive the salary expenses for all your employees back to the normal and also pay the arrears. Wish you a fantastic future and happy Diwali.

B ANJANI KUMAR:

Thank you Mr. Bagyam we wish you also a very safe and happy Diwali. In terms of the broad logic that you gave about confidentiality, and to what extent it is required. Unfortunately, I would beg to differ from you on that. The reason is that if some of our ex-employees have been hired by our competitors and are today working for our competitors. And if our competitors have taken any information from them, unfortunately, there is nothing much that we can do about it but going out on our own and providing such important information to our competitors when it is not statutory when it is not mandated is something that we would not like to do? I would think it will be a little foolhardy on our side to be just providing it very freely. If they have their own sources, if they have their own ways of getting that information, let them. But then they will never know whether they are right or wrong and if they are right to what extent they are, right? We would not like to give it to them on a platter. And I'm saying this in the interests of your company, as far as the machining solutions, the hard metal and the machine tool business is concerned I think fairly clear that as far as the machines are concerned, the special purpose machines that we make more than 90% of it I would say, perhaps even more than 95% of it would be capital expenditure for the customer. Whereas when you are talking about the hard metal products that we manufacture such as the inserts, etc they would basically be consumables as far as the customer is concerned. I think you had a one, in terms of which sector is, the largest contributor to us that I think is fairly well known. It's common knowledge that it is auto sector but if you would like us to tell you, whether it is 40%

or 60% or 80%. I would prefer not to Mr. Bagyam, I would request you to please understand our situation, but yes, it is definitely one of the largest contributors. General engineering is also very, very important to very large and I think we also mentioned this. Export strategy, I'll request our MD to give you some information.

VIJAYKRISHNAN VENKATESAN:

Thanks Chairman. Mr. Bagyam there are three questions which I have noted down. Most of your questions have been answered the by the chairman one was on the exports the way we look at it there were two other questions related to exports from your end. one was what is our export strategy? The other one was how does the global business look at India as an export hub. Now, given that Kennametal, you refer to three plans of Widia, but just to remind the Widia is a part of Kennametal Inc. So there are more than three plants and the way the global supply chain and sourcing strategy works is the most technologically advanced plan for a particular product line and the best cost position is used as the source of supply to make sure globally we are competent and win in the marketplace, so the export started for the global market would be defined by how one plant could be positioned well and that's something which is done on an ongoing basis and it's always being relevant to a particular country. So, I'm not at a privilege to share at this moment, the details of global strategic plan on sourcing. The second, part of your question was, what are we doing about exports as explain both of my presentation and answer related to the MSG business or mission solutions group, we have been selectively looking at export opportunities and we have been taking measured steps to make sure our business sustainable as well as we develop infrastructure to continue on the direction what we have put for 2 or 3 years back. Your company has been successful in some of the initial work what we have done and you would continue to stay the course especially for MSG business and continue on this effort once the markets come back. The last one I guess, was on capex between what is replacement or what is maintenance and what was invested for modernization, I give you an example with data on FY 19 We have invested 112 crores out of which roughly 16 crores was the replacement, and the balance went into Capacity and capability expansion, so that's pretty much would give directionally what kind of split between maintenance and expansion investments have happened for your organization, I think with that we have completed all the questions.

B ANJANI KUMAR:

Naveen, can we move on to the next shareholder.

NAVEEN CHANDRA:

Before I call on the next shared shareholder Mrs. Manju Lada I would kindly request the shareholders to keep the questions as brief as possible ideally, not more than two to two and a half minutes because we have 2 other shareholders who also need to post their question to us. I

fully appreciate your understanding on this the next shareholder's name is Mrs. Manju Lada Folio number, ending with 12930.

CENTRAL DEPOSITORY:

Sir she is not present.

NAVEEN CHANDRA:

Sure, sure Thank you. The next shareholder as Mr. Pulkit Sekhsaria Folio number ending with 375574.

CENTRAL DEPOSITORY:

He is not there.

NAVEEN CHANDRA:

Pulkit had asked a few questions and managing director has answered them, you know, at the very beginning. We had received those questions via email, the next shareholder is Shamsundhari Folio number ending with 43064.

B ANJANI KUMAR:

Shamsundhari please.

NAVEEN CHANDRA:

You may have to unmute yourself Shamsundhari.

B ANJANI KUMAR:

Maybe the shareholder is not present

CENTRAL DEPOSITORY:

Sir, she's present, but I don't know why

B ANJANI KUMAR:

Can we move on to the next order in the interest of time.

NAVEEN CHANDRA:

Mr. Viraj Kacharia is the next shareholder in the interest of time, we are moving on to the next shareholder Viraj Kacharia in the meantime, if we are able to reach out to Shamsundhari and if she's able to talk, we can, we can listen to her as well, Viraj Kacharia in the meantime.

VIRAJ KACHARIA:

Yeah. Thanks for the opportunity and really appreciate the company taking efforts and answering questions of all the shareholders. These are very specific questions, persons we talked about us investing close to Crores and capex and apex for years. So, when can we expect returns to start accruing us from this apex that is one, second you know, again, you highlighted that auto dependency for a company is quite high so, as a part of diversification, the government is launch a PLI scheme for electronics consumer durables. So, do we see any plans? Do we have any plans to capitalize on this? Is that a growth opportunity for us. And in the annual report, we talked about infrastructure, aerospace and defense about being sectors, which are quite in decent spaces, but high growth potential. So, what are the indications we're now seeing cross these sectors in steel do we now supply to all the tier one major. And what kind of market share we will have in each of these sectors right now. Parent has around a new structure of combining Widia and Kennametal brands. So, what implication has for us in India. And last question is to new MD, and you can share your vision for our company, what are the strength weakness you've seen the company and what are the top 5 priorities areas you're spending your time on. Thank you very much.

B ANJANI KUMAR:

Thank you Mr. Kacharia I'll just take one of the questions that you raised on the PLI scheme in my understanding, the scheme is basically for the electronics hardware industry, and therefore frankly we may not have much to do with it even if it is there, it'll likely to be small. Question on capex. And the 50 crores and the returns from that capex internally, I can assure you that we have a very very strong system of monitoring capital expenditure there is an approval process first and then, once it is all done a few years later, we even have a post audit of this capital expenditure. So, there is a very rigorous follow up and monitoring on the capital expenditure. As far as the return is concerned, and from when the return can be expected. Normally, speaking, I would expect most of this capital expenditure to start yielding returns from about 12 months after the capital expenditure is implemented. Then after is when it will actually start showing us the returns. Initially it is likely to be a slow growth, but it picks up after let's say, about 3 to 4 quarters once it is commissioned, once the capital machines are Commissioned coming to certain specific sector wise, the questions that you had on steel, etc yes, many of these sectors, the steel sector, the power sector they are all, you know, serviced both by our hard metals division as well as our infrastructure division so they are serviced all of them are sort of part of our customer portfolio. I don't think I have missed out anything else have I Vijay?

VIJAYKRISHNAN VENKATESAN:

And there was also one more question for me.

B ANJANI KUMAR:

Yeah. Please go ahead with it.

VIJAYKRISHNAN VENKATESAN:

Yeah thanks Mr. Kacharia for a very pointed question. So, I would start with that and then go back to your questions specific to the steel segment, in terms of vision and what are the top 5 Things was the question. Now, the vision for especially given the role, what I have taken it would really increase relevance and value to all our stakeholders right? that's the high level I would start with our shareholders and customers and our employees. So, any activity or any plans, what we put for is to make sure that the all the three directions we increase relevance as well as make sure that we increase value as a brand for our shareholders and for our customers and our employees. So, what are the top 5 things what I'm focusing on in the near term. The most important at this moment is making sure our employees and their families are safe because we are running our operations all 5 days in 6 days, and our sales team and commercial team is out there in the field meeting customers where are required so, our top most objective is to make sure the employees are all safe and make sure they are following all the safety protocols and not putting themselves at any risk.

The second one would be to help our customers as they recover is extremely important that we stay with them as we grow along with them, but also make sure that they get the products what they need well within time with a lot of global supply chain disruptions as well as supply chain disruptions within India It's very important to make sure the customers have confidence in your company as a very label supplier so that is extremely important for us in a time when all our customers are coming back to their normal capacity and utilization. Slightly looking forward my focus would be to make sure that as a company we continue to straight forward in areas of safety quality, reliability in all aspects to a customer and look at us as a productivity enhancement partner for our customers, so at the end of the day, the way we create value to our customers is the end result is we create value for the company, so those are my priorities and I hope I have answered your question.

Specific to the steel segment your question was whether we are today participating in tier 1 suppliers, your company is today percent in all tiers of the steel segment, not only still across any market segment. We operate in tier A, tier B and Tier C of the market and we have products Which meet price points and value for the requirements of each Tier of the market, thank you. Mr. Kacharia for your questions.

B ANJANI KUMAR:

Thank you, Mr. Vijay.

NAVEEN CHADRA:

Thank you, all the shareholders. In the best interest of the time, I would request the chair to move on to the next items which is we have heard the questions from the shareholders. We have attempted to conclusively answer them I would request the chairman to just take us through the other agenda items mentioned in the notice which is two appointments of the directors and followed by material related party.

B ANJANI KUMAR:

Thank you, Naveen we can now move, on to the 2nd item of ordinary business proposed in the notice which is to appoint Mr Devi Parmeshwar Reddy with DIN number 03450016 director who retires by rotation and be eligible offers himself for reappointment. Are there any questions from the shareholders on this proposal?

NAVEEN CHADRA:

No sir not that we have received via the Q&A box or the emails

B ANJANI KUMAR:

Okay, thank you very much. So, we'll then move forward. I now move on to the special business lined up in the notice, convening the AGM. The 3rd item of the notice is the resolution pertaining to the appointment of Mrs. Bhavna Bindra with DIN Number 07314422 as a director and an independent director of the company. I would request the Company Secretary to please confirm if you have any questions from the shareholders on this proposal.

NAVEEN CHANDRA:

No question, sir.

B ANJANI KUMAR:

Thank you. The 4th item in the notice to the AGM is the resolution relating to the appointment of Mr. Vijaykrishnan Venkatesan as the managing director of the company for a period of 5 years effective 17, September 2020. I welcome any questions on this proposal and I'll request the Company Secretary to confirm if there are any questions which have been received.

NAVEEN CHANDRA:

None sir.

B ANJANI KUMAR:

Okay, thank you. We can then move on at resolution number 5 we have ratification of remuneration to the cost auditors of the company for the financial year ended 30th of June 2021 again, the Company Secretary to let us know if there are any questions on this.

NAVEEN CHANDRA:

No question sir.

B ANJANI KUMAR:

Thank you. At resolution numbers 6 and 7 of the notice convening the AGM we have material related party transactions with Kennametal INC and Kennametal Europe GmbH for approval by the members. I would request the Company secretary to read out any questions, which might have been received.

NAVEEN CHANDRA:

Nothing has been received for this agenda item as well Sir.

B ANJANI KUMAR:

Okay, thank you. There being no other questions members are requested to cast their votes using e-voting provided to them. I may also add again here that those shareholders who have already exercised their voting rights through the remote e-voting facility may kindly restrain themselves from casting their votes because as per law, such voting will be void. If you have any trouble in casting your vote please reach out to the registrar and transfer agents whose coordinates are made part of the notice, convening the AGM. I once again, reiterate that the combined results of remote e-voting, and the votes cast by the shareholders who have attended this AGM will be declared on or before November 13th, 2020 on BSE limited website and also on your Company's website. My sincere thanks to all of you for participating in this meeting and I wish all of you safe and happy Festival season ahead. Thank you Very much and with that, I would like to declare the meeting as concluded. Thank you.

VIJAYKRISHNAN VENKATESAN:

Thank you, chairman.

PARAMESHWARA REDDY:

Thank you, Chairman thank, you all.

COLLEEN CORDOVA:

Thank you, Chairman.