



Kennametal India Limited

(CIN: L27109KA1964PLC001546)

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

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Website: www.kennametal.com/kennametalindia

POSTAL BALLOT NOTICE

NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013

To
The Members
Kennametal India Limited
Bengaluru

NOTICE is hereby given, pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 (the "Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014 ("the Postal Ballot Rules") (including any statutory modification(s) and/or re-enactment thereof for the time being in force), to the Equity Shareholders ("the Shareholders") of Kennametal India Limited ("the Company"), to consider and if thought fit, to pass, the Special Resolution noted herein below by way of Postal Ballot/e-voting.

The Explanatory Statement, pursuant to Section 102 of the Act, pertaining to the said Resolution, setting out the material facts concerning the item and the reasons thereof is annexed hereto along with a Postal Ballot Form (the "Form") for your consideration.

According to Section 180(1)(a) of the Companies Act, 2013, sale, lease or otherwise disposal of the whole or substantially the whole of an undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking, requires the approval of the shareholders by way of a Special Resolution.

The Company proposes to incorporate a Wholly Owned Subsidiary in India (WOS) and further vest its WIDIA brand business ("Undertaking") into the WOS on an ongoing basis.

The Company is therefore seeking your consent for the said proposal as contained in the Special Resolution appended below.

In compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and pursuant to the provisions of Section 108 of the Act read with the Companies (Management and Administration) Rules, 2014, the Company has also extended e-voting facility for its Members. For this purpose, the Company has made an arrangement with Central Depository Services Limited (CDSL) for facilitating e-voting, as an alternate for the Members to enable them to cast their votes electronically.

The Board of Directors, at its Meeting held on May 10, 2018 has appointed Mr. Vijayakrishna K T, Practising Company Secretary, as the Scrutinizer for conducting the Postal Ballot / e-voting process in a fair and transparent manner.

The Resolution along with the Explanatory Statement setting out the material facts are as follows:

SPECIAL BUSINESS:

- 1. Vesting of the whole of the business related to WIDIA products of the Company as specified under sub-clause (a) of sub-section (1) of Section 180**

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

"RESOLVED THAT pursuant to the provisions of Sections 180 (1)(a) and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and subject to other applicable provisions of the Companies Act, 2013, if any, (including any statutory modification or re-enactment thereof for the time being in force) read with the Memorandum of Association and Articles of Association of the Company, consent of the Shareholders be and is hereby accorded to the Board of Directors of the Company to deal and negotiate, by way of vesting of the WIDIA brand business of the Company, as the Board may deem it advisable and beneficial to the Company and for the purpose to sign, seal and deliver such instruments, assignments,

contracts, deeds, conveyances or any other instrument that may be considered necessary, usual or proper and to do such other acts and deeds as may be deemed necessary to give effect to this intent of disposal.

RESOLVED FURTHER THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as long as they become applicable and subject to other applicable provisions of the Companies Act, 2013, if any, (including any statutory modification or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, where applicable, approval of the Shareholders be and is hereby accorded to the Board of Directors or its Committee(s) thereof, to enter in to contracts or arrangements with the WOS on continuous basis in the ordinary course of business and at arm's length terms even if the amounts exceed the limits prescribed under the aforementioned Rules.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby jointly /severally authorized to do, from time to time, all such acts, deeds and things including filing of necessary e-forms / intimations to the regulatory authorities as may be necessary to give effect to the above resolution."

By Order of the Board of Directors
For Kennametal India Limited

Thulsidass T V
Company Secretary
Membership No.: 20927

Place: Bengaluru
Date: 25-05-2018

NOTES:

1. A copy of this notice has been placed on the website of the Company and shall remain on the website until the last date for receipt of the Postal Ballots from the shareholders.
2. An explanatory statement pursuant to Section 102 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014, ("Postal Ballot Rules"), setting out all material facts in respect of the business set in this notice and reasons thereto is annexed hereto as ANNEXURE – A ("the Explanatory Statement").
3. The notice is being sent to all the members of the Company, whose names appear on the register of members / record of depositories as on 18-05-2018.
4. The Board of Directors of the Company ("the Board") has appointed Mr. Vijayakrishna K T, Practising Company Secretary as the 'Scrutinizer' for conducting the Postal Ballot/e-voting process in accordance with the law and in a fair and transparent manner ("the Scrutinizer"). The Scrutinizer's address is # 496/4, II Floor, 10th Cross, Near Bashyam Circle, Sadashivanagar, Bangalore - 560 080.
5. The Shareholders are requested to carefully read the instructions printed at the end of the Notice and either: (a) return the form duly completed in the attached self-addressed pre-paid postage envelope ("the Envelope"); or (b) vote by electronic means in the manner set out herein, in each case, so as to ensure that votes reach the Scrutinizer on or before 24-06-2018.
6. The date of dispatch of the Postal Ballot Notice and the Explanatory Statement shall be announced through advertisements in the following newspapers:
 - (i) at least one vernacular newspaper in the principal vernacular language of the district in which the Registered Office of the Company is situated, and having a wide circulation in that district, and
 - (ii) at least one English newspaper in English language having a wide circulation in that district.
7. The Shareholders are requested to exercise their voting rights by either using the attached Postal Ballot form (no other form or photocopy of the Postal Ballot form is permitted) or through e-voting.
8. Only a Shareholder who is entitled to vote is entitled to exercise his / her vote through the Postal Ballot form or through e-voting. Voting rights of every Shareholder shall be reckoned on the paid-up value of Shares on the basis of names appearing in the 'Register of Members' or in the records of the depository, as applicable, as on 18-05-2018 and any recipient of the Postal Ballot Notice whose name does not appear as a Shareholder in relation to the Shares as on the aforesaid date should treat the same as intimation only.
9. The Scrutinizer will submit his report to Chairman of the Company or in his absence, to any other designated Director or the Company Secretary after completion of scrutiny of Postal Ballot forms received, but not later than 48 hours from the last date of receipt of all Postal Ballot forms.

10. The results of voting by Postal Ballot will be announced on 26-06-2018 at the Registered Office of the Company. Additionally, the result will be posted on Company's website at www.kennametal.com/kennametaindia, and will be communicated to the BSE. The date of declaration of the results of the Postal Ballot voting process will be taken to be the date of passing of the Special Resolution.
11. Shareholders who wish to seek a duplicate ballot form may approach Register and Transfer Agent (RTA), Mr. Harish K, Assistant Manager at Integrated Registry Management Services Private Limited, No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003 Tel: +91-80-23460815-818 or can send e-mail to RTA at irg@integratedindia.in.
12. Please note that any Postal Ballot form(s) received after the last date (i.e. 24-06-2018) will be treated as not having been received and after the last date, the portal where e-votes can be cast will be blocked.
13. If you have any queries, please refer to Frequently Asked Questions (FAQs) for shareholders please visit <https://www.evotingindia.com/userdocs/FAQs.pdf>.

The instructions for shareholders voting electronically are as under:

- (i) The voting period will begin on Saturday, 26-05-2018 (from 9.00 a.m. IST) and will end on Sunday, 24-06-2018 (at 05:00 p.m. IST). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The cut-off date for e-voting facility is 18-05-2018 and members whose names appear on the register of members/list of beneficial owners shall be entitled to avail the service.
- (iii) The members should log on to the e-voting website www.evotingindia.com
- (iv) Click on "Shareholders / Members" tab.
- (v) Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in DEMAT form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on address sticker.
DIVIDEND BANK DETAILS OR DATE OF BIRTH DOB	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the company selection screen. However, members holding shares in DEMAT form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the DEMAT holders for voting for resolutions of any other company

on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If DEMAT account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Institutional Members (Non Individual and Custodians)
 - Institutional members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

ANNEXURE – A

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Item No. 1:

The Board of Directors in its Meeting held on 10th May, 2018, decided, subject to the approval of the Shareholders, to separate the WIDIA brand business from the Company and vest the same in a wholly owned subsidiary of the Company to be formed for the purpose, in the overall best interests of all the stakeholders of the Company.

Following are the primary circumstances leading to this decision being taken by the Board:

Kennametal India Limited (KIL) is the subsidiary of Kennametal Inc., USA, operating in India in the area of manufacture and sale of cutting tools under the 'Kennametal' and 'WIDIA' brands, with both brands having distinctive identity and markets within the cutting tools industry. The manufacturing facility in Bangalore, India, produces both 'WIDIA' and 'Kennametal' branded products.

'Kennametal' is the preferred brand for customers seeking peak productivity in metal cutting operations and is known for its proven solutions and innovative cutting tools. 'Kennametal' has a wide range of standard and also custom solutions to meet customer's demanding needs in metal cutting. It has strong presence in Automotive, Aerospace, General Engineering and Energy segments.

'WIDIA' is a pioneer in development of innovative solutions beginning with the first patent for tungsten carbide in 1926 and was acquired by Kennametal as part of a global acquisition in 2002. WIDIA has distinctive products catering to the cutting tools markets, very strong brand recognition and strong sub brands like Hanita and GTD.

Business Justification for WIDIA – Wholly Owned Subsidiary of KIL

In India, WIDIA has been a prominent brand in Indian cutting tools industry for over 5 decades with the potential for significant expansion. The present WIDIA business in India is carried out within Kennametal India Limited exclusively through the Indirect Channel.

Following grounds are placed before the Shareholders based on which your Board recommends the proposal:

- i. Based on the current market dynamics, competitive landscape and most importantly the WIDIA strategy there is a need for focussing the entire WIDIA business of Kennametal India Limited within a separate entity that would allow WIDIA to directly do business with
 - Distributors
 - Direct customers if strategically required or if the only way to access a customer is direct,
 - Government and Defence Customer
 - Aerospace customers
 - Participation in Tenders for Widia brand products.
- ii. There is a considerable business segment which can be addressed by WIDIA with Direct Customers.
- iii. Some big Customers prefer to do business directly with companies instead of through Distributors.
- iv. These customers due to their internal process requirements cannot register another Brand WIDIA under the Kennametal India Limited customer code. They expect a separate legal entity to exist with separate Tax Registration Number and Invoices to be printed under its name to register as an additional vendor for the WIDIA products.
- v. With the entry into OEM customers, there could also be some upside opportunities in the business from their sub-contractors.
- vi. Major Competitors of Kennametal are aggressively growing their multiple brands as independent businesses each within separate companies which compete in the market and address different customer segments and requirements.

WIDIA offers world class cutting tools which include standard product range for various metal cutting applications like turning, milling, hole-making and customized tooling solutions. WIDIA also offers services like tool reconditioning, tool vending machines and trainings which are provided across the country.

Based on the above justifications, the Board of Directors seeks the approval of the Shareholders to separate the WIDIA brand business in the overall best interests of all the stakeholders of the Company.

In compliance with the applicable provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Special Resolution as set out in the accompanying Notice is now being placed before the members for approval.

Although all Related Party Transactions by a Holding Company with its Wholly Owned Subsidiary are exempted from the purview of the provisions of Section 188 of the Companies Act, 2013 regulating Related Party Transactions, your approval is anyway sought for the transactions which will occur between the Company and the WOS in the days to come, as a matter of transparency and abundant caution.

Your Directors recommend the passing of the resolution as a Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives is concerned or interested, financially or otherwise in the said Special Resolution.

This Explanatory Statement may also be regarded as a disclosure under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By Order of the Board of Directors
For Kennametal India Limited

Place: Bengaluru
Date: 25-05-2018

Thulsidass T V
Company Secretary
Membership No.: 20927

Enclosed:

1. Postal Ballot Form
2. Self-addressed and prepaid postage envelope