



January 20, 2024

Ref: Sec/Sto/2024/01/05

**Corporate Relationship Department
BSE Limited**

Phiroze Jeejeebhoy Towers Dalal Street,
Mumbai – 400001

Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: [Scrip code: 505890] - Kennametal India Limited

Dear Sir / Madam,

A. Disclosure under Reg 30(4)(i)(c) of SEBI LODR Regulations, 2015

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (“SEBI LODR Regulations, 2015”) and the SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, the Company is required to disclose any event or information, *inter-alia*, with respect to any disputes, tax assessment, litigation etc.

In regard to the above, kindly note that Kennametal India Limited (the ‘Company’) has filed an objection with the Dispute Resolution Panel on January 19, 2024 against the draft assessment order received from the Assessing Officer with respect to Assessment Year 2021-22. Prescribed details with respect to this matter are enclosed as Annexure I.

B. Disclosure of events pursuant to Regulation 30 of SEBI LODR Regulations, 2015 read with SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13 July 2023

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (“SEBI LODR Regulations, 2015”) and the SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, the Company is required to disclose any event or information which becomes material pursuant to notification of the amendments to SEBI LODR Regulations, 2015.



The Company has ongoing litigations with respect to various taxation related matters. These tax litigations are pending at different fora which, *inter-alia*, are on account of multiple issues viz., IT Cross Charge, Transfer Pricing etc. Based on management's assessment of these disputes/litigation, the provisions of relevant tax laws and advice of the Company's tax consultants, it is reasonably expected that the outcome of these pending disputes / litigations will have no material financial impact on the Company. However, for good order, the Company is disclosing the details of the pending tax litigations / disputes which have become material as per the revised threshold under the provisions of the SEBI LODR Regulations, 2015 in the enclosed Annexure II.

Further, kindly note that the Company has made disclosures of all these matters as part of its financial statements and Annual Report for the Financial Year 2022-23 and prior years.

Kindly take the above disclosures on record.

Thanking You.

Yours Truly,
For **Kennametal India Limited**

Suresh Reddy K V
Chief Financial Officer

Annexure I

Sl. No.	Name of the opposing party	Court/Tribunal/Agency where litigation is filed	Brief details of the dispute/litigation	Assessment Year (AY)	Expected financial implications, if any, due to compensation, penalty etc	Quantum of claims (in INR lakhs)
1.	Income Tax Department	Dispute Resolution Panel ("DRP")	Assessing Officer("AO") has passed a draft assessment order based on the order passed by the Transfer pricing officer ("TPO"). Company has filed an objection on 19 Jan 2024 against the draft assessment order	2021-22	Company believes there is a reasonable expectation that there will not be any material financial implication on account of this issue.	699.39

Annexure II

Sl. No.	Name of the opposing party	Court/Tribunal/Agency where litigation is filed	Brief details of the dispute/litigation	Assessment Year (AY)	Expected financial implications, if any, due to compensation, penalty etc	Quantum of claims (in INR lakhs)
1.	Income-Tax Department	Income Tax Appellate Tribunal ("ITAT") Bangalore	The Tax authorities have disallowed certain expenses treating them to be capital in nature.	1994-95	Awaiting the Tribunal's order based on the Supreme Court's direction. The Company believes that its position supported by external tax consultant's advice will be upheld and does not expect any tax outflow.	7.50
2.	Income-Tax Department	Supreme Court of India	The Company had claimed certain deductions towards exports made. There is a dispute with respect to manner of computing the deduction.	AY 1999 – 00 AY 2000-01	Awaiting Supreme Court's order The Company believes that its position supported by external tax consultant's advice will be upheld and does not expect any tax outflow.	21.98
3.	Income-Tax Department	Assessing Officer ("AO")	The tax authorities had disputed certain claim of deduction towards Research and Development.	2000-01	The ITAT has accepted the tax authorities appeal and referred the matter for an adjudication by the jurisdictional AO. An application to give effect to ITAT order is filed. Awaiting order from AO. The Company believes that its position supported by external tax consultant's advice will be upheld and does not expect any tax outflow.	191.11

Sl. No.	Name of the opposing party	Court/Tribunal/Agency where litigation is filed	Brief details of the dispute/litigation	Assessment Year (AY)	Expected financial implications, if any, due to compensation, penalty etc	Quantum of claims (in INR lakhs)
4.	Income-Tax Department	Commissioner (Appeals)-Income Tax ("CIT(A)")	The Tax authorities have disallowed the IT cross charge paid to Holding Company	2008-09	Appeal has been subsequently disposed in favor of the Company. The tax liability has already been paid under protest.	540.10 (Refund excluding interest)
5.	Income-Tax Department	Commissioner (Appeals)-Income Tax	The Tax authorities have disallowed the IT cross charge paid to Holding Company	2009-10	Appeal has been subsequently disposed in favor of the Company. The tax liability has already been paid under protest.	503.65 (Refund excluding interest)
6.	Income-Tax Department	Commissioner (Appeals)-Income Tax	The Tax authorities have disallowed the IT cross charge paid to Holding Company	2010-11	Appeal has been subsequently disposed in favour of the Company. The tax liability has already been paid under protest.	530.38 (Refund excluding interest)
7.	Income-Tax Department	Commissioner of Income Tax (Appeals)	Revisionary Order passed disallowing certain provisions made.	2010-11	Awaiting order from Commissioner of Income Tax Appeals. The Company believes that its position supported by external tax consultant's advice will be upheld and does not expect any tax outflow.	33.76
8.	Income-Tax Department	Commissioner (Appeals)-Income Tax	The Tax authorities have disallowed the IT cross charge paid to Holding Company	2011-12	Appeal has been subsequently disposed in favor of the Company. The tax liability has already been paid under protest.	508.42 (Refund excluding interest)
9.	Income-Tax Department	Commissioner of Income Tax (Appeals).	The tax authorities, amongst others, have disputed the allowance of certain items in nature of expenses and provisions.	2012-13	The Company is awaiting CIT(A) Order. The Company believes that its position supported by external tax	108.12

Sl. No.	Name of the opposing party	Court/Tribunal/Agency where litigation is filed	Brief details of the dispute/litigation	Assessment Year (AY)	Expected financial implications, if any, due to compensation, penalty etc	Quantum of claims (in INR lakhs)
					consultant's advice will be upheld and does not expect any tax outflow.	
10.	Income-Tax Department	Assessing Officer	The Tax authorities have disputed the manufacturing margins of the Company. the Company preferred a writ before the Hon'ble. High Court (HC) whereby the Hon'ble HC has now directed the AO to follow the process laid down by law i.e., to first pass a draft assessment order.	2014-15	The Company is awaiting the draft assessment order to be passed by the AO. The Company believes that its position supported by external tax consultant's advice will be upheld and does not expect any tax outflow.	248.1
11.	Income-Tax Department	ITAT Bangalore	The TPO has summarily rejected the TP report of the Company stating the selection of comparable and the use of multiyear data is not appropriate and a fresh search was conducted by TPO.	2017-18	We have preferred an appeal with the ITAT against the final Assessment order passed in pursuant to the directions of the DRP and awaiting hearing at the ITAT. The Company believes that its position supported by external tax consultant's advice will be upheld and does not expect any tax outflow.	362.4
12.	Income-Tax Department	Assessing Officer	The TPO has summarily rejected the TP report of the Company stating the selection of "comparables" and the use of multiyear data is not	2018-19	In the absence of final order, an appeal before ITAT was not filed. Notwithstanding the above, the Company believes that its position	275.1

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			<p>appropriate and a fresh search was conducted by TPO.</p> <p>Pursuant to the directions of DRP, AO was supposed to pass a final order. However, we have not received any final order and statutory time limit has lapsed. In the absence of final order, we were not able to file any further appeal for this year.</p>		<p>supported by external tax consultant's advice will be upheld and does not expect any tax outflow.</p>	