

Price Waterhouse & Co Chartered Accountants LLP

Review Report

To
The Board of Directors
Kennametal India Limited
8/9th Mile, Tumkur Road
Bengaluru – 560 073

1. We have reviewed the unaudited financial results of Kennametal India Limited (the “Company”) for the quarter ended December 31, 2023 and the year to date results for the period July 1 to December 31, 2023, which are included in the accompanying “Statement of Unaudited Financial Results for the quarter and six months ended December 31, 2023”, the “Unaudited Statement of Assets and Liabilities as at December 31, 2023”, and the “Unaudited Statement of Cash Flows for the six months ended December 31, 2023” (together the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations, 2015”).
2. This Statement, which is the responsibility of the Company’s Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 “Interim Financial Reporting”, prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement

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

SHIVAKUMAR RAJGOPAL HEGDE
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Shivakumar Hegde
Partner

Membership Number: 204627
UDIN: 24204627BKGXZO3092

February 9, 2024
Bengaluru

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)



Kennametal India Limited

CIN: L27109KA1964PLC001546

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Statement of Unaudited Financial Results for the quarter and six months ended December 31, 2023

(All amounts in ₹ millions, except per share data)

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	June 30, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	INCOME						
	Revenue from operations	2,708	2,579	2,748	5,287	5,421	10,771
	Other income	22	17	12	39	24	52
	Total income	2,730	2,596	2,760	5,326	5,445	10,823
II	EXPENSES						
	Cost of materials consumed	776	702	765	1,478	1,649	2,915
	Purchase of stock-in-trade	729	731	707	1,460	1,431	2,886
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(42)	(35)	50	(77)	(168)	200
	Employee benefits expense	378	370	383	748	732	1,485
	Finance costs	5	0	-	5	-	2
	Depreciation and amortisation expense	110	104	93	214	182	389
	Other expenses	440	462	466	902	932	1,770
	Total expenses	2,396	2,334	2,464	4,730	4,758	9,647
III	Profit before tax (III-IV)	334	262	296	596	687	1,176
IV	Tax expense						
	Current tax	90	78	70	168	165	286
	Current tax adjustments relating to earlier years	-	-	-	-	-	11
	Deferred tax charge / (credit)	(5)	13	7	8	(12)	2
	Total tax expense	85	91	77	176	153	299
V	Net profit for the period/year (III-IV)	249	171	219	420	534	877
VI	Other comprehensive income/ (loss), net of income tax						
	(i) Items that will not be reclassified to profit or loss	(4)	-	-	(4)	-	(20)
	Income tax relating to items that will not be reclassified to profit or loss	1	-	-	1	-	5
	Total other comprehensive income/ (loss), net of income tax	(3)	-	-	(3)	-	(15)
VII	Total comprehensive income for the period/ year, net of income tax (VI+VII)	246	171	219	417	534	862
VIII	Paid-up of equity share capital	220	220	220	220	220	220
	(21,978,240 shares of face value of ₹ 10 per share)						
IX	Other equity						6,663
X	Earnings per share						
	[Face Value of ₹ 10 per share (not annualised)]						
	- Basic (₹)	11.33	7.78	9.96	19.11	24.28	39.91
	- Diluted (₹)	11.33	7.78	9.96	19.11	24.28	39.91



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Reporting of segment wise revenue, results, segment assets and liabilities for the quarter and six months ended December 31, 2023

(All amounts in ₹ millions, except per share data)

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		December 31, 2023	September 30, 2023	December 31, 2022	December 31, 2023	December 31, 2022	June 30, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue						
	Revenue from operations						
	Machining solutions	385	225	409	610	781	1,497
	Hard metal and hard metal products	2,323	2,354	2,339	4,677	4,640	9,274
	Revenue from operations	2,708	2,579	2,748	5,287	5,421	10,771
2	Segment Results						
	Machining solutions	40	(10)	22	30	52	108
	Hard metal and hard metal products	394	330	355	724	798	1,384
	Total	434	320	377	754	850	1,492
	Add / (Less) :						
	Interest expense	(5)	(0)	-	(5)	-	(2)
	Interest income	9	1	-	10	-	2
	Other unallocable income	9	11	7	20	14	30
	Other unallocable expenditure	(113)	(70)	(88)	(183)	(177)	(346)
	Total profit before tax	334	262	296	596	687	1,176
3	Segment Assets						
	Machining solutions	1,125	1,097	1,142	1,125	1,142	1,005
	Hard metal and hard metal products	6,085	6,065	6,577	6,085	6,577	6,047
	Other unallocable assets	1,687	1,503	1,062	1,687	1,062	1,458
	Total assets	8,897	8,665	8,781	8,897	8,781	8,510
4	Segment Liabilities						
	Machining solutions	529	486	592	529	592	535
	Hard metal and hard metal products	962	1,022	1,116	962	1,116	971
	Other unallocable liabilities	100	101	75	100	75	121
	Total liabilities	1,591	1,609	1,783	1,591	1,783	1,627



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Unaudited Statement of Assets and Liabilities as at December 31, 2023

(All amounts in ₹ millions, except per share data)

Particulars	As at December 31, 2023 (Unaudited)	As at June 30, 2023 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,787	2,718
Right of Use Asset	26	25
Capital work-in-progress	186	341
Investment property*	0	0
Intangible assets	2	3
Financial assets		
Other financial assets	25	25
Deferred tax assets (net)	17	24
Current tax assets (net)	436	420
Other non-current assets	64	107
Total non-current assets	3,543	3,663
Current assets		
Inventories	2,504	2,444
Financial assets		
Trade receivables	1,580	1,420
Cash and cash equivalents	1,125	892
Bank balances other than cash and cash equivalents	3	3
Other financial assets	47	41
Other current assets	95	47
Total current assets	5,354	4,847
TOTAL ASSETS	8,897	8,510
EQUITY AND LIABILITIES		
Equity		
Equity share capital	220	220
Other equity	7,086	6,663
Total Equity	7,306	6,883
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease Liability	18	18
Other financial liabilities*	0	0
Provisions	70	78
Total non-current liabilities	88	96
Current Liabilities		
Financial liabilities		
Lease Liabilities	10	9
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	44	41
Total outstanding dues of creditors other than micro enterprises and small enterprises	782	708
Other financial liabilities	164	239
Other current liabilities	298	326
Provisions	205	208
Total current liabilities	1,503	1,531
TOTAL EQUITY AND LIABILITIES	8,897	8,510

*Amount below the rounding off norm adopted by the Company



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Unaudited Statement of Cash Flows for the six months ended December 31, 2023

(All amounts in ₹ millions, except per share data)

Particulars	Six months ended December 31, 2023 (Unaudited)	Six months ended December 31, 2022 (Unaudited)
Cash flow from operating activities		
Profit before taxation	596	687
Adjustments for:		
Depreciation and amortisation expense	214	182
Dividend Income	(13)	(4)
Provision for product support	9	14
Allowance for loss on financial assets (net)	1	1
Loss on sale of property, plant and equipment (net)	0	(2)
Interest paid on lease liabilities	1	-
Interest paid on indirect taxes	4	
Interest income on bank deposits	(7)	(2)
Interest income on income tax refund	(2)	-
Unrealised foreign exchange loss/(gain), (net)	(2)	4
Share based compensation expense	19	14
Operating profit before working capital changes	820	894
Adjustment for working capital changes:		
(Increase)/decrease in inventories	(60)	(269)
(Increase) in trade receivables	(159)	(214)
(Increase)/decrease in other receivables	(48)	(24)
(Increase)/decrease in financial assets	(6)	(11)
Increase/(decrease) in trade payables	77	17
(Decrease) in provisions and other liabilities	(124)	(136)
Cash generated from operations	500	257
Taxes paid (net of refunds)	(184)	(221)
Net cash generated from / (used in) operating activities (1)	316	36
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(103)	(203)
Proceeds from sale of mutual fund	13	4
Proceeds from sale of property, plant and equipment	4	6
(Increase) / decrease in bank deposits with original maturity of more than twelve months	-	(3)
Interest income on bank deposits	7	2
Interest income on income tax refund	2	-
Net cash from / (used in) investing activities (2)	(77)	(194)
Cash flow from financing activities		
Unclaimed dividend (paid) / deposited	(1)	1
Principal repayment of lease liabilities	(4)	-
Interest paid on lease liabilities	(1)	-
Net cash from / (used in) financing activities (3)	(6)	1
Net (decrease) / increase in cash and cash equivalents (1+2+3)	233	(157)
Add: Cash and cash equivalents at the beginning of the year	892	634
Cash and cash equivalents at the end of the year	1,125	477
Balance as per Statement of Cash Flows	1,125	477

*Amount below the rounding off norm adopted by the Company



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Notes to the Unaudited Financial Results for the quarter and six months ended December 31, 2023

- 1 In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the aforesaid statement of unaudited financial results (which comprise of statement of unaudited financial results, unaudited statement of assets & liabilities and unaudited statement of cash flows) ("financial results") for the quarter and six months ended December 31, 2023 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 9, 2024. The aforesaid financial results for the quarter and six months ended December 31, 2023 have been reviewed by the statutory auditors of the Company.
- 2 The Unaudited financial results have been prepared in accordance with the recognition and measurements principles of applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and relevant SEBI circulars.
- 3 The above financial results of the Company are available on the Company's website and also on the website of BSE (www.bseindia.com) where the shares of the Company are listed.

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

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Venkatesan

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Venkatesan Vijaykrishnan
Managing Director

Bengaluru
February 9, 2024