



Kennametal India Limited

CIN: L27109KA1964PLC001546

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

Website: www.kennametal.com/hi/about-us/kil-financials.html, Email: in.investorrelation@kennametal.com

Tel: +91 080 28394321, Fax: +91 080 28397572

Statement of Unaudited Financial Results for the quarter and six months ended December 31, 2022

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

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	June 30, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	INCOME						
	Revenue from operations	2,748	2,673	2,390	5,421	4,765	9,907
	Other income	12	12	35	24	53	94
	Total income	2,760	2,685	2,425	5,445	4,818	10,001
II	EXPENSES						
	Cost of materials consumed	765	884	705	1,649	1,373	2,939
	Purchase of stock-in-trade	707	724	601	1,431	1,220	2,518
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	50	(218)	(114)	(168)	(221)	(456)
	Employee benefits expense	383	349	349	732	688	1,452
	Finance costs	-	-	-	-	-	-
	Depreciation and amortisation expense	93	89	89	182	181	357
	Other expenses	466	466	389	932	793	1,665
	Total expenses	2,464	2,294	2,019	4,758	4,034	8,475
III	Profit before exceptional items and tax (I-II)	296	391	406	687	784	1,526
IV	Exceptional items	-	-	-	-	-	-
V	Profit before tax (III-IV)	296	391	406	687	784	1,526
VI	Tax expense						
	Current tax	70	95	104	165	202	405
	Deferred tax charge / (credit)	7	(19)	(4)	(12)	(7)	(11)
	Deferred tax adjustments relating to earlier years	-	-	-	-	-	(9)
	Total tax expense	77	76	100	153	195	385
VII	Net profit for the period/year (V-VI)	219	315	306	534	589	1,141
VIII	Other comprehensive income, net of income tax						
	(i) Items that will not be reclassified to profit or loss	-	-	-	-	-	(16)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	4
	Total other comprehensive income, net of income tax	-	-	-	-	-	(12)
IX	Total comprehensive income for the period/year, net of income tax (VII+VIII)	219	315	306	534	589	1,130
X	Paid-up of equity share capital	220	220	220	220	220	220
	(21,978,240 shares of face value of ₹ 10 per share)						
XI	Other equity						6,243
XII	Earnings per share						
	[Face Value of ₹ 10 per share (not annualised)]						
	- Basic (₹)	9.96	14.33	13.92	24.28	26.80	51.94
	- Diluted (₹)	9.96	14.33	13.92	24.28	26.80	51.94



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Reporting of segment wise revenue, results, segment assets and liabilities for the quarter and six months ended December 31, 2022

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

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	June 30, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue						
	Revenue from operations						
	Machining solutions	409	372	347	781	644	1,465
	Hard metal and hard metal products	2,339	2,301	2,043	4,640	4,121	8,442
	Revenue from operations	2,748	2,673	2,390	5,421	4,765	9,907
2	Segment Results						
	Machining solutions	22	30	53	52	87	206
	Hard metal and hard metal products	355	443	413	798	824	1,578
	Total	377	473	466	850	911	1,784
	Add / (Less) :						
	Other unallocable income	7	7	13	14	26	52
	Other unallocable expenditure	(88)	(89)	(73)	(177)	(153)	(310)
	Exceptional items	-	-	-	-	-	-
	Total profit before tax	296	391	406	687	784	1,526
3	Segment Assets						
	Machining solutions	1,142	1,170	963	1,142	963	1,105
	Hard metal and hard metal products	6,577	6,474	5,510	6,577	5,510	6,031
	Other unallocable assets	1,062	1,051	1,829	1,062	1,829	1,162
	Total assets	8,781	8,695	8,302	8,781	8,302	8,298
4	Segment Liabilities						
	Machining solutions	592	538	714	592	714	566
	Hard metal and hard metal products	1,116	1,280	1,056	1,116	1,056	1,191
	Other unallocable liabilities	75	96	81	75	81	79
	Total liabilities	1,783	1,914	1,851	1,783	1,851	1,836



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Unaudited Statement of Assets and Liabilities as at December 31, 2022

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

Particulars	As at December 31, 2022 (Unaudited)	As at June 30, 2022 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,815	2,142
Capital work-in-progress	223	772
Investment property*	0	0
Intangible assets	3	4
Financial assets	26	23
Deferred tax assets (net)	33	22
Current tax assets (net)	455	398
Other non-current assets	81	151
Total non-current assets	3,636	3,512
Current assets		
Inventories	2,935	2,666
Financial assets		
Trade receivables	1,582	1,368
Cash and cash equivalents	477	634
Bank balances other than cash and cash equivalents	12	10
Other financial assets	46	35
Other current assets	93	73
Total current assets	5,145	4,786
TOTAL ASSETS	8,781	8,298
EQUITY AND LIABILITIES		
Equity		
Equity share capital	220	220
Other equity	6,778	6,243
Total Equity	6,998	6,463
Liabilities		
Non-current liabilities		
Financial liabilities		
Other financial liabilities*	0	0
Provisions	73	76
Total non-current liabilities	73	76
Current Liabilities		
Financial liabilities		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	7	34
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,035	991
Other financial liabilities	200	220
Provisions	212	209
Other current liabilities	256	305
Total current liabilities	1,710	1,759
TOTAL EQUITY AND LIABILITIES	8,781	8,298

*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, 2022

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

Particulars	Six months ended December 31, 2022 (Unaudited)	Six months ended December 31, 2021 (Unaudited)	Prior year ended June 30, 2022 (Audited)
Cash flow from operating activities			
Profit before taxation	687	784	1,526
Adjustments for:			
Depreciation and amortisation expense	182	181	357
Dividend Income	(4)	(9)	(14)
Provision written back	-	(18)	(24)
Provision for product support	14	18	32
Provision for doubtful debts	1	3	2
Loss on sale of property, plant and equipment (net)	(2)	(1)	(0)
Interest income	(2)	(6)	(16)
Unrealised foreign exchange loss, (net)	4	1	(2)
Share based compensation expense	14	14	29
Operating profit before working capital changes	894	967	1,890
Adjustment for working capital changes:			
(Increase) in inventories	(269)	(375)	(615)
(Increase) in trade and other receivables	(238)	(201)	(241)
(Increase) in financial assets	(11)	(10)	(9)
(Decrease) in trade payables, provisions and other liabilities	(119)	(76)	(142)
Cash generated from operations	257	305	883
Taxes paid (net of refunds)	(221)	(242)	(392)
Net cash generated from / (used in) operating activities (1)	36	63	491
Cash flow from investing activities			
Purchase of property, plant and equipment	(203)	(88)	(650)
Gain on sale of investment	4	9	14
Sale proceeds of property, plant and equipment	6	1	1
(Increase) / Decrease in Bank deposits with original maturity of more than twelve months	(3)	-	-
Interest received	2	1	16
Net cash from / (used in) investing activities (2)	(194)	(77)	(619)
Cash flow from financing activities			
Interim dividends paid	-	-	(527)
Unclaimed dividend	1	1	1
Net cash from / (used in) financing activities (3)	1	1	(526)
Net (decrease) / increase in cash and cash equivalents (1+2+3)	(157)	(13)	(654)
Add: Cash and cash equivalents at the beginning of the year	634	1,288	1,288
Cash and cash equivalents at the end of the year	477	1,275	634
Cash and cash equivalent as per above comprises of the following			
Balances with banks - In current accounts	475	588	631
Cheques, drafts on hand	2	3	-
Cash on hand*	0	0	0
Fixed deposits with original maturity of three months or less	-	684	3
Balance as per Statement of Cash Flows	477	1,275	634

*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, 2022

- 1 In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the aforesaid statement of unaudited financial results ("financial results") for the quarter and six months ended December 31, 2022 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 10, 2023. The aforesaid financial results for the quarter and six months ended December 31, 2022 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.
- 4 Other Expenses includes INR 34 million for the quarter (INR 41 million for six months) ended December 31, 2022 incurred towards movement of machineries within factory premises.
- 5 a) The Board of Directors at its meeting held on December 4, 2020, approved a Scheme of Arrangement (the "Scheme") between the Company and Widia India Tooling Private Limited, the erstwhile wholly owned subsidiary (the "transferor company"), under Sections 230 to 232 of the Companies Act, 2013 (the "Act") and other provisions of the Act for merger of the transferor company into the Company, subject to necessary approvals, with an "appointed date" of April 1, 2021. The National Company Law Tribunal, Bengaluru bench ("NCLT") vide its order delivered dated October 17, 2022 (received on November 16, 2022) sanctioned the Scheme and upon filing of the certified copy of the NCLT order with the Registrar of Companies, the Scheme became effective on December 7, 2022. The transferor company did not carry on any business since January 1, 2021. However, the merger has been accounted for in the books of the Company in accordance with "pooling of interests" method as prescribed under "Appendix C, Business combinations of entities under common control" of Ind AS 103 "Business Combinations" as specified in clause 12.1 of the Scheme.

b) Pursuant to the accounting treatment prescribed in the Scheme, the Company has accounted for the merger (including net assets amounting to INR 144 million) in the books of the Company from the date required under "Appendix C, Business combinations of entities under common control" of Ind AS 103 "Business Combinations" as specified in clause 12.1 of the Scheme, which is the beginning of the preceding period presented (i.e., July 1, 2021). Accordingly, the comparatives presented in the Statement of unaudited financial results for the quarter and six months ended December 31, 2022, Unaudited Statement of Assets and Liabilities as at December 31, 2022 and Unaudited Statement of Cash Flows for the six months ended December 31, 2022 have been restated.

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

Bengaluru
February 10, 2023

Venkatesan Vijaykrishnan
Managing Director