



Ref:Sec/Sto/2018/02/01

Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400001

February 6, 2018

Dear Sirs,

Subject : Outcome of Board Meeting
Disclosure under Regulation 30 & 33 of the SEBI (Listing Obligations and
Disclosure Requirements) Regulations, 2015
Ref: [Scrip Code: 505890] - Kennametal India Limited

Please refer to our letter No. SEC/Sto/2018/01/03 dated January 19, 2018, informing you of the Board Meeting of the Company on February 6, 2018, to consider, *inter alia*, the unaudited financial results for the quarter ended December 31, 2017.

We write to inform you that at the meeting of the Board of Directors held today (February 6, 2018), the Board, *inter alia*, has approved the un-audited financial results of the Company for the quarter ended December 31, 2017. The said results, in the prescribed format along with Limited Review Report are being attached herewith.

The Meeting commenced at 2.30 PM and concluded at 6.15 PM.

Kindly take the same on record and oblige.

Thanking You,

Yours faithfully,

For **Kennametal India Limited**

A handwritten signature in blue ink, followed by a circular purple stamp. The stamp contains the text 'KENNAMETAL INDIA LIMITED' around the perimeter and 'BANGALORE - 560073' in the center.

Thulsidass T V
Company Secretary & Compliance Officer

Encl: as above

Walker Chandiook & Co LLP

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Independent Auditor's Review Report on Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Kennametal India Limited

1. We have reviewed the accompanying statement of unaudited financial results ("Statement") of Kennametal India Limited ("the Company") for the quarter and six months ended 31 December 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter and six months ended 31 December 2016, including the reconciliation of net profit under Ind AS of the corresponding quarter with net profit reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 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 is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Walker Chandiook & Co LLP

4. The review of Ind AS compliant unaudited financial results for the quarter ended 30 September 2017 and comparative information prepared under previous GAAP used by the management to prepare Ind AS compliant financial information for the quarter and six months period ended 31 December 2016 included in this statement was carried out and reported by Price Waterhouse & Co Bangalore LLP. *vide* their unmodified review report dated 7 November 2017 and 2 February 2017 respectively. Our review report is not modified in respect of this matter.

Walker Chandiook & Co LLP

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No: 001076N/N500013

Vijay V Singh

per Vijay Vikram Singh

Partner

Membership No. 059139

Bengaluru

6 February 2018





Kennametal India Limited

CIN: L27109KA1964PLC001546

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

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

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Statement of unaudited financial results for the quarter and six months ended December 31, 2017

(₹ in Lakhs except per share data)

Sl. No.	Particulars	Quarter ended		Six months ended		
		December 31, 2017 (Unaudited)	September 30, 2017 (Unaudited)	December 31, 2016 (Unaudited)	December 31, 2017 (Unaudited)	December 31, 2016 (Unaudited)
I	INCOME					
	Revenue from operations (Refer Note 6)	18,666	18,114	17,036	36,780	33,249
	Other income	227	198	221	425	396
	Total income	18,893	18,312	17,257	37,205	33,645
II	EXPENSES					
	Cost of materials consumed	5,750	4,352	4,284	10,102	8,690
	Purchase of stock-in-trade	4,960	5,216	4,044	10,176	8,239
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(840)	193	255	(647)	(8)
	Excise duty	-	-	1,059	-	2,158
	Employee benefits expense	3,139	2,987	2,939	6,126	5,887
	Depreciation and amortisation expense	746	719	686	1,465	1,340
	Other expenses	3,657	3,359	3,013	7,016	5,755
	Total expenses	17,412	16,826	16,280	34,238	32,061
III	Profit before exceptional items and tax (I-II)	1,481	1,486	977	2,967	1,584
IV	Exceptional items (Refer Note 5)	(474)	-	-	(474)	-
V	Profit before tax (III-IV)	1,007	1,486	977	2,493	1,584
VI	Tax expense	-	-	-	-	-
	Current tax	177	518	181	695	318
	Deferred tax charge / (credit)	205	(311)	(153)	174	(163)
	Total tax expense	382	487	28	869	155
VII	Net profit for the period (V-VI)	625	999	949	1,624	1,429
VIII	Other comprehensive income, net of income tax					
	(i) Items that will not be reclassified to profit or loss	-	-	-	-	-
	(ii) Items that will be reclassified to profit or loss	-	-	-	-	-
	Total other comprehensive income, net of income tax	-	-	-	-	-
IX	Total comprehensive income for the period (VII+VIII)	625	999	949	1,624	1,429
X	Paid-up of equity share capital (Face Value of ₹ 10 per share)	2,198	2,198	2,198	2,198	2,198
	Earnings per share					
	Normal Value per share ₹ 10 (not annualised)]	2.84	4.55	4.32	7.39	6.50
	- Basic	2.84	4.55	4.32	7.39	6.50
	- Diluted	2.84	4.55	4.32	7.39	6.50





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Reporting of Segment Wise Revenue, Results, Segment Assets and Liabilities

(₹ in Lakhs)

Sl. No.	Particulars	Quarter ended			Six months ended	
		December 31, 2017 (Unaudited)	September 30, 2017 (Unaudited)	December 31, 2016 (Unaudited)	December 31, 2017 (Unaudited)	December 31, 2016 (Unaudited)
1	Segment Revenue					
	Revenue from operations (Refer Note 6)					
	Machining solutions	2,480	2,110	2,212	4,590	4,152
	Hard metal and hard metal products	16,186	16,004	14,824	32,190	29,097
	Revenue from operations	18,666	18,114	17,036	36,780	33,249
2	Segment Results					
	Machining Solutions	235	(78)	(31)	157	8
	Hard metal and hard metal products	2,003	2,274	1,722	4,277	2,882
	Total	2,238	2,196	1,691	4,434	2,890
	Add / (Less) :					
	Other unallocable income	24	56	38	80	108
	Other unallocable expenditure	(781)	(766)	(752)	(1,547)	(1,414)
	Total profit before tax	1,481	1,486	977	2,967	1,584
3	Segment Assets					
	Machining solutions	4,859	4,344	5,045	4,859	5,045
	Hard metal and hard metal products	37,330	37,223	34,667	37,330	34,667
	Other unallocable assets	12,938	11,664	12,326	12,938	12,326
	Total assets	55,127	53,231	52,038	55,127	52,038
4	Segment Liabilities					
	Machining solutions	2,828	2,204	1,744	2,828	1,744
	Hard metal and hard metal products	10,053	10,480	10,438	10,053	10,438
	Other unallocable liabilities	1,251	165	949	1,251	949
	Total liabilities	14,132	12,849	13,131	14,132	13,131





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Unaudited Statement of Assets and Liabilities

Particulars	(₹ In Lakhs)
	As at
	December 31, 2017 (Unaudited)
ASSETS	
Non-current assets	
Property, plant and equipment	15,370
Capital work-in-progress	815
Investment properties	1
Financial assets	
Investments	50
Loans	160
Other financial assets	4
Deferred tax assets	893
Income tax assets (net)	4,300
Other non-current assets	726
Total non-current assets	22,319
Current assets	
Inventories	13,176
Financial assets	
Trade receivables	12,064
Cash and cash equivalents	5,359
Bank balances other than cash and cash equivalents	28
Loans	25
Other financial assets	120
Other current assets	2,037
Total current assets	32,809
Total assets	55,128
EQUITY AND LIABILITIES	
Equity	
Equity share capital	2,198
Other equity	38,798
Total equity	40,996
Non-current liabilities	
Financial liabilities	
Other financial liabilities	-
Provisions	1,369
Total non-current liabilities	1,369
Current liabilities	
Financial liabilities	
Trade payables	8,758
Other financial liabilities	2,429
Provisions	655
Current tax liabilities (net)	634
Other current liabilities	287
Total current liabilities	12,763
Total equity and liabilities	55,128





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Notes to the unaudited financial results for the quarter and six months ended December 31, 2017

- In terms of Regulation 33 of SEBI Regulations 2015, the aforesaid statement of unaudited financial results ("financial results") have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 6, 2018. The aforesaid financial results for the quarter and six months ended December 31, 2017 have been subjected to limited review by the statutory auditors of the Company.
- The Company has adopted Indian Accounting Standards ('Ind AS') from July 1, 2017 and accordingly, the above financial results for the quarter and six months ended December 31, 2017 have been prepared in accordance with the recognition and measurements principles laid down in Ind AS 34 "Interim Financial Reporting" prescribed 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 and SEBI circular CIR/CFD/FAC/62/2016 dated July 5, 2016. The Company has opted to avail the relaxation provided by SEBI in respect of disclosure requirements for figures of earlier periods. Accordingly, the financial results for the quarter and year ended June 30, 2017 have not been presented.
- The financial results for the quarter and six months ended December 31, 2016 as published on February 2, 2017 have been presented after incorporating the applicable Ind AS adjustments to the extent applicable to the Company. The information has not been subject to any limited review or audit. However, the Management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.
- Reconciliation of net profit after tax under the previously applicable Generally Accepted Accounting Principles in India (referred to as "Previous GAAP") and total comprehensive income as reported in these financial results under Ind AS for the quarter and six months ended December 31, 2016 is as below:

(₹ in Lakhs)

Particulars	Quarter ended December 31, 2016 (Refer Note 3)	Six months ended December 31, 2016 (Refer Note 3)
	(Unaudited)	(Unaudited)
(a) Net Profit after tax as reported under Previous GAAP	773	1,242
Adjustments on account of:		
Employee benefit credit (Note A)	21	22
Deferred tax credit (Note B)	155	165
(b) Net profit after tax as reported under Ind AS	949	1,429
(c) Other comprehensive income, net of income tax	-	-
(d) Total comprehensive income under Ind AS (b-c)	949	1,429

Notes to the reconciliation:

- (i) Note A: Certain employees of the Company are granted Restricted Stock units in accordance with a share-based compensation plan managed and administered by the ultimate holding company. Accordingly, employee benefits expense has been recognised under such employee share-based payment plan as required under Ind AS 102 "Share-based Payment".
- (ii) Note B: Deferred tax credit accounted for on temporary differences as required under Ind AS 12 "Income taxes".
- The Company had sanctioned a voluntary separation scheme for certain contract employees, and aggregate compensation paid in accordance with the said scheme has been fully charged to the Statement of Profit and Loss under Exceptional items.
- Post implementation of Goods and Service Tax ("GST") with effect from July 1, 2017, revenue from operations is disclosed net of GST. Revenue from operations for the earlier periods included excise duty which is now subsumed in GST. Accordingly, revenue from operations for the quarter and six months ended December 31, 2017 is not comparable with the quarter and six months ended December 31, 2016.
- The above unaudited financial results of the Company are available on the website of BSE (www.bseindia.com) where the shares of the Company are listed.
- The previous period figures have been regrouped and / or reclassified wherever necessary to conform with the current period presentation.

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


Bhagya Chandra Rao
Managing Director

Place : Bengaluru
Date : February 6, 2018

