Price Waterhouse & Co Chartered Accountants LLP

Review Report

To
The Board of Directors
Kennametal India Limited
8/9th Mile, Tumkur Road
Bengaluru - 560073

1. We have reviewed the unaudited financial results of Kennametal India Limited (the "Company") for the quarter ended December 31, 2024 and the year to date results for the period July 1 to December 31, 2024, which are included in the accompanying "Statement of Unaudited Financial Results for the quarter and six months ended December 31, 2024", the "Unaudited Statement of Assets and Liabilities as at December 31, 2024", and the "Unaudited Statement of Cash Flows for the six months ended December 31, 2024" (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. The 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 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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Date: 2025.02.06 17:59:00 +05'30'

Shivakumar Hegde
Partner
Membership Number: 204627
UDIN: 25204627BMOLHU5359

Bengaluru
February 6, 2025

Price Waterhouse & Co Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor
Bengaluru - 560 008
T: +91 (80) 40794188

Kennametal India Limited

CIN: L27109KA1964PLC001546
Regd Office : 8/9th Mile, Tumkur Road, Bengaluru - 560 073
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Tel: +91 080 28394321, Fax: +91 080 28397572

Statement of Unaudited Financial Results for the quarter and six months ended December 31, 2024

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

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023	June 30, 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	**INCOME**						
	Revenue from operations	2,870	2,704	2,708	5,574	5,287	10,999
	Other income	32	29	22	61	39	115
	Total income	**2,902**	**2,733**	**2,730**	**5,635**	**5,326**	**11,114**
II	**EXPENSES**						
	Cost of materials consumed	812	733	776	1,545	1,478	2,939
	Purchase of stock-in-trade	725	730	729	1,455	1,460	3,081
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(15)	(69)	(42)	(84)	(77)	(143)
	Employee benefits expense	415	373	378	788	748	1,515
	Finance costs	0	1	5	1	5	6
	Depreciation and amortisation expense	114	115	110	229	214	436
	Other expenses	527	513	440	1,040	902	1,894
	Total expenses	**2,578**	**2,396**	**2,396**	**4,974**	**4,730**	**9,728**
III	**Profit before exceptional item and tax (I-II)**	**324**	**337**	**334**	**661**	**596**	**1,386**
IV	Exceptional item - Income (refer Note 3)	-	-	-	-	-	127
V	**Profit before tax (III+IV)**	**324**	**337**	**334**	**661**	**596**	**1,513**
VI	**Tax expense**						
	Current tax	97	96	90	193	168	370
	Current tax adjustments relating to earlier years	16	-	-	16	-	19
	Deferred tax charge / (credit)	(11)	(9)	(5)	(20)	8	19
	Total tax expense	**102**	**87**	**85**	**189**	**176**	**408**
VII	**Net profit for the period/year (V-VI)**	**222**	**250**	**249**	**472**	**420**	**1,105**
VIII	**Other comprehensive income/ (loss), net of income tax**						
	(i) Items that will not be reclassified to profit or loss	(11)	-	(4)	(11)	(4)	4
	Income tax relating to items that will not be reclassified to profit or loss	3	-	1	3	1	(1)
	Total other comprehensive income/ (loss), net of income tax	**(8)**	**-**	**(3)**	**(8)**	**(3)**	**3**
IX	**Total comprehensive income for the period/ year, net of income tax (VII+VIII)**	**214**	**250**	**246**	**464**	**417**	**1,108**
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**						7,115
XII	**Earnings per share**						
	[Face Value of ₹ 10 per share (not annualised)]						
	- Basic (₹)	10.08	11.39	11.33	21.47	19.11	50.28
	- Diluted (₹)	10.08	11.39	11.33	21.47	19.11	50.28

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Unaudited Statement of Assets and Liabilities as at December 31, 2024

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

Particulars	As at December 31, 2024 (Unaudited)	As at June 30, 2024 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,773	2,912
Right of Use Assets	22	27
Capital work-in-progress	115	79
Investment property*	0	0
Intangible assets*	0	1
Financial assets		
Other financial assets	21	24
Deferred tax assets (net)	28	5
Current tax assets (net)	133	126
Other non-current assets	19	20
Total non-current assets	**3,111**	**3,194**
Current assets		
Inventories	2,779	2,709
Financial assets		
Trade receivables	1,680	1,781
Cash and cash equivalents	2,062	1,128
Bank balances other than cash and cash equivalents	5	3
Other financial assets	53	47
Current tax assets	-	208
Other current assets	99	204
Total current assets	**6,678**	**6,080**
TOTAL ASSETS	**9,789**	**9,274**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	220	220
Other equity	7,580	7,115
Total Equity	**7,800**	**7,335**
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	16	21
Other financial liabilities*	-	0
Provisions	20	9
Total non-current liabilities	**36**	**30**
Current Liabilities		
Financial liabilities		
Lease Liabilities	9	9
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	52	56
Total outstanding dues of creditors other than micro enterprises and small enterprises	890	1,033
Other financial liabilities	287	265
Other current liabilities	527	356
Provisions	188	190
Total current liabilities	**1,953**	**1,909**
TOTAL EQUITY AND LIABILITIES	**9,789**	**9,274**

*Amount below the rounding off norm adopted by the Company

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Unaudited Statement of Cash Flows for six months ended December 31, 2024

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

Particulars	Year ended December 31, 2024 (Unaudited)	Year ended December 31, 2023 (Unaudited)
Cash flow from operating activities		
Profit before tax	**661**	**596**
Adjustments for:		
Depreciation and amortisation expense	229	214
Gain on sale of mutual funds	(34)	(13)
Provision written back*	(0)	-
Provision for product support	10	9
Allowance for loss on financial assets (net)	1	1
Loss on sale of property, plant and equipment (net)	(1)	0
Interest on lease liabilities	1	1
Other interest expenses*	0	4
Interest income on bank deposits	(10)	(7)
Interest income on income tax refund receivable	-	(2)
Unrealised foreign exchange loss/(gain), (net)	(4)	(2)
Share based compensation expense	14	19
Operating profit before working capital changes	**867**	**820**
Adjustment for working capital changes:		
(Increase)/decrease in inventories	(70)	(60)
(Increase)/decrease in trade receivables	101	(159)
(Increase)/decrease in other receivables	(41)	(48)
(Increase)/decrease in financial assets	(6)	(6)
(Increase)/decrease in bank balances other than cash and cash equivalents	(3)	-
Increase/(decrease) in trade payables	(147)	77
Increase/(decrease) in provisions and other liabilities	160	(124)
Cash generated from operations	**861**	**500**
Taxes paid (net of refunds)	(8)	(184)
Net cash generated from operating activities (1)	**853**	**316**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(121)	(103)
Proceeds from sale of mutual funds net of purchase ₹ 1725 (December 31, 2023: ₹ 970)	34	13
Proceeds from sale of property, plant and equipment	8	4
Purchase of bank deposits with maturity of more than twelve months	3	-
Interest income on bank deposits	10	7
Interest income on income tax refund	152	2
Net cash (used in) investing activities (2)	**86**	**(77)**
Cash flow from financing activities		
Unclaimed dividend paid*	0	(1)
Principal repayment of lease liabilities	(4)	(4)
Interest paid on lease liabilities	(1)	(1)
Other interest paid*	(0)	-
Net cash (used in) financing activities (3)	**(5)**	**(6)**
Net (decrease) / increase in cash and cash equivalents (1+2+3)	**934**	**233**
Add: Cash and cash equivalents at the beginning of the year	1,128	892
Cash and cash equivalents at the end of the year	**2,062**	**1,125**
Balance as per Statement of Cash Flows	**2,062**	**1,125**

*Amount below the rounding off norm adopted by the Company

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Reporting of segment wise revenue, results, segment assets and liabilities for the quarter and six months ended December 31, 2024

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

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023	June 30, 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	**Segment Revenue**						
	Revenue from operations						
	Machining solutions	410	265	385	675	610	1,466
	Hard metal and hard metal products	2,460	2,439	2,323	4,899	4,677	9,533
	Revenue from operations	**2,870**	**2,704**	**2,708**	**5,574**	**5,287**	**10,999**
2	**Segment Results**						
	Machining solutions	19	13	40	32	30	144
	Hard metal and hard metal products	386	392	394	778	724	1,534
	Total	**405**	**405**	**434**	**810**	**754**	**1,678**
	Add / (Less) :						
	Interest expense	(0)	(1)	(5)	(1)	(5)	(6)
	Interest income	5	5	9	10	10	40
	Other unallocable income	23	24	9	47	20	51
	Other unallocable expenditure	(109)	(96)	(113)	(205)	(183)	(377)
	Exceptional item - Income (Refer Note 3)	-	-	-	-	-	127
	Total profit before tax	**324**	**337**	**334**	**661**	**596**	**1,513**
3	**Segment Assets**						
	Machining solutions	1,238	1,165	1,125	1,238	1,125	1,208
	Hard metal and hard metal products	6,205	6,338	6,085	6,205	6,085	6,336
	Other unallocable assets	2,346	1,838	1,687	2,346	1,687	1,730
	Total assets	**9,789**	**9,341**	**8,897**	**9,789**	**8,897**	**9,274**
4	**Segment Liabilities**						
	Machining solutions	805	768	529	805	529	614
	Hard metal and hard metal products	1,082	905	962	1,082	962	1,263
	Other unallocable liabilities	102	82	100	102	100	62
	Total liabilities	**1,989**	**1,755**	**1,591**	**1,989**	**1,591**	**1,939**

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Notes to the Unaudited Financial Results for the quarter and six months ended December 31, 2024

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, 2024 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 6, 2025. The aforesaid financial results for the quarter and six months ended December 31, 2024 have been reviewed by the statutory auditors of the Company.

2 The 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 Exceptional item credited to the financial result comprises of: All amounts in ₹ millions

Sl No	Description	Quarter ended			Six months ended		Year ended
		December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023	June 30, 2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Interest Income on Income Tax refund	-	-	-	-	-	127

During the prior year, the Company had received the order giving effect (OGE) from the tax assessing officer, revising the tax payable and calculating the amount of refund of tax and related interest for tax assessment years 2008-09, 2009-10, 2010-11 and 2011-12, giving effect to the favourable order of the Commissioner Income Tax (Appeals) pertaining to the transfer pricing dispute on Information Technology cross charge paid to the Kennametal Inc., USA (the ultimate holding company). During the current period, the refund has been received by the Company along with interest. Considering the nature of incidence, the aggregate interest income on income tax refund of ₹127 has been recognized during the year ended June 30, 2024, as an exceptional item.

4 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**

Vijaykrishnan Venkatesan
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Date: 2025.02.06 16:52:49 +05'30'

Bengaluru
February 6, 2025

Venkatesan Vijaykrishnan
Managing Director