

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Kennametal India Limited

Report on the Audit of Financial Results

Opinion

1. We have audited the financial results of Kennametal India Limited (the "Company") for the year ended June 30, 2025, the statement of assets and liabilities as on that date and the statement of cash flows for the year ended on that date (the "financial results"), attached herewith, which are included in the accompanying "Statement of Audited Financial Results for the quarter and year ended June 30, 2025", "Audited Statement of Assets and Liabilities as at June 30, 2025" and "Audited Statement of Cash Flows for the year ended June 30, 2025" together with notes thereon (together referred to as the "Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'), which has been initialled by us for identification purposes.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended June 30, 2025 and the statement of assets and liabilities and the statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Results' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



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

Registered office and Head office: Plot No. 56 & 57, Block DN, Sector-V, Salt Lake, Kolkata - 700 091

Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: 11 PIN 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)

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Board of Directors' Responsibilities for the Financial Results

4. These financial results have been prepared on the basis of the financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company and the statement of assets and liabilities and the statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the financial results by the Directors of the Company, as aforesaid.
5. In preparing the financial results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

7. Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial results.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Price Waterhouse & Co Chartered Accountants LLP

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

10. The Financial Results include the results for the quarter ended June 30, 2025 being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by us.

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



Shivakumar Hegde
Partner

Membership Number: 204627
UDIN: 25204627BMOLIA9714

Bengaluru
August 13, 2025



Kennametal India Limited

CIN: L27109KA1964PLC001546

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

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

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

Statement of Audited Financial Results for the quarter and year ended June 30, 2025

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

Sl. No.	Particulars	Quarter ended			Year ended	
		June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
		(Unaudited) (Refer Note 4)	(Unaudited)	(Unaudited) (Refer Note 4)	(Audited)	(Audited)
I	INCOME					
	Revenue from operations	3,234	2,896	3,024	11,703	10,999
	Other income	37	45	26	144	115
	Total income	3,271	2,941	3,050	11,847	11,114
II	EXPENSES					
	Cost of materials consumed	835	778	786	3,158	2,939
	Purchase of stock-in-trade	947	922	833	3,324	3,081
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	10	(141)	21	(215)	(143)
	Employee benefits expense	395	399	391	1,582	1,515
	Finance costs*	2	1	0	4	6
	Depreciation and amortisation expense	116	115	113	460	436
	Other expenses	553	539	506	2,132	1,894
	Total expenses	2,858	2,613	2,650	10,445	9,728
III	Profit before exceptional item and tax (I-II)	413	328	400	1,402	1,386
IV	Exceptional item - Interest Income (refer Note 3)	-	-	-	-	127
V	Profit before tax (III+IV)	413	328	400	1,402	1,513
VI	Tax expense					
	Current tax	114	85	100	392	370
	Current tax adjustments relating to earlier years	0	-	19	16	19
	Deferred tax charge / (credit)	(14)	(1)	(22)	(35)	19
	Total tax expense	100	84	97	373	408
VII	Net profit for the period/year (V-VI)	313	244	303	1,029	1,105
VIII	Other comprehensive income					
	(i) Items that will not be reclassified to profit or loss	7	(3)	5	(7)	4
	Income tax relating to items that will not be reclassified to profit or loss	(2)	1	(1)	2	(1)
	Total other comprehensive income, net of income tax	5	(2)	4	(5)	3
IX	Total comprehensive income for the period/ year (VII+VIII)	318	242	307	1,024	1,108
X	Paid-up of equity share capital (21,978,240 shares of face value of ₹ 10 per share)	220	220	220	220	220
XI	Other equity				7,253	7,115
XII	Earnings per share [Face Value of ₹ 10 per share (not annualised)]					
	- Basic (₹)	14.22	11.11	13.78	46.82	50.28
	- Diluted (₹)	14.22	11.11	13.78	46.82	50.28

*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 year ended June 30, 2025

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

Sl. No.	Particulars	Quarter ended			Year ended	Year ended
		June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
		(Unaudited) (Refer Note 4)	(Unaudited)	(Unaudited) (Refer Note 4)	(Audited)	(Audited)
1	Segment Revenue					
	Revenue from operations					
	Machining solutions	449	410	534	1,534	1,466
	Hard metal and hard metal products	2,785	2,486	2,490	10,169	9,533
	Revenue from operations	3,234	2,896	3,024	11,703	10,999
2	Segment Results					
	Machining solutions	34	(8)	91	58	144
	Hard metal and hard metal products	450	406	389	1,634	1,534
	Total	484	398	480	1,692	1,678
	Add / (Less) :					
	Interest expense*	(2)	(1)	(0)	(4)	(6)
	Interest income	1	2	1	13	40
	Other unallocable income	28	30	17	106	51
	Other unallocable expenditure	(98)	(101)	(98)	(405)	(377)
	Exceptional item - Interest Income (Refer Note 3)	-	-	-	-	127
	Total profit before tax	413	328	400	1,402	1,513
3	Segment Assets					
	Machining solutions	1,294	1,190	1,208	1,294	1,208
	Hard metal and hard metal products	6,507	6,124	6,336	6,507	6,336
	Other unallocable assets	1,866	2,906	1,730	1,866	1,730
	Total assets	9,667	10,220	9,274	9,667	9,274
4	Segment Liabilities					
	Machining solutions	746	800	614	746	614
	Hard metal and hard metal products	1,357	1,285	1,263	1,357	1,263
	Other unallocable liabilities	91	94	62	91	62
	Total liabilities	2,194	2,179	1,939	2,194	1,939



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Audited Statement of Assets and Liabilities as at June 30, 2025

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

Particulars	As at June 30, 2025 (Audited)	As at June 30, 2024 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,712	2,912
Right of use assets	21	27
Capital work-in-progress	80	79
Investment property*	0	0
Intangible assets*	0	1
Financial assets		
Other financial assets	21	24
Deferred tax assets (net)	41	5
Current tax assets (net)	79	126
Other non-current assets	61	20
Total non-current assets	3,015	3,194
Current assets		
Inventories	2,949	2,709
Financial assets		
Trade receivables	1,905	1,781
Cash and cash equivalents	1,645	1,128
Bank balances other than cash and cash equivalents	9	3
Other financial assets	57	47
Current tax assets	-	208
Other current assets	87	204
Total current assets	6,652	6,080
TOTAL ASSETS	9,667	9,274
EQUITY AND LIABILITIES		
Equity		
Equity share capital	220	220
Other equity	7,253	7,115
Total Equity	7,473	7,335
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	15	21
Other financial liabilities*	-	0
Provisions	10	9
Total non-current liabilities	25	30
Current Liabilities		
Financial liabilities		
Lease Liabilities	10	9
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	69	56
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,054	1,033
Other financial liabilities	385	265
Other current liabilities	478	356
Provisions	173	190
Total current liabilities	2,169	1,909
TOTAL EQUITY AND LIABILITIES	9,667	9,274

*Amount below the rounding off norm adopted by the Company





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Audited Statement of Cash Flows for the year ended June 30, 2025

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

Particulars	Year ended June 30, 2025 (Audited)	Year ended June 30, 2024 (Audited)
Cash flow from operating activities		
Profit before exceptional item and tax	1,402	1,386
Adjustments for:		
Depreciation and amortisation expense	460	436
Gain on sale of mutual funds	(85)	(36)
Disputed taxes and duties provision written back	(9)	-
Provision for product support	22	11
Allowance for loss on financial assets (net)	6	1
Gain on sale of property, plant and equipment (net)	(1)	-
Interest on lease liabilities	2	2
Other interest expenses	2	4
Interest income on bank deposits	(13)	(13)
Exceptional item - Interest income	-	127
Interest on income tax refund receivable	-	(27)
Unrealised foreign exchange loss/(gain), (net)	-	0
Share based compensation expense	23	33
Operating profit before working capital changes	1,809	1,924
Adjustment for working capital changes:		
(Increase)/decrease in inventories	(240)	(265)
(Increase)/decrease in trade receivables	(124)	(361)
(Increase)/decrease in other receivables	(34)	(134)
(Increase)/decrease in financial assets	(10)	(5)
(Increase)/decrease in bank balances other than cash and cash equivalents	(6)	0
Increase/(decrease) in trade payables	34	340
Increase/(decrease) in provisions and other liabilities	172	(53)
Cash generated from operations	1,601	1,446
Taxes paid (net of refunds)	(153)	(303)
Net cash generated from operating activities (1)	1,448	1,143
Cash flow from investing activities		
Purchase of property, plant and equipment	(312)	(294)
Gain on sale of mutual funds, net of purchase ₹ 7775, June 30, 2024: ₹ 3340	85	36
Proceeds from sale of property, plant and equipment	20	9
Purchase of bank deposits with maturity of more than twelve months	3	-
Interest income on income tax refund	152	2
Interest income on bank deposits	13	13
Net cash (used in) investing activities (2)	(39)	(234)
Cash flow from financing activities		
Interim dividend declared and paid	(879)	(659)
Unclaimed dividend paid*	(0)	(0)
Principal repayment of lease liabilities	(9)	(8)
Interest paid on lease liabilities	(2)	(2)
Other interest paid	(2)	(4)
Net cash (used in) financing activities (3)	(892)	(673)
Net (decrease)/ increase in cash and cash equivalents (1+2+3)	517	236
Add: Cash and cash equivalents at the beginning of the year	1,128	892
Cash and cash equivalents at the end of the year	1,645	1,128
Balance as per Statement of Cash Flows	1,645	1,128

*Amount below the rounding off norm adopted by the Company





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Notes to the Audited Financial Results for the quarter and year ended June 30, 2025

- 1 In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the aforesaid statement of audited financial results ("financial results") for the quarter and year ended June 30, 2025 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 13, 2025. The aforesaid financial results for the quarter and year ended June 30, 2025 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:

SI No	Description	Quarter ended			Year ended	
		June 30, 2025	March 31, 2025	June 30, 2024	June 30, 2025	June 30, 2024
		(Unaudited) (Refer Note 4)	(Unaudited)	(Unaudited) (Refer Note 4)	(Audited)	(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). The refund has been received by the Company along with interest in July 2024. 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 financial results include the results for the quarter ended June 30, 2025 and corresponding quarter ended June 30, 2024, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the respective financial years, which were subjected to limited review.
- 5 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

Venkatesan Vijaykrishnan
Managing Director

Bengaluru
August 13, 2025

