

# Walker Chandiok & Co LLP

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**Walker Chandiok & Co LLP**  
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## **Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

### **To the Board of Directors of Kennametal India Limited**

#### **Opinion**

1. We have audited the accompanying standalone annual financial results ('the Statement') of Kennametal India Limited ('the Company') for the year ended 30 June 2022, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'),
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
  - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company, for the year ended 30 June 2022.

#### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Statement* Section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results 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.

#### **Responsibilities of Management and Those Charged with Governance for the Statement**

4. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the Ind AS specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes 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 design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy

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and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

5. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability 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 is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Statement**

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under Section 143(10) of the Act, 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 this Statement.
8. As part of an audit in accordance with the Standards on Auditing, specified under Section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, 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.
  - 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 in place an adequate internal financial controls with reference to financial statements 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 management.
  - 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 Company's ability 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 Statement 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance 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.
10. 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.

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## Other Matter

11. The Statement includes the financial results for the quarter ended 30 June 2022, 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 Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Vijay Vikram Singh

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### Vijay Vikram Singh

Partner

Membership No. 059139

UDIN: 22059139AOWYTC6853

Bengaluru

12 August 2022



# Kennametal India Limited

CIN: L27109KA1964PLC001546

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

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## Statement of Standalone Audited Financial Results for the quarter and year ended June 30, 2022

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

Sl. No.	Particulars	Quarter ended			Year ended	
		June 30, 2022	March 31, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>I</b>	<b>INCOME</b>					
	Revenue from operations	2,686	2,457	2,119	9,907	8,114
	Other income	18	20	14	90	85
	<b>Total income</b>	<b>2,704</b>	<b>2,477</b>	<b>2,133</b>	<b>9,997</b>	<b>8,199</b>
<b>II</b>	<b>EXPENSES</b>					
	Cost of materials consumed	836	729	520	2,939	2,196
	Purchase of stock-in-trade	675	623	662	2,518	2,175
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(114)	(121)	(97)	(456)	(46)
	Employee benefits expense	375	390	308	1,453	1,215
	Finance costs	-	-	-	-	3
	Depreciation and amortisation expense	88	88	94	357	378
	Other expenses	461	402	354	1,656	1,374
	<b>Total expenses</b>	<b>2,321</b>	<b>2,111</b>	<b>1,841</b>	<b>8,467</b>	<b>7,295</b>
<b>III</b>	<b>Profit before exceptional items and tax (I-II)</b>	<b>383</b>	<b>366</b>	<b>292</b>	<b>1,530</b>	<b>904</b>
<b>IV</b>	Exceptional items (refer note 3)	-	-	-	-	(10)
<b>V</b>	<b>Profit before tax (III-IV)</b>	<b>383</b>	<b>366</b>	<b>292</b>	<b>1,530</b>	<b>894</b>
<b>VI</b>	<b>Tax expense/(credit)</b>					
	Current tax	103	100	73	405	232
	Deferred tax (credit)/charge	(3)	(1)	2	(11)	(4)
	Deferred tax adjustments relating to earlier years	-	(9)	-	(9)	-
	<b>Total tax expense</b>	<b>100</b>	<b>90</b>	<b>75</b>	<b>385</b>	<b>228</b>
<b>VII</b>	<b>Net profit for the period/year (V-VI)</b>	<b>283</b>	<b>276</b>	<b>217</b>	<b>1,145</b>	<b>666</b>
<b>VIII</b>	<b>Other comprehensive income, net of income tax</b>					
	(i) Items that will not be reclassified to profit or loss	(12)	(4)	(9)	(16)	2
	Income tax relating to items that will not be reclassified to profit or loss	3	1	2	4	(1)
	<b>Total other comprehensive income, net of income tax</b>	<b>(9)</b>	<b>(3)</b>	<b>(7)</b>	<b>(12)</b>	<b>1</b>
<b>IX</b>	<b>Total comprehensive income for the period/year (VII+VIII)</b>	<b>274</b>	<b>273</b>	<b>210</b>	<b>1,133</b>	<b>667</b>
<b>X</b>	<b>Paid-up of equity share capital</b>	220	220	220	220	220
	(21,978,240 shares of face value of ₹ 10 per share)					
<b>XI</b>	<b>Other equity</b>	-	-	-	<b>6,124</b>	<b>5,514</b>
<b>XII</b>	<b>Earnings per share</b>					
	[Face Value of ₹ 10 per share (not annualised)]					
	- Basic (₹)	12.85	12.57	9.86	52.11	30.30
	- Diluted (₹)	12.85	12.57	9.86	52.11	30.30



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Reporting of standalone segment wise revenue, results, segment assets and liabilities for the quarter and year ended June 30, 2022

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

Sl. No.	Particulars	Quarter ended			Year ended	
		June 30, 2022	March 31, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	<b>Segment Revenue</b>					
	<u>Revenue from operations</u>					
	Machining solutions	454	366	251	1,465	1,104
	Hard metal and hard metal products	2,232	2,090	1,868	8,442	7,010
	<b>Revenue from operations</b>	<b>2,686</b>	<b>2,456</b>	<b>2,119</b>	<b>9,907</b>	<b>8,114</b>
2	<b>Segment Results</b>					
	Machining Solutions	79	40	28	205	70
	Hard metal and hard metal products	374	389	326	1,585	1,073
	<b>Total</b>	<b>453</b>	<b>429</b>	<b>354</b>	<b>1,790</b>	<b>1,143</b>
	<u>Add / (Less) :</u>					
	Other unallocable income	8	15	11	49	38
	Other unallocable expenditure	(78)	(78)	(73)	(309)	(277)
	Exceptional items	-	-	-	-	(10)
	<b>Total profit before tax</b>	<b>383</b>	<b>366</b>	<b>292</b>	<b>1,530</b>	<b>894</b>
3	<b>Segment Assets</b>					
	Machining solutions	1,105	1,042	697	1,105	697
	Hard metal and hard metal products	6,027	5,821	5,406	6,027	5,406
	Other unallocable assets	1,047	1,696	1,545	1,047	1,545
	<b>Total assets</b>	<b>8,179</b>	<b>8,559</b>	<b>7,648</b>	<b>8,179</b>	<b>7,648</b>
4	<b>Segment Liabilities</b>					
	Machining solutions	565	683	567	565	567
	Hard metal and hard metal products	1,188	1,194	1,257	1,188	1,257
	Other unallocable liabilities	82	83	90	82	90
	<b>Total liabilities</b>	<b>1,835</b>	<b>1,960</b>	<b>1,914</b>	<b>1,835</b>	<b>1,914</b>



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### Statement of Standalone Audited Assets and Liabilities as at June 30, 2022

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

Particulars	As at June 30, 2022 (Audited)	As at June 30, 2021 (Audited)
<b>I. ASSETS</b>		
<b>1. Non-current assets</b>		
(a) Property, plant and equipment	2,142	2,245
(b) Capital work-in-progress	772	518
(c) Investment property [June 30, 2022: ₹ 67,049 (June 30, 2021: ₹ 67,049)]	0	0
(d) Intangible assets	4	5
(e) Financial assets		
(i) Investment in subsidiary	20	20
(ii) Other financial assets	23	17
(f) Deferred tax assets (net)	22	-
(g) Income tax assets (net)	395	409
(h) Other non-current assets	151	32
<b>Total non-current assets</b>	<b>3,529</b>	<b>3,246</b>
<b>2. Current assets</b>		
(a) Inventories	2,666	2,051
(b) Financial assets		
(i) Trade receivables	1,368	1,131
(ii) Cash and cash equivalents	499	1,145
(iii) Bank balances other than cash and cash equivalents	10	4
(iv) Other financial assets	35	37
(c) Other current assets	72	34
<b>Total current assets</b>	<b>4,650</b>	<b>4,402</b>
<b>TOTAL ASSETS</b>	<b>8,179</b>	<b>7,648</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
(a) Equity share capital	220	220
(b) Other equity	6,124	5,514
<b>Total equity</b>	<b>6,344</b>	<b>5,734</b>
<b>2. Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Other financial liabilities (June 30, 2022: ₹ 325,000)	0	1
(b) Provisions	76	34
(c) Deferred tax liabilities(net)	-	2
<b>Total non-current liabilities</b>	<b>76</b>	<b>37</b>
<b>Current Liabilities</b>		
(a) Financial liabilities		
(i) Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	34	22
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	991	1,001
(ii) Other financial liabilities	220	345
(b) Provisions	209	193
(c) Other current liabilities	305	316
<b>Total current liabilities</b>	<b>1,759</b>	<b>1,877</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,179</b>	<b>7,648</b>



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### Statement of Standalone Audited Cash Flows for the year ended June 30, 2022

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

Particulars	Year ended June 30, 2022 (Audited)	Year ended June 30, 2021 (Audited)
<b>Cash flow from operating activities</b>		
<b>Profit before taxation and exceptional items</b>	<b>1,530</b>	<b>904</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	357	378
Gain on sale of investment	(14)	(12)
Provision no longer required written back	(24)	-
Provision for product support	32	31
Provision made for doubtful debts	2	-
Loss on sale of property, plant and equipment (net)	-	(2)
Interest expense	-	3
Interest income	(12)	(8)
Unrealised foreign exchange loss (net) (June 30, 2021: ₹ 28,333)	(2)	0
Share based compensation expense	29	22
<b>Operating profit before working capital changes</b>	<b>1,898</b>	<b>1,316</b>
Adjustment for working capital changes:		
(Increase) in inventories	(615)	(72)
(Increase) in trade and other receivables	(239)	(158)
(Increase) / decrease in financial assets	(9)	15
(Decrease) / increase in trade, provisions and other liabilities	(140)	626
<b>Cash generated from operations</b>	<b>895</b>	<b>1,727</b>
Taxes paid (net of refunds)	(391)	(180)
<b>Net cash generated from operations (1)</b>	<b>504</b>	<b>1,547</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(651)	(264)
Interest received on loan to subsidiary	-	5
Sale proceeds of property, plant and equipment	1	3
Gain on sale of investment	14	12
Interest received	12	1
<b>Net cash (used in) investing activities (2)</b>	<b>(624)</b>	<b>(243)</b>
<b>Cash flow from financing activities</b>		
Repayment of loan to fellow subsidiary	-	(130)
Interest paid	-	(3)
Interim dividends declared and paid	(527)	(440)
Unclaimed dividend (June 30, 2021: ₹ 135,402)	1	(0)
<b>Net Cash (used in) financing activities (3)</b>	<b>(526)</b>	<b>(573)</b>
<b>Net decrease in cash and cash equivalents (1+2+3)</b>	<b>(646)</b>	<b>731</b>
Add: Cash and cash equivalents at the beginning of the year	1,145	414
<b>Cash and cash equivalents at the end of the year</b>	<b>499</b>	<b>1,145</b>
<b>Cash and cash equivalent as per above comprises of the following</b>		
Cash and cash equivalent	499	1,145
<b>Balance as per statement of Cash Flows</b>	<b>499</b>	<b>1,145</b>



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**Notes to the Standalone Audited Financial Results for the quarter and year ended June 30, 2022**

- 1 In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the aforesaid statement of standalone audited financial results ("financial results") for the quarter and year ended June 30, 2022 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 12, 2022. The aforesaid standalone financial results for the quarter and year ended June 30, 2022 have been audited by the statutory auditors of the Company.
- 2 The audited standalone 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 items debited to the statement of standalone financial results comprises of :

Particulars	Quarter ended			Year ended	
	June 30, 2022	March 31, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
The Company also has a severance / separation scheme for certain employees and the aggregate compensation paid in accordance with the said scheme has been fully charged to the statement of profit and loss.	-	-	-	-	10

- 4 The above standalone financial results of the Company are available on the Company's website and also on the website of BSE ([www.bseindia.com](http://www.bseindia.com)) where the shares of the Company are listed.
- 5 The Board of Directors at its meeting held on December 4, 2020 had approved a Scheme of Amalgamation ('Scheme') for the merger of its wholly owned subsidiary, WIDIA India Tooling Private Limited ('WITPL') with its Holding Company, Kennametal India Limited ('KIL' or 'Company'). Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has furnished the Scheme details to the Bombay Stock Exchange. The appointed date of the Scheme was April 1, 2021. Further, the Company has received approval for the said Scheme from the shareholders and Unsecured creditors of the Company at its meeting held on April 12, 2021 convened by Hon'ble NCLT, Bengaluru bench and the petition to that effect was filed with NCLT on April 29, 2021. There were multiple dates of hearing some of which were non effective and the last hearing date was scheduled on August 2, 2022 which was also not heard due to paucity of time. The Company awaits for the next date of hearing.
- 6 The figures for the quarter ended June 30, 2022 and June 30, 2021 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to third quarter ended March 31, 2022 and March 31, 2021 respectively.
- 7 Figures of the previous year under various heads have been regrouped to the extent required.

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

**Vijaykrishnan Venkatesan**  
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Vijaykrishnan  
Venkatesan  
Date: 2022.08.12  
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Bengaluru  
August 12, 2022

Venkatesan Vijaykrishnan  
Managing Director

# Walker Chandiok & Co LLP

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## **Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

### **To the Board of Directors of Kennametal India Limited**

#### **Opinion**

1. We have audited the accompanying consolidated annual financial results ('the Statement') of Kennametal India Limited ('the Holding Company') and Widia India Tooling Private Limited (the Holding Company and its subsidiaries together referred to as 'the Group'), for the year ended 30 June 2022, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'),
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) includes the annual financial results of Widia India Tooling Private Limited ('the subsidiary');
  - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
  - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, for the year ended 30 June 2022.

#### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Statement* Section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results 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.

#### **Responsibilities of Management and Those Charged with Governance for the Statement**

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss and other comprehensive income, and other financial information of the Group in accordance with the Ind AS prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors/management of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable

# Walker Chandiok & Co LLP

and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

5. In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the companies included in the Group.

## **Auditor's Responsibilities for the Audit of the Statement**

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing specified under Section 143(10) of the Act 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 this Statement.
8. As part of an audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, 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.
  - 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 Holding 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 management.
  - Conclude on the appropriateness of management's 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 Group, 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 Statement 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 Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial results/ financial information/ financial statements of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors.
9. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, 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.
10. 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.
11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

# Walker Chandiok & Co LLP

## Other Matter

12. The Statement includes the consolidated financial results for the quarter ended 30 June 2022, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

## For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Vijay Vikram Singh**  
Digitally signed by  
Vijay Vikram Singh  
Date: 2022.08.12  
16:01:30 +05'30'

## Vijay Vikram Singh

Partner

Membership No. 059139

UDIN: 22059139AOWZRL4226

Bengaluru

12 August 2022



**Kennametal India Limited**  
**CIN: L27109KA1964PLC001546**  
**Regd Office : 8/9th Mile, Tumkur Road, Bengaluru - 560 073**  
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**Statement of Consolidated Audited Assets and Liabilities as at June 30, 2022**

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

Particulars	As at June 30, 2022 (Audited)	As at June 30, 2021 (Audited)
<b>I. ASSETS</b>		
<b>1. Non-current assets</b>		
(a) Property, plant and equipment	2,142	2,245
(b) Capital work-in-progress	772	518
(c) Investment property [June 30, 2022: ₹ 67,049 (June 30, 2021: ₹ 67,049)]	0	0
(d) Intangible assets	4	5
(e) Financial assets	23	18
(f) Deferred tax assets (net)	22	-
(g) Income tax assets (net)	399	411
(h) Other non-current assets	151	32
<b>Total non-current assets</b>	<b>3,513</b>	<b>3,229</b>
<b>2. Current assets</b>		
(a) Inventories	2,666	2,051
(b) Financial assets		
(i) Trade receivables	1,368	1,131
(ii) Cash and cash equivalents	634	1,288
(iii) Bank balances other than cash and cash equivalents	10	4
(iv) Other financial assets	35	38
(c) Other current assets	73	33
<b>Total current assets</b>	<b>4,786</b>	<b>4,545</b>
<b>TOTAL ASSETS</b>	<b>8,299</b>	<b>7,774</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>1. Equity</b>		
(a) Equity share capital	220	220
(b) Other equity	6,242	5,637
<b>Equity attributable to Owners</b>	<b>6,462</b>	<b>5,857</b>
Non-controlling interests	-	-
<b>Total Equity</b>	<b>6,462</b>	<b>5,857</b>
<b>2. Liabilities</b>		
<b>Non-current liabilities</b>		
(a) Financial liabilities		
(i) Other financial liabilities (June 30, 2022: ₹ 325,000)	0	1
(b) Provisions	77	35
(c) Deferred tax liabilities(net)	-	2
<b>Total non-current liabilities</b>	<b>77</b>	<b>38</b>
<b>Current Liabilities</b>		
(a) Financial liabilities		
(i) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	35	22
Total outstanding dues of creditors other than micro enterprises and small enterprises	991	1,003
(ii) Other financial liabilities	220	345
(b) Provisions	209	193
(c) Other current liabilities	305	316
<b>Total current liabilities</b>	<b>1,760</b>	<b>1,879</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>8,299</b>	<b>7,774</b>



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## Statement of Consolidated Audited Financial Results for the quarter and year ended June 30, 2022

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

Sl. No.	Particulars	Quarter ended			Year ended	
		June 30, 2022	March 31, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>I</b>	<b>INCOME</b>					
	Revenue from operations	2,686	2,457	2,119	9,907	8,537
	Other income	19	21	13	94	69
	<b>Total income</b>	<b>2,705</b>	<b>2,478</b>	<b>2,132</b>	<b>10,001</b>	<b>8,606</b>
<b>II</b>	<b>EXPENSES</b>					
	Cost of materials consumed	836	729	520	2,939	2,196
	Purchase of stock-in-trade	676	623	660	2,518	2,327
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(113)	(121)	(97)	(456)	37
	Employee benefits expense	374	390	309	1,452	1,267
	Finance costs	-	-	-	-	3
	Depreciation and amortisation expense	88	88	94	357	379
	Other expenses	462	410	354	1,665	1,402
	<b>Total expenses</b>	<b>2,323</b>	<b>2,119</b>	<b>1,840</b>	<b>8,475</b>	<b>7,611</b>
<b>III</b>	<b>Profit before exceptional items and tax (I-II)</b>	<b>382</b>	<b>359</b>	<b>292</b>	<b>1,526</b>	<b>995</b>
<b>IV</b>	Exceptional items (refer note 4)	-	-	-	-	(10)
<b>V</b>	<b>Profit before tax (III-IV)</b>	<b>382</b>	<b>359</b>	<b>292</b>	<b>1,526</b>	<b>985</b>
<b>VI</b>	<b>Tax expense/(credit)</b>					
	Current tax	104	100	74	405	253
	Deferred tax (credit)/charge	(3)	(1)	2	(11)	(1)
	Deferred Tax adjustments relating to earlier years	-	(9)	-	(9)	-
	<b>Total tax expense</b>	<b>101</b>	<b>90</b>	<b>76</b>	<b>385</b>	<b>252</b>
<b>VII</b>	<b>Net profit for the period/year (V-VI)</b>	<b>281</b>	<b>269</b>	<b>216</b>	<b>1,141</b>	<b>733</b>
<b>VIII</b>	<b>Other comprehensive income, net of income tax</b>					
	(i) Items that will not be reclassified to profit or loss	(12)	(4)	(9)	(16)	2
	Income tax relating to items that will not be reclassified to profit or loss	3	1	2	4	(1)
	<b>Total other comprehensive income, net of income tax</b>	<b>(9)</b>	<b>(3)</b>	<b>(7)</b>	<b>(12)</b>	<b>1</b>
<b>IX</b>	<b>Total comprehensive income for the period/year (VII+VIII)</b>	<b>272</b>	<b>266</b>	<b>209</b>	<b>1,129</b>	<b>734</b>
	<b>Profit attributable to:</b>					
	Owners	281	269	216	1,141	733
	Non-controlling interests	-	-	-	-	-
		<b>281</b>	<b>269</b>	<b>216</b>	<b>1,141</b>	<b>733</b>
	<b>Other comprehensive income attributable to:</b>					
	Owners	(9)	(3)	(7)	(12)	1
	Non-controlling interests	-	-	-	-	-
		<b>(9)</b>	<b>(3)</b>	<b>(7)</b>	<b>(12)</b>	<b>1</b>
	<b>Total comprehensive income attributable to:</b>					
	Owners	272	266	209	1,129	734
	Non-controlling interests	-	-	-	-	-
		<b>272</b>	<b>266</b>	<b>209</b>	<b>1,129</b>	<b>734</b>
<b>X</b>	<b>Paid-up of equity share capital</b>	220	220	220	220	220
	(21,978,240 shares of face value of ₹ 10 per share)					
<b>XI</b>	<b>Other equity</b>	-	-	-	6,242	5,637
<b>XII</b>	<b>Earnings per share</b>					
	[Face Value of ₹ 10 per share (not annualised)]					
	- Basic (₹)	12.81	12.24	9.84	51.93	33.35
	- Diluted (₹)	12.81	12.24	9.84	51.93	33.35



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**Statement of Consolidated Audited Cash Flow for the year ended June 30, 2022**

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

Particulars	Year ended Jun 30, 2022 (Audited)	Year ended June 30, 2021 (Audited)
<b>Cash flow from operating activities</b>		
<b>Profit before taxation and exceptional items</b>	<b>1,526</b>	<b>995</b>
<b>Adjustments for:</b>		
Depreciation and amortisation expense	357	379
Dividend Income	(14)	(12)
Provision no longer required written back	(24)	(14)
Provision for product support	32	32
Provision made for doubtful debts	2	-
Loss on sale of property, plant and equipments (net)	-	(2)
Interest expense	-	3
Interest income	(16)	(3)
Unrealised foreign exchange loss, (net)	(2)	(1)
Share based compensation expense	29	24
<b>Operating profit before working capital changes</b>	<b>1,890</b>	<b>1,401</b>
<b>Adjustment for working capital changes:</b>		
(Increase) in inventories	(615)	11
(Increase) in trade and other receivables	(241)	(140)
(Increase) / decrease in financial assets	(9)	16
(Decrease)/ increase in trade payables, provisions and other liabilities	(142)	572
<b>Cash generated from operations</b>	<b>883</b>	<b>1,860</b>
Taxes paid (net of refunds)	(392)	(198)
<b>Net cash generated from operations (1)</b>	<b>491</b>	<b>1,662</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(650)	(265)
Gain on sale of investment	14	12
Sale proceeds of property, plant and equipment	1	4
Interest received	16	2
<b>Net Cash (used in) investing activities (2)</b>	<b>(619)</b>	<b>(247)</b>
<b>Cash flow from financing activities</b>		
Repayment of loan to fellow subsidiary	-	(130)
Interest paid	-	(3)
Interim dividends declared and paid	(527)	(440)
Unclaimed dividend (June 30, 2021: ₹ 135,402)	1	(0)
<b>Net Cash (used in) financing activities (3)</b>	<b>(526)</b>	<b>(573)</b>
<b>Net (decrease) / increase in cash and cash equivalents (1+2+3)</b>	<b>(654)</b>	<b>842</b>
Add: Cash and cash equivalents at the beginning of the year	1,288	446
<b>Cash and cash equivalents at the end of the year</b>	<b>634</b>	<b>1,288</b>
<b>Cash and cash equivalent as per above comprises of the following</b>		
Cash and cash equivalent	634	1,288
<b>Balance as per statement of Cash Flows</b>	<b>634</b>	<b>1,288</b>



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Reporting of consolidated segment wise revenue, results, segment assets and liabilities for the quarter and year ended June 30, 2022

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

Sl. No.	Particulars	Quarter ended			Year ended	
		June 30, 2022	March 31, 2022	June 30, 2021	June 30, 2022	June 30, 2021
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1	<b>Segment Revenue</b>					
	Revenue from operations					
	Machining solutions	454	366	251	1,465	1,104
	Hard metal and hard metal products	2,232	2,090	1,868	8,442	7,433
	<b>Revenue from operations</b>	<b>2,686</b>	<b>2,456</b>	<b>2,119</b>	<b>9,907</b>	<b>8,537</b>
2	<b>Segment Results</b>					
	Machining Solutions	79	40	28	206	70
	Hard metal and hard metal products	373	382	323	1,578	1,175
	<b>Total</b>	<b>452</b>	<b>422</b>	<b>351</b>	<b>1,784</b>	<b>1,245</b>
	Add / (Less) :					
	Other unallocable income	11	15	12	52	34
	Other unallocable expenditure	(80)	(77)	(72)	(310)	(284)
	Exceptional items	-	-	-	-	(10)
	<b>Total profit before tax</b>	<b>383</b>	<b>360</b>	<b>291</b>	<b>1,526</b>	<b>985</b>
3	<b>Segment Assets</b>					
	Machining solutions	1,105	1,042	697	1,105	697
	Hard metal and hard metal products	6,031	5,824	5,405	6,031	5,405
	Other unallocable assets	1,162	1,813	1,671	1,162	1,671
	<b>Total assets</b>	<b>8,298</b>	<b>8,679</b>	<b>7,773</b>	<b>8,298</b>	<b>7,773</b>
4	<b>Segment Liabilities</b>					
	Machining solutions	566	683	568	566	568
	Hard metal and hard metal products	1,191	1,196	1,257	1,191	1,257
	Other unallocable liabilities	80	81	91	80	91
	<b>Total liabilities</b>	<b>1,837</b>	<b>1,960</b>	<b>1,916</b>	<b>1,837</b>	<b>1,916</b>



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### Notes to the Consolidated Audited Financial Results for the quarter and year ended June 30, 2022

- 1 In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the aforesaid statement of consolidated audited financial results ("financial results") for the quarter and year ended June 30, 2022 of the Group have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 12, 2022. The aforesaid consolidated financial results for the quarter and year ended June 30, 2022 have been audited by the statutory auditors of the Company.
- 2 The audited consolidated financial results of Kennametal India Limited (the 'Company') and its subsidiary (together referred as 'Group') 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 summarised standalone financial performance of the parent company

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

Particulars	Quarter ended			Year ended	
	June 30, 2022	March 31, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Total revenue (including other income)	2704	2,477	2,133	9,997	8,199
Profit before tax	383	366	292	1,530	894
Profit after tax	283	276	217	1,145	666
Total comprehensive income for the period/year ended	274	273	210	1,133	667

- 4 Exceptional items debited to the statement of financial results comprises of :

Particulars	Quarter ended			Year ended	
	June 30, 2022	March 31, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
The Group also has a severance / separation scheme for certain employees and the aggregate compensation paid in accordance with the said scheme has been fully charged to the statement of profit and loss.	-	-	-	-	10

- 5 The above consolidated financial results of the Group are available on the Company's website and also on the website of BSE ([www.bseindia.com](http://www.bseindia.com)) where the shares of the Company are listed.
- 6 The Board of Directors at its meeting held on December 4, 2020 had approved a Scheme of Amalgamation ('Scheme') for the merger of its wholly owned subsidiary, WIDIA India Tooling Private Limited ('WITPL') with its Holding Company, Kennametal India Limited ('KIL' or 'Company'). Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has furnished the Scheme details to the Bombay Stock Exchange. The appointed date of the Scheme was April 1, 2021. Further, the Company has received approval for the said Scheme from the shareholders and unsecured creditors of the Company at its meeting held on April 12, 2021 convened by Hon'ble NCLT, Bengaluru bench and the petition to that effect was filed with NCLT on April 29, 2021. There were multiple dates of hearing some of which were non effective and the last hearing date was scheduled on August 2, 2022 which was also not heard due to paucity of time. The Group awaits for the next date of hearing.
- 7 The figures for the quarter ended June 30, 2022 and June 30, 2021 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures up to third quarter ended March 31, 2022 and March 31, 2021 respectively.
- 8 Figures of the previous year under various heads have been regrouped to the extent required.

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

Vijaykrishnan  
Venkatesan

Digitally signed by  
Vijaykrishnan Venkatesan  
Date: 2022.08.12 15:38:36  
+05'30'

Bengaluru  
August 12, 2022

Venkatesan Vijaykrishnan  
Managing Director