

Price Waterhouse & Co Chartered Accountants LLP

Review Report

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

1. We have reviewed the unaudited financial results of Kennametal India Limited (the "Company") for the quarter ended March 31, 2023 and the year to date results for the period July 1, 2022 to March 31, 2023, which are included in the accompanying "Statement of Unaudited Financial Results for the quarter and nine months ended March 31, 2023" (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. This 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 stated in paragraph 3 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.
5. We draw your attention to Notes 5(a) and 5(b) to the Statement in respect of Scheme of Arrangement (the "Scheme") between the Company and Widia India Tooling Private Limited, the erstwhile wholly owned subsidiary (the "transferor company"), from the appointed date of April 1, 2021, as approved by National Company Law Tribunal, Bengaluru bench, vide its order delivered dated October 17, 2022 (received on November 16, 2022). Though the transferor company did not carry on any business since January 1, 2021, the Company has given effect to the accounting treatment set out in the Scheme from the date prescribed under "Appendix C, Business combinations of entities under common control" of Ind AS 103 "Business Combinations" as specified in clause 12.1 of the Scheme, which is the beginning of the preceding period presented, i.e., July 1, 2021. Accordingly, the impact of the merger has been accounted for as at July 1, 2021, and the comparative financial information in the Statement have been restated. Our conclusion is not modified in respect of these matters.

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Price Waterhouse & Co Chartered Accountants LLP, 5th Floor, Tower 'D', The Millenia, 1 & 2 Murphy Road, Ulsoor
Bengaluru - 560 008
T: +91 (80) 4079 5000, F: +91 (80) 4079 5222

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: LLPIN 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)

Price Waterhouse & Co Chartered Accountants LLP

6. The financial results of the Company for the quarter ended March 31, 2022 and the year to date results for the period July 1, 2021 to March 31, 2022 were reviewed by another firm of chartered accountants, who issued their unmodified conclusion vide their report dated May 11, 2022. The financial statements of the Company for the year ended June 30, 2022, was audited by another firm of chartered accountants, who issued their unmodified opinion vide their report dated August 12, 2022. Our conclusion is not modified in respect of these matters.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

SHIVAKUMAR

RAJGOPAL HEGDE

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Shivakumar Hegde
Partner

Membership Number: 204627
UDIN: 23204627BGXXWS6618

Bangalore, May 12, 2023



Kennametal India Limited

CIN: L27109KA1964PLC001546

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

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

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

Statement of Unaudited Financial Results for the quarter and nine months ended March 31, 2023

(All amounts in ₹ millions)

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022	June 30, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	INCOME						
	Revenue from operations	2,557	2,748	2,457	7,978	7,221	9,907
	Other income	14	12	21	38	75	94
	Total income	2,571	2,760	2,478	8,016	7,296	10,001
II	EXPENSES						
	Cost of materials consumed	687	765	729	2,336	2,103	2,939
	Purchase of stock-in-trade	793	707	623	2,224	1,843	2,518
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(22)	50	(121)	(190)	(342)	(456)
	Employee benefits expense	370	383	390	1,102	1,078	1,452
	Finance costs	-	-	-	-	-	-
	Depreciation and amortisation expense	99	93	88	281	269	357
	Other expenses	424	466	410	1,356	1,203	1,665
	Total expenses	2,351	2,464	2,119	7,109	6,154	8,475
III	Profit before exceptional items and tax (I-II)	220	296	359	907	1,142	1,526
IV	Exceptional items	-	-	-	-	-	-
V	Profit before tax (III-IV)	220	296	359	907	1,142	1,526
VI	Tax expense						
	Current tax	48	70	100	213	301	405
	Current tax adjustments relating to earlier years	11	-	-	11	-	-
	Deferred tax charge / (credit)	5	7	(1)	(7)	(8)	(11)
	Deferred tax adjustments relating to earlier years	-	-	(9)	-	(9)	(9)
	Total tax expense	64	77	90	217	284	385
VII	Net profit for the period/year (V-VI)	156	219	269	690	858	1,141
VIII	Other comprehensive income, net of income tax						
	(i) Items that will not be reclassified to profit or loss	(22)	-	(4)	(22)	(4)	(16)
	Income tax relating to items that will not be reclassified to profit or loss	6	-	1	6	1	4
	Total other comprehensive income, net of income tax	(16)	-	(3)	(16)	(3)	(12)
IX	Total comprehensive income for the period/year, net of income tax (VII+VIII)	140	219	266	674	855	1,130
X	Paid-up of equity share capital	220	220	220	220	220	220
	(21,978,240 shares of face value of ₹ 10 per share)						
XI	Other equity						6,243
XII	Earnings per share						
	(Face Value of ₹ 10 per share (not annualised))						
	- Basic (₹)	7.10	9.96	12.24	31.39	39.04	51.94
	- Diluted (₹)	7.10	9.96	12.24	31.39	39.04	51.94



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Reporting of segment wise revenue, results, segment assets and liabilities for the quarter and nine months ended March 31, 2023

(All amounts in ₹ millions)

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022	June 30, 2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Segment Revenue						
	Revenue from operations						
	Machining solutions	273	409	366	1,054	1,010	1,465
	Hard metal and hard metal products	2,284	2,339	2,090	6,924	6,211	8,442
	Revenue from operations	2,557	2,748	2,456	7,978	7,221	9,907
2	Segment Results						
	Machining solutions	7	22	40	59	126	206
	Hard metal and hard metal products	300	355	382	1,098	1,206	1,578
	Total	307	377	422	1,157	1,332	1,784
	Add / (Less):						
	Other unallocable income	8	7	15	22	41	52
	Other unallocable expenditure	(95)	(88)	(77)	(272)	(231)	(310)
	Total profit before tax	220	296	359	907	1,142	1,526
3	Segment Assets						
	Machining solutions	1,099	1,142	1,042	1,099	1,042	1,105
	Hard metal and hard metal products	6,443	6,577	5,824	6,443	5,824	6,031
	Other unallocable assets	1,357	1,062	1,813	1,357	1,813	1,162
	Total assets	8,899	8,781	8,679	8,899	8,679	8,298
4	Segment Liabilities						
	Machining solutions	526	592	683	526	683	566
	Hard metal and hard metal products	1,182	1,116	1,196	1,182	1,196	1,191
	Other unallocable liabilities	54	75	81	54	81	79
	Total liabilities	1,762	1,783	1,960	1,762	1,960	1,836



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Notes to the Unaudited Financial Results for the quarter and nine months ended March 31, 2023

- 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 nine months ended March 31, 2023 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 12, 2023. The aforesaid financial results for the quarter and nine months ended March 31, 2023 have been reviewed by the statutory auditors of the Company.
- 2 The Unaudited financial results have been prepared in accordance with the recognition and measurements principles of applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and relevant SEBI circulars.
- 3 The above financial results of the Company are available on the Company's website and also on the website of BSE (www.bseindia.com) where the shares of the Company are listed.
- 4 Other Expenses includes INR 25 million for the quarter (INR 66 million for nine months) ended March 31, 2023 incurred towards movement of machineries within factory premises.
- 5 a) The Board of Directors at its meeting held on December 4, 2020, approved a Scheme of Arrangement (the "Scheme") between the Company and Widia India Tooling Private Limited, the erstwhile wholly owned subsidiary (the "transferor company"), under Sections 230 to 232 of the Companies Act, 2013 (the "Act") and other provisions of the Act for merger of the transferor company into the Company, subject to necessary approvals, with an "appointed date" of April 1, 2021. The National Company Law Tribunal, Bengaluru bench ("NCLT") vide its order delivered dated October 17, 2022 (received on November 16, 2022) sanctioned the Scheme and upon filing of the certified copy of the NCLT order with the Registrar of Companies, the Scheme became effective on December 7, 2022. The transferor company did not carry on any business since January 1, 2021. However, the merger has been accounted for in the books of the Company in accordance with "pooling of interests" method as prescribed under "Appendix C, Business combinations of entities under common control" of Ind AS 103 "Business Combinations" as specified in clause 12.1 of the Scheme.

b) Pursuant to the accounting treatment prescribed in the Scheme, the Company has accounted for the merger (including net assets amounting to INR 144 million) in the books of the Company from the date required under "Appendix C, Business combinations of entities under common control" of Ind AS 103 "Business Combinations" as specified in clause 12.1 of the Scheme, which is the beginning of the preceding period presented (i.e., July 1, 2021). Accordingly, the comparatives presented in the Statement of unaudited financial results for the quarter and nine months ended March 31, 2023 have been restated.

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

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Venkatesan Vijaykrishnan
Managing Director

Bengaluru
May 12, 2023