

# Price Waterhouse & Co Bangalore LLP

## Chartered Accountants

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 September 30, 2017, which are included in the accompanying "Statement of Unaudited Financial Results for the quarter ended September 30, 2017" together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited Balance Sheet as at July 1, 2016 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 ("Ind-AS") prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
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 Ind-AS and other recognised accounting practices and policies, 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 attention to the following matters:
  - a. Note 2 to the Statement which states that the Company has adopted Ind-AS for the financial year commencing from July 1, 2017, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind-AS.
  - b. We were neither engaged to review, nor have we reviewed the comparative figures including the reconciliation to the Total Comprehensive Income for the quarter ended on September 30, 2016 and accordingly, we do not express any conclusion on the results in the Statement for the quarter ended September 30, 2016. As set out in Note 5 to the Statement, these figures have been furnished by the Management.

Our conclusion is not qualified in respect of these matters.

For Price Waterhouse & Co Bangalore LLP  
Firm Registration Number: 007567S/S-200012  
Chartered Accountants



Shivakumar Hegde  
Partner

Membership Number: 204627

Bengaluru  
November 7, 2017

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Price Waterhouse & Co Bangalore LLP (LLP IN: AAC-6284) is registered as a Limited Liability Partnership (LLP). Price Waterhouse & Co., Bangalore has converted from partnership firm to an LLP effective August 25, 2014. Its registration number with ICAI after said conversion as LLP is 007567S/S200012 (registration number before conversion was 007567S)



# Kennametal India Limited

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

## Statement of Unaudited Financial Results for the quarter ended September 30, 2017

(Rs. in Lakhs except per share data)

Sl. No.	Particulars	3 months ended 30/09/2017 (Refer Note 2)	Corresponding 3 months ended 30/09/2016 (Refer Notes 4, 5 and 6)
		(Unaudited)	(Not subjected to review/ audit)
<b>I</b>	<b>INCOME</b>		
	Revenue from operations (Refer Note 7)	18114	16213
	Other Income	198	175
	<b>Total income</b>	<b>18312</b>	<b>16388</b>
<b>II</b>	<b>EXPENSES</b>		
	Cost of materials consumed	4352	4406
	Purchase of stock-in-trade	5216	4195
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	193	(263)
	Excise duty	-	1099
	Employee benefit expense	2924	2889
	Depreciation and amortisation expense	719	654
	Other expenses	3422	2801
	<b>Total Expenses</b>	<b>16826</b>	<b>15781</b>
<b>III</b>	<b>Profit before exceptional items and tax (I-II)</b>	<b>1486</b>	<b>607</b>
<b>IV</b>	(Less): Exceptional items	-	-
<b>V</b>	<b>Profit before tax (III-IV)</b>	<b>1486</b>	<b>607</b>
<b>VI</b>	<b>Tax expense</b>		
	Current tax	518	137
	Deferred tax	(31)	(10)
	<b>Total tax expense</b>	<b>487</b>	<b>127</b>
<b>VII</b>	<b>Net profit for the period (V-VI)</b>	<b>999</b>	<b>480</b>
<b>VIII</b>	<b>Other comprehensive income, net of income tax</b>		
	(i) Items that will not be reclassified to profit or loss	-	-
	(ii) Items that will be reclassified to profit or loss	-	-
	<b>Total other comprehensive income, net of income tax</b>	<b>-</b>	<b>-</b>
<b>IX</b>	<b>Total comprehensive income for the period (VII+VIII)</b>	<b>999</b>	<b>480</b>
<b>X</b>	<b>Paid-up of equity share capital</b> (Face Value of Rs.10 per share)	<b>2198</b>	<b>2198</b>
<b>XI</b>	<b>Earnings per share</b> [Nominal Value per share Rs.10 (not annualised)]		
	- Basic	4.55	2.18
	- Diluted	4.55	2.18



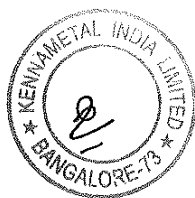


# Kennametal India Limited

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

		(Rs. in Lakhs)	
Sl. No.	Particulars	3 months ended 30/09/2017 (Refer Note 2)  (Unaudited)	Corresponding 3 months ended 30/09/2016 (Refer Notes 4, 5 and 6)  (Not subjected to review/ audit)
1	<b>Segment Revenue</b>		
	Revenue from operations (Refer Note 7)		
	Machining solutions	2110	1940
	Hard metal and hard metal products	16004	14273
	<b>Revenue from operations</b>	<b>18114</b>	<b>16213</b>
2	<b>Segment Results</b>		
	Machining Solutions	(78)	39
	Hard Metal and Hard Metal Products	2231	1111
	<b>Total</b>	<b>2153</b>	<b>1150</b>
	(Less)/ Add:		
	Other unallocable income	99	112
	Other unallocable expenditure	(766)	(655)
	<b>Total profit before tax</b>	<b>1486</b>	<b>607</b>
3	<b>Segment Assets</b>		
	Machining solutions	4344	5414
	Hard metal and hard metal products	37223	32453
	Other unallocable assets	11664	12593
	<b>Total assets</b>	<b>53231</b>	<b>50460</b>
4	<b>Segment Liabilities</b>		
	Machining solutions	2204	1892
	Hard metal and hard metal products	10480	10315
	Other unallocable liabilities	165	271
	<b>Total liabilities</b>	<b>12849</b>	<b>12478</b>





# Kennametal India Limited

## Notes to the unaudited financial results for the quarter ended September 30, 2017

- The above results which are published in accordance with Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015 have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 7, 2017.
- This statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable. The Company has for the first time adopted Ind-AS beginning July 1, 2017.
- This statement does not include Ind-AS compliant results for the preceding quarter and previous year ended June 30, 2017 as the same is not mandatory as per the Securities Exchange Board of India's (SEBI) circular dated July 5, 2016.
- Pursuant to SEBI circular dated July 5, 2016, the figures for the quarter ended September 30, 2016 as published on November 14, 2016 have been recast to Ind-AS to the extent applicable to the Company and have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015.
- The Ind-AS compliant corresponding figures in the previous quarter ended September 30, 2016 have not been subjected to review/ audit. However, the Company's Management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.
- The reconciliation of net profit reported in accordance with Indian GAAP to total comprehensive income in accordance with Ind-AS is as follows.

(Rs. in Lakhs)


Particulars	Corresponding 3 months ended 30/09/2016 (Refer Notes 4 and 5)
	(Not subjected to review/ audit)
<b>(a) Net Profit as per Indian GAAP</b>	<b>469</b>
Add/ (less): Adjustments for Ind AS	
Employee benefit expense/ credit (Note A)	1
Deferred tax credit (Note B)	10
<b>(b) Net profit after tax as per Ind AS</b>	<b>480</b>
<b>(c) Other comprehensive income, net of income tax</b>	<b>-</b>
<b>(d) Total comprehensive income under Ind-AS (b-c)</b>	<b>480</b>

This reconciliation statement has been provided in accordance with SEBI circular dated July 5, 2016 on account of implementation of Ind-AS by listed companies.

Brief notes to the reconciliation:

- Note A: Certain employees of the Company are granted Restricted Stock units in accordance with a share-based compensation plan managed and administered by the ultimate holding company. Accordingly, employee benefits expense has been recognised under such employee share-based payment plan as required under 'Ind AS-102 Share-based Payment'.
  - Note B: Deferred tax credit accounted for on temporary differences as required under 'Ind-AS 12 Income taxes'.
- Revenue for the quarter ended September 30, 2017 does not include Goods and Service Tax. However, revenue for corresponding quarter ended September 30, 2016 is gross of excise duty.

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

  
Bhagya Chandra Rao  
Managing Director

Place : Bengaluru

Date : November 7, 2017

