

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 2021, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
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 relevant rules issued thereunder, 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 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') 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 Company 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 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.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiok & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

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Responsibilities of Management and Those Charged with Governance for the Statement

4. This Statement has been prepared on the basis of the standalone annual audited 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 accounting principles generally accepted in India, including Ind AS 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. 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 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, 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 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 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 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.

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- 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.

Other Matter

11. The Statement includes the financial results for the quarter ended 30 June 2021, 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

Vijay Vikram Singh

Partner

Membership No. 059139

UDIN: 21059139AAAAEF7561

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Bengaluru

18 August 2021



Kennametal India Limited

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Statement of standalone audited assets and liabilities as at June 30, 2021

(All amounts in ₹ millions unless otherwise stated)		
Particulars	As at June 30, 2021 (Audited)	As at June 30, 2020 (Audited)
I. ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	2,245	2,459
(b) Capital work-in-progress	518	321
(c) Investment properties	0	0
(d) Intangible assets	5	7
(e) Investment in subsidiary	20	20
(f) Financial assets		
(i) Other financial assets	20	54
(g) Income tax assets (net)	409	461
(h) Other non-current assets	32	132
Total non-current assets	3,249	3,454
2. Current assets		
(a) Inventories	2,051	1,979
(b) Financial assets		
(i) Trade receivables	1,131	789
(ii) Cash and cash equivalents	1,145	414
(iii) Bank balances other than cash and cash equivalents	1	1
(iv) Loans	3	102
(v) Other financial assets	34	15
(c) Other current assets	34	117
Total current assets	4,399	3,417
TOTAL ASSETS	7,648	6,871
II. EQUITY AND LIABILITIES		
1. Equity		
(a) Equity share capital	220	220
(b) Other equity	5,514	5,282
Total equity	5,734	5,502
2. Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Other financial liabilities	1	1
(b) Provisions	34	53
(c) Deferred tax liabilities (net)	2	5
Total non-current liabilities	37	59
Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	-	130
(ii) Trade payables		
a) Total outstanding dues of micro enterprises and small enterprises	22	27
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,001	541
(iii) Other financial liabilities	345	137
(b) Provisions	193	196
(c) Other current liabilities	316	279
Total current liabilities	1,877	1,310
TOTAL EQUITY AND LIABILITIES	7,648	6,871



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Statement of standalone audited financial results for the quarter and year ended June 30, 2021

(All amounts in ₹ millions unless otherwise stated)

Sl. No.	Particulars	Quarter ended			Year ended	
		June 30, 2021	March 31, 2021	June 30, 2020	June 30, 2021	June 30, 2020
		(Audited) (refer note 7)	(Unaudited)	(Audited) (refer note 7)	(Audited)	(Audited)
I	INCOME					
	Revenue from operations	2,119	2,279	873	8,114	6,414
	Other income	14	16	102	85	192
	Total income	2,133	2,295	975	8,199	6,606
II	EXPENSES					
	Cost of materials consumed	520	653	259	2,196	1,971
	Purchase of stock-in-trade	661	703	220	2,175	1,585
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(96)	(175)	40	(46)	(88)
	Employee benefits expense	308	365	243	1,215	1,086
	Finance costs	-	-	3	3	11
	Depreciation and amortisation expense	94	94	95	378	342
	Other expenses	354	382	247	1,374	1,251
	Total expenses	1,841	2,022	1,107	7,295	6,158
III	Profit / (loss) before exceptional items and tax (I-II)	292	273	(132)	904	448
IV	Exceptional items (refer note 3)	-	-	(17)	(10)	(44)
V	Profit / (loss) before tax (III-IV)	292	273	(149)	894	404
VI	Tax expense/(credit)					
	Current tax	73	76	(18)	232	96
	Tax adjustments relating to earlier years	-	-	-	-	(8)
	Deferred tax charge/(credit)	2	(13)	(46)	(4)	(9)
	Total tax expense/(credit)	75	63	(64)	228	79
VII	Net profit / (loss) for the period/year (V-VI)	217	210	(85)	666	325
VIII	Other comprehensive income, net of income tax					
	(i) Items that will not be reclassified to profit or loss	(9)	5	10	2	(13)
	Income tax relating to items that will not be reclassified to profit or loss	2	(1)	(3)	(1)	3
	Total other comprehensive income, net of income tax	(7)	4	7	1	(10)
IX	Total comprehensive income for the period/year (VII+VIII)	210	214	(78)	667	315
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	-	-	-	5,514	5,282
XII	Earnings per share [Face Value of ₹ 10 per share (not annualised)]					
	- Basic (₹)	9.88	9.55	(3.87)	30.29	14.79
	- Diluted (₹)	9.88	9.55	(3.87)	30.29	14.79



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Statement of standalone audited cash flows for the year ended June 30, 2021

(All amounts in ₹ millions unless otherwise stated)

Particulars	Year ended June 30, 2021 (Audited)	Year ended June 30, 2020 (Audited)
Cash flow from operating activities		
Profit before taxation and exceptional items	904	448
Adjustments for:		
Depreciation and amortisation expense	378	342
Dividend income	(12)	(4)
Provision for doubtful debts and deposits written back	-	(11)
Provision for product support	31	19
Provision made for doubtful debts and deposits	-	1
Loss on sale of property, plant and equipment (net)	(2)	2
Interest expense	3	11
Interest income	(7)	(53)
Income tax refund received	(1)	(33)
Unrealised foreign exchange (gain)/ loss (net)	0	(2)
Employee share based expense	22	11
Operating profit before working capital changes	1,316	731
Adjustment for working capital changes:		
Decrease in inventories	(72)	52
(Increase) / Decrease in trade and other receivables	(158)	940
Decrease in financial assets	15	1
Increase/ (Decrease) in other liabilities and provisions	626	(1,293)
Cash generated from operations	1,727	431
Taxes paid (net of refunds)	(180)	(153)
Net cash generated from operations (1)	1,547	278
Cash flow from investing activities		
Purchase of property, plant and equipment	(264)	(610)
Investment in subsidiary	-	(20)
Interest received on loan to subsidiary	5	15
Loan to subsidiary	-	(250)
Repayment of loan by subsidiary	-	500
Sale proceeds of property, plant and equipment	3	2
Dividend received on investments	12	4
Interest received	1	40
Net cash used in investing activities (2)	(243)	(319)
Cash flow from financing activities		
Loan from fellow subsidiary	-	30
Repayment of loan to fellow subsidiary	(130)	-
Interest paid	(3)	(11)
Dividends paid	(440)	-
Unclaimed dividend paid	(0)	(1)
Net cash (used in)/generated from financing activities (3)	(573)	18
Net increase in cash and cash equivalents (1+2+3)	731	(23)
Add: Cash and cash equivalents at the beginning of the year	414	437
Cash and cash equivalents at the end of the year	1,145	414
Cash and cash equivalent as per above comprises of the following		
Cash and cash equivalent	1,145	414
	1,145	414



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Reporting of standalone segment wise revenue, results, segment assets and liabilities

(All amounts in ₹ millions unless otherwise stated)

Sl. No.	Particulars	Quarter ended			Year ended	
		June 30, 2021 (Audited) (refer note 7)	March 31, 2021 (Unaudited)	June 30, 2020 (Audited) (refer note 7)	June 30, 2021 (Audited)	June 30, 2020 (Audited)
1	Segment Revenue					
	<u>Revenue from operations</u>					
	Machining solutions	251	320	221	1,104	1,481
	Hard metal and hard metal products	1,868	1,959	652	7,010	4,933
	Revenue from operations	2,119	2,279	873	8,114	6,414
2	Segment Results					
	Machining Solutions	28	22	(10)	70	296
	Hard metal and hard metal products	326	306	(97)	1,073	377
	Total	354	328	(107)	1,143	673
	Add / (Less) :					
	Other unallocable income	11	13	56	38	72
	Other unallocable expenditure	(73)	(68)	(81)	(277)	(297)
	Exceptional items	-	-	(17)	(10)	(44)
	Total profit / (loss) before tax	292	273	(149)	894	404
3	Segment Assets					
	Machining solutions	697	652	849	697	849
	Hard metal and hard metal products	5,406	5,440	4,801	5,406	4,801
	Other unallocable assets	1,545	1,742	1,221	1,545	1,221
	Total assets	7,648	7,834	6,871	7,648	6,871
4	Segment Liabilities					
	Machining solutions	567	495	451	567	451
	Hard metal and hard metal products	1,257	1,277	742	1,257	742
	Other unallocable liabilities	90	99	176	90	176
	Total liabilities	1,914	1,871	1,369	1,914	1,369



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Notes to the standalone audited financial results for the quarter and year ended June 30, 2021

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, 2021 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on Aug 18, 2021. The aforesaid financial results for the quarter and year ended June 30, 2021 have been audited by the statutory auditors of the Company.

2 These 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 financial results comprises of : (All amounts in ₹ millions unless otherwise stated)

Particulars	Quarter ended			Year ended	
	June 30, 2021	March 31, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	(Audited) (refer note 7)	(Unaudited)	(Audited) (refer note 7)	(Audited)	(Audited)
The Company announced a voluntary retirement scheme (VRS) for its workmen. Few workmen opted for the scheme and the aggregate expenditure incurred in this regard has been fully charged to the statement of profit and loss in accordance with Ind AS - 19 "Employee Benefits".	-	-	-	-	22
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.	-	-	17	10	22

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.

5 The Covid 19 pandemic is unprecedented and measures to control it has caused significant disturbances and slowdown of economic activity. The Company operations & financial results for the year have been partially impacted due to localized lockdowns / micro containment zones, supply chain constraints, shortage of workforce and various safety measures have been taken across all areas of operations. The operations have revived at a better pace as the year progressed. The Company has relied on the available information and assumptions, as at the date of approval of these financial results, to arrive at its estimates. The Company continues to monitor the economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome.

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 had furnished the Scheme details to the Bombay Stock Exchange. The appointed date of the Scheme is April 1, 2021. The Company have 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.

7 The figures for the quarter ended June 30, 2021 and June 30, 2020 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, 2021 and March 31, 2020 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
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Vijaykrishnan Venkatesan
Date: 2021.08.18 16:36:21
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Venkatesan Vijaykrishnan
Managing Director

Bengaluru
August 18, 2021

Walker Chandio & 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 subsidiary together referred to as 'the Group'), for the year ended 30 June 2021, 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'), including relevant circulars issued by the SEBI from time to time.
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 relevant rules issued thereunder, 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 2021.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') 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 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.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

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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 audited 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 after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS 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 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 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/ management 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, 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.

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- 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 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.

Other Matter

12. The Statement includes the consolidated financial results for the quarter ended 30 June 2021, 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**

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Vijay Vikram Singh

Date: 2021.08.18

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Vijay Vikram Singh

Partner

Membership No. 059139

UDIN: 21059139AAAAEG4038

Bengaluru

18 August 2021



Kennametal India Limited
 CIN: L27109KA1964PLC001546
 Regd Office : 8/9th Mile, Tumkur Road, Bengaluru - 560 073
 Website: www.kennametal.com/hil/about-us/kil-financials.html
 Email: in.investorrelation@kennametal.com
 Tel: +91 080 28394321, Fax: +91 080 28397572

Statement of consolidated audited assets and liabilities as at June 30, 2021

(All amounts in ₹ millions unless otherwise stated)		
Particulars	As at June 30, 2021 (Audited)	As at June 30, 2020 (Audited)
I. ASSETS		
1. Non-current assets		
(a) Property, plant and equipment	2,245	2,462
(b) Capital work-in-progress	518	321
(c) Investment properties	0	0
(d) Intangible assets	5	7
(e) Financial assets		
(i) Other financial assets	20	54
(f) Deferred tax assets (net)	-	3
(g) Income tax assets (net)	411	466
(h) Other non-current assets	32	132
Total non-current assets	3,231	3,445
2. Current assets		
(a) Inventories	2,051	2,062
(b) Financial assets		
(i) Trade receivables	1,131	906
(ii) Cash and cash equivalents	1,288	446
(iii) Bank balances other than cash and cash equivalents	1	1
(iv) Loans	3	2
(v) Other financial assets	35	15
(c) Other current assets	33	118
Total current assets	4,542	3,550
TOTAL ASSETS	7,773	6,995
II. EQUITY AND LIABILITIES		
1. Equity		
(a) Equity share capital	220	220
(b) Other equity	5,637	5,337
Equity attributable to Owners	5,857	5,557
Non-controlling interests	-	-
Total Equity	5,857	5,557
2. Liabilities		
Non-current liabilities		
(a) Financial liabilities		
Other financial liabilities	1	1
(b) Provisions	34	55
(c) Deferred tax liabilities (net)	2	5
Total non-current liabilities	37	61
Current Liabilities		
(a) Financial liabilities		
(i) Borrowings	-	130
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	22	27
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,003	576
Other financial liabilities	345	145
(b) Provisions	193	210
(c) Other current liabilities	316	289
Total current liabilities	1,879	1,377
TOTAL EQUITY AND LIABILITIES	7,773	6,995



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Statement of consolidated audited financial results for the quarter and year ended June 30, 2021

(All amounts in ₹ millions unless otherwise stated)

Sl. No.	Particulars	Quarter ended			Year ended	Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	June 30, 2021	June 30, 2020
		(Audited) (refer note 8)	(Unaudited)	(Audited) (refer note 8)	(Audited)	(Audited)
I	INCOME					
	Revenue from operations	2,119	2,279	956	8,537	7,050
	Other income	13	32	89	69	126
	Total income	2,132	2,311	1,045	8,606	7,176
II	EXPENSES					
	Cost of materials consumed	520	653	259	2,196	1,970
	Purchase of stock-in-trade	660	655	267	2,327	1,961
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(97)	(122)	36	37	(110)
	Employee benefits expense	309	363	262	1,267	1,186
	Finance costs	-	-	3	3	19
	Depreciation and amortisation expense	94	94	96	379	344
	Other expenses	354	381	259	1,402	1,334
	Total expenses	1,840	2,024	1,182	7,611	6,704
III	Profit / (loss) before exceptional items and tax (I-II)	292	287	(137)	995	472
IV	Exceptional items (refer note 4)	-	-	(24)	(10)	(51)
V	Profit / (loss) before tax (III-IV)	292	287	(161)	985	421
VI	Tax expense/(credit)					
	Current tax	74	77	(20)	253	101
	Tax adjustments relating to earlier years	-	-	-	-	(10)
	Deferred tax charge/(credit)	2	(10)	(46)	(1)	(9)
	Total tax expense	76	67	(66)	252	82
VII	Net profit / (loss) for the period/year (V-VI)	216	220	(95)	733	339
VIII	Other comprehensive income, net of income tax					
	(i) Items that will not be reclassified to profit or loss	(9)	4	10	2	(13)
	Income tax relating to items that will not be reclassified to profit or loss	2	(1)	(3)	(1)	3
	(ii) Items that will be reclassified to profit or loss	-	-	-	-	-
	Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total other comprehensive income, net of income tax	(7)	3	7	1	(10)
IX	Total comprehensive income for the period/year (VII+VIII)	209	223	(88)	734	329
	Profit attributable to:					
	Owners	216	220	(95)	733	339
	Non-controlling interests	-	-	-	-	-
		216	220	(95)	733	339
	Other comprehensive income attributable to:					
	Owners	(7)	3	7	1	(10)
	Non-controlling interests	-	-	-	-	-
		(7)	3	7	1	(10)
	Total comprehensive income attributable to:					
	Owners	209	223	(88)	734	329
	Non-controlling interests	-	-	-	-	-
		209	223	(88)	734	329
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	-	-	-	5,637	5,337
XII	Earnings per share [Face Value of ₹ 10 per share (not annualised)]					
	- Basic (₹)	9.84	9.99	(4.32)	33.36	15.42
	- Diluted (₹)	9.84	9.99	(4.32)	33.36	15.42



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Statement of consolidated audited cash flow for the year ended June 30, 2021

(All amounts in ₹ millions unless otherwise stated)

Particulars	Year ended June 30, 2021 (Audited)	Year ended June 30, 2020 (Audited)
Cash flow from operating activities		
Profit before taxation and exceptional items	995	472
Adjustments for:		
Depreciation and amortisation expense	379	344
Dividend Income	(12)	(4)
Provision no longer required written back	(14)	(11)
Provision for product support	32	24
Bad debts written off	0	-
Provision made for doubtful debts and deposits	-	1
Provision for disputed taxes and duties	-	-
Loss on sale of property, plant and equipments (net)	(2)	2
Interest Expense	3	19
Interest income	(3)	(38)
Income tax refund received	-	(33)
Unrealised foreign exchange (gain)/ loss (net)	(1)	(2)
Employee share based expense	24	13
Operating profit before working capital changes	1,401	787
Adjustment for working capital changes:		
Decrease in inventories	11	29
(Increase)/ decrease in trade and other receivables	(140)	766
Decrease in financial assets	14	1
Increase/ (decrease) in trade, provisions and other liabilities	572	(1,076)
Cash generated from operations	1,858	507
Taxes paid (net of refunds)	(198)	(171)
Net cash generated from operations (1)	1,660	336
Cash flow from investing activities		
Purchase of property, plant and equipment	(263)	(579)
Dividend received on mutual funds	12	4
Sale proceeds of property, plant and equipment	4	-
Interest received	2	38
Net Cash used in investing activities (2)	(245)	(537)
Cash flow from financing activities		
Loan from fellow subsidiary	-	30
Repayment of loan to fellow subsidiary	(130)	-
Interest paid	(3)	(19)
Dividends paid	(440)	-
Unclaimed dividend paid	(0)	(1)
Net Cash used in Financing activities (3)	(573)	10
Net increase in cash and cash equivalents (1+2+3)	842	(191)
Add: Cash and cash equivalents at the beginning of the year	446	637
Cash and cash equivalents at the end of the year	1,288	446
Cash and cash equivalent as per above comprises of the following		
Cash and cash equivalent	1,288	446
	1,288	446



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Reporting of consolidated segment wise revenue, results, segment assets and liabilities

Sl. No.	Particulars	(All amounts in ₹ millions unless otherwise stated)				
		Quarter ended			Year ended	
		June 30, 2021 (Audited) (refer note 8)	March 31, 2021 (Unaudited)	June 30, 2020 (Audited) (refer note 8)	June 30, 2021 (Audited)	June 30, 2020 (Audited)
1	Segment Revenue					
	Revenue from operations					
	Machining solutions	251	320	221	1,104	1,481
	Hard metal and hard metal products	1,868	1,959	735	7,433	5,569
	Revenue from operations	2,119	2,279	956	8,537	7,050
2	Segment Results					
	Machining Solutions	28	22	(10)	70	296
	Hard metal and hard metal products	323	321	(86)	1,175	438
	Total	351	343	(96)	1,245	734
	Add / (Less) :					
	Other unallocable income	12	11	41	34	57
	Other unallocable expenditure	(71)	(67)	(81)	(284)	(318)
	Exceptional Items	-	-	(24)	(10)	(51)
	Total profit / (loss) before tax	292	287	(160)	985	422
3	Segment Assets					
	Machining solutions	697	652	849	697	849
	Hard metal and hard metal products	5,406	5,439	4,998	5,406	4,998
	Other unallocable assets	1,670	1,871	1,148	1,670	1,148
	Total assets	7,773	7,962	6,995	7,773	6,995
4	Segment Liabilities					
	Machining solutions	568	495	451	568	451
	Hard metal and hard metal products	1,257	1,280	805	1,257	805
	Other unallocable liabilities	91	100	182	91	182
	Total liabilities	1,916	1,875	1,438	1,916	1,438



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Notes to the consolidated audited financial results for the quarter and year ended June 30, 2021

- 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, 2021 of the Group have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 18, 2021. The aforesaid financial results for the quarter and year ended June 30, 2021 have been audited by the statutory auditors of the Company.
- 2 The audited 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 is as

(All amounts in ₹ millions unless otherwise stated)

Particulars	Quarter ended			Year ended	
	June 30, 2021	March 31, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
Total revenue (including other income)	2,133	2,295	975	8,199	6,606
Profit / (loss) before tax	292	273	(149)	894	404
Profit / (loss) after tax	217	210	(85)	666	325
Total comprehensive income for the period/year ended	210	214	(78)	667	315

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

(All amounts in ₹ millions unless otherwise stated)

Particulars	Quarter ended			Year ended	
	June 30, 2021	March 31, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	(Audited) (refer note 8)	(Unaudited)	(Audited) (refer note 8)	(Audited)	(Audited)
The Group announced a voluntary retirement scheme (VRS) for its workmen. Few workmen opted for the scheme and the aggregate expenditure incurred in this regard has been fully charged to the statement of profit and loss in accordance with Ind AS - 19 "Employee Benefits".	-	-	-	-	22
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.	-	-	17	10	22

- 5 The above financial results of the Group 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.
- 6 The Covid 19 pandemic is unprecedented and measures to control it has caused significant disturbances and slowdown of economic activity. The Company operations & financial results for the year have been partially impacted due to localized lockdowns / micro containment zones, supply chain constraints, shortage of workforce and various safety measures have been taken across all areas of operations. The operations have revived at a better pace as the year progressed. The Company has relied on the available information and assumptions, as at the date of approval of these financial results, to arrive at its estimates. The Company continues to monitor the economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome.
- 7 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 had furnished the Scheme details to the Bombay Stock Exchange. The appointed date of the Scheme is April 1, 2021. The Company have 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.
- 8 The figures for the quarter ended June 30, 2021 and June 30, 2020 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, 2021 and March 31, 2020 respectively.
- 9 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

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 Date: 2021.08.18 18:07:31
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 Venkatesan Vijaykrishnan
 Managing Director

Bengaluru
 August 18, 2021