

# Price Waterhouse & Co Chartered Accountants LLP

## Review Report

To  
The Board of Directors  
Kennametal India Limited  
8/9<sup>th</sup> mile, Tumkur Road  
Bengaluru - 560073

1. We have reviewed the unaudited financial results of Kennametal India Limited (the "Company") for the quarter ended December 31, 2025 and the year to date results for the period July 1 to December 31, 2025, which are included in the accompanying "Statement of Unaudited Financial Results for the quarter and six months ended December 31, 2025", the "Unaudited Statement of Assets and Liabilities as at December 31, 2025", and the "Unaudited Statement of Cash Flows for the six months ended December 31, 2025" (together 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 issue a report 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 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.

Bengaluru  
February 5, 2026

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E300009  
**SHIVAKUMAR**  
**RAJGOPAL HEGDE**  
Shivakumar Hegde  
Partner  
Membership Number: 204627  
UDIN: 26204627IAFCYC2592

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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)



## Kennametal India Limited

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### Statement of Unaudited Financial Results for the quarter and six months ended December 31, 2025

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

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		December 31, 2025	September 30, 2025	December 31, 2024	December 31, 2025	December 31, 2024	June 30, 2025
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>I</b>	<b>INCOME</b>						
	Revenue from operations	3,340	2,960	2,870	6,300	5,574	11,703
	Other income	25	24	32	49	61	144
	<b>Total income</b>	<b>3,365</b>	<b>2,984</b>	<b>2,902</b>	<b>6,349</b>	<b>5,635</b>	<b>11,847</b>
<b>II</b>	<b>EXPENSES</b>						
	Cost of materials consumed	993	914	812	1,907	1,545	3,158
	Purchase of stock-in-trade	928	932	725	1,860	1,455	3,324
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(43)	(304)	(15)	(347)	(84)	(215)
	Employee benefits expense (refer Note 3)	468	386	415	854	788	1,582
	Finance costs*	1	0	0	1	1	4
	Depreciation and amortisation expense	119	117	114	236	229	460
	Other expenses	546	505	527	1,051	1,040	2,132
	<b>Total expenses</b>	<b>3,012</b>	<b>2,550</b>	<b>2,578</b>	<b>5,562</b>	<b>4,974</b>	<b>10,445</b>
<b>III</b>	<b>Profit before tax (I-II)</b>	<b>353</b>	<b>434</b>	<b>324</b>	<b>787</b>	<b>661</b>	<b>1,402</b>
<b>IV</b>	<b>Tax expense</b>						
	Current tax	114	125	97	239	193	392
	Current tax adjustments relating to earlier years	13	-	16	13	16	16
	Deferred tax charge / (credit)	(18)	(5)	(11)	(23)	(20)	(35)
	<b>Total tax expense</b>	<b>109</b>	<b>120</b>	<b>102</b>	<b>229</b>	<b>189</b>	<b>373</b>
<b>V</b>	<b>Net profit for the period/year (III-IV)</b>	<b>244</b>	<b>314</b>	<b>222</b>	<b>558</b>	<b>472</b>	<b>1,029</b>
<b>VI</b>	<b>Other comprehensive income</b>						
	(i) Items that will not be reclassified to profit or loss	(21)	-	(11)	(21)	(11)	(7)
	Income tax relating to items that will not be reclassified to profit or loss	5	-	3	5	3	2
	<b>Total other comprehensive income, net of income tax</b>	<b>(16)</b>	<b>-</b>	<b>(8)</b>	<b>(16)</b>	<b>(8)</b>	<b>(5)</b>
<b>VII</b>	<b>Total comprehensive income for the period/ year (V+VI)</b>	<b>228</b>	<b>314</b>	<b>214</b>	<b>542</b>	<b>464</b>	<b>1,024</b>
<b>VIII</b>	<b>Paid-up of equity share capital</b>	220	220	220	220	220	220
	(21,978,240 shares of face value of ₹ 10 per share)						
<b>IX</b>	<b>Other equity</b>						7,253
<b>X</b>	<b>Earnings per share</b>						
	[Face Value of ₹ 10 per share (not annualised)]						
	- Basic (₹)	11.11	14.30	10.08	25.39	21.47	46.82
	- Diluted (₹)	11.11	14.30	10.08	25.39	21.47	46.82

\*Amount below the rounding off norm adopted by the Company



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Reporting of segment wise revenue, results, segment assets and liabilities for the quarter and six months ended December 31, 2025

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

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		December 31, 2025	September 30, 2025	December 31, 2024	December 31, 2025	December 31, 2024	June 30, 2025
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1</b>	<b>Segment Revenue</b>						
	<u>Revenue from operations</u>						
	Machining solutions	440	321	410	761	675	1,534
	Hard metal and hard metal products	2,900	2,639	2,460	5,539	4,899	10,169
	<b>Revenue from operations</b>	<b>3,340</b>	<b>2,960</b>	<b>2,870</b>	<b>6,300</b>	<b>5,574</b>	<b>11,703</b>
<b>2</b>	<b>Segment Results</b>						
	Machining solutions	(2)	15	19	13	32	58
	Hard metal and hard metal products	449	498	386	947	778	1,634
	<b>Total</b>	<b>447</b>	<b>513</b>	<b>405</b>	<b>960</b>	<b>810</b>	<b>1,692</b>
	<u>Add / (Less) :</u>						
	Interest expense*	(1)	(0)	(0)	(1)	(1)	(4)
	Interest income*	0	1	5	1	10	13
	Other unallocable income	20	25	23	45	47	106
	Other unallocable expenditure	(113)	(105)	(109)	(218)	(205)	(405)
	<b>Total profit before tax</b>	<b>353</b>	<b>434</b>	<b>324</b>	<b>787</b>	<b>661</b>	<b>1,402</b>
<b>3</b>	<b>Segment Assets</b>						
	Machining solutions	1,167	1,285	1,238	1,167	1,238	1,294
	Hard metal and hard metal products	6,978	6,604	6,205	6,978	6,205	6,507
	Other unallocable assets	2,158	1,859	2,346	2,158	2,346	1,866
	<b>Total assets</b>	<b>10,303</b>	<b>9,748</b>	<b>9,789</b>	<b>10,303</b>	<b>9,789</b>	<b>9,667</b>
<b>4</b>	<b>Segment Liabilities</b>						
	Machining solutions	658	727	805	658	805	746
	Hard metal and hard metal products	1,528	1,137	1,082	1,528	1,082	1,357
	Other unallocable liabilities	95	91	102	95	102	91
	<b>Total liabilities</b>	<b>2,281</b>	<b>1,955</b>	<b>1,989</b>	<b>2,281</b>	<b>1,989</b>	<b>2,194</b>

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Unaudited Statement of Assets and Liabilities as at December 31, 2025

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

Particulars	As at December 31, 2025 (Unaudited)	As at June 30, 2025 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,725	2,712
Right of use assets	16	21
Capital work-in-progress	63	80
Investment property*	0	0
Intangible assets*	0	0
Financial assets		
Other financial assets	21	21
Deferred tax assets (net)	70	41
Current tax assets (net)	85	79
Other non-current assets	22	61
<b>Total non-current assets</b>	<b>3,002</b>	<b>3,015</b>
<b>Current assets</b>		
Inventories	3,489	2,949
Financial assets		
Trade receivables	1,840	1,905
Cash and cash equivalents	1,785	1,645
Bank balances other than cash and cash equivalents	9	9
Other financial assets	54	57
Other current assets	124	87
<b>Total current assets</b>	<b>7,301</b>	<b>6,652</b>
<b>TOTAL ASSETS</b>	<b>10,303</b>	<b>9,667</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	220	220
Other equity	7,802	7,253
<b>Total Equity</b>	<b>8,022</b>	<b>7,473</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Lease liabilities	14	15
Provisions	10	10
<b>Total non-current liabilities</b>	<b>24</b>	<b>25</b>
<b>Current Liabilities</b>		
Financial liabilities		
Lease Liabilities	7	10
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	67	69
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,080	1,054
Other financial liabilities	414	385
Other current liabilities	461	478
Provisions	228	173
<b>Total current liabilities</b>	<b>2,257</b>	<b>2,169</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,303</b>	<b>9,667</b>

\*Amount below the rounding off norm adopted by the Company



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Unaudited Statement of Cash Flows for six months ended December 31, 2025

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

Particulars	Year ended	Year ended
	December 31, 2025 (Unaudited)	December 31, 2024 (Unaudited)
<b>Cash flow from operating activities</b>		
Profit before tax	787	661
Adjustments for:		
Depreciation and amortisation expense	236	229
Gain on sale of mutual funds	(32)	(34)
Disputed taxes and duties provision written back*	-	(0)
Provision for product support	16	10
Allowance for loss on financial assets (net)*	0	1
Gain/ (Loss) on sale of property, plant and equipment (net)*	0	(1)
Interest on lease liabilities	1	1
Other interest expenses*	-	0
Interest income on bank deposits	(1)	(10)
Unrealised foreign exchange loss/(gain), (net)*	0	(4)
Share based compensation expense	13	14
<b>Operating profit before working capital changes</b>	<b>1,020</b>	<b>867</b>
<b>Adjustment for working capital changes:</b>		
(Increase)/decrease in inventories	(528)	(70)
(Increase)/decrease in trade receivables	65	101
(Increase)/decrease in other receivables	(35)	(41)
(Increase)/decrease in financial assets	3	(6)
(Increase)/decrease in bank balances other than cash and cash equivalents*	0	(3)
Increase/(decrease) in trade payables	24	(147)
Increase/(decrease) in provisions and other liabilities (refer Note 3)	41	160
<b>Cash generated from operations</b>	<b>590</b>	<b>861</b>
Taxes paid (net of refunds)	(258)	(8)
<b>Net cash generated from operating activities (1)</b>	<b>332</b>	<b>853</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(219)	(121)
Gain on sale of mutual funds, net of purchase ₹ 3600, December 31, 2024: ₹ 1725	32	34
Proceeds from sale of property, plant and equipment*	0	8
Purchase of bank deposits with maturity of more than twelve months	-	3
Interest income on income tax refund	-	10
Interest income on bank deposits	1	152
<b>Net cash (used in) investing activities (2)</b>	<b>(186)</b>	<b>86</b>
<b>Cash flow from financing activities</b>		
Unclaimed dividend paid*	(0)	0
Principal repayment of lease liabilities	(5)	(4)
Interest paid on lease liabilities	(1)	(1)
Other interest paid*	-	(0)
<b>Net cash (used in) financing activities (3)</b>	<b>(6)</b>	<b>(5)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (1+2+3)</b>	<b>140</b>	<b>934</b>
Add: Cash and cash equivalents at the beginning of the year	1,645	1,128
<b>Cash and cash equivalents at the end of the year</b>	<b>1,785</b>	<b>2,062</b>
<b>Balance as per Statement of Cash Flows</b>	<b>1,785</b>	<b>2,062</b>

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### Notes to the Unaudited Financial Results for the quarter and six months ended December 31, 2025

- 1 In terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the aforesaid statement of unaudited financial results of the Company which includes "Statement of Unaudited Financial Results for the quarter and six months ended December 31, 2025", the "Unaudited Statement of Assets and Liabilities as at December 31, 2025", and the "Unaudited Statement of Cash Flows for the six months ended December 31, 2025" together with notes thereon ("financial results") have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 5, 2026. The aforesaid financial results for the quarter and six months ended December 31, 2025 have been reviewed by the statutory auditors of the Company.
- 2 The financial results have been prepared in accordance with the recognition and measurements principles of applicable Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and the other accounting principles generally accepted in India and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and relevant SEBI circulars.
- 3 On November 21, 2025, the Government of India notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (together referred to as the Labour Codes), consolidating 29 existing labour laws into a unified framework governing employee benefits during employment and post-employment.  
  
The Company has assessed the financial implications of these changes which has resulted in increase in gratuity liability arising out of past service cost by ₹34 million. The Company has included this incremental amount under "Employee benefits expense" in the Statement of Unaudited Financial Results for the quarter and six months ended December 31, 2025.  
  
The Company will continue to monitor the finalisation of Central and State Rules and further Government clarifications, and will record any additional accounting impact, as required.
- 4 The Company does not have any subsidiary/ associate/ joint Venture entity as of and for the aforesaid periods/ year
- 5 The above financial results of the Company are available on the Company's website and also on the website of BSE ([www.bseindia.com](http://www.bseindia.com)) where the shares of the Company are listed.

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

Vijaykrishnan  
Venkatesan

Digitally signed by Vijaykrishnan  
Venkatesan  
Date: 2026.02.05 16:35:49 +05'30'

Venkatesan Vijaykrishnan  
Managing Director

Bengaluru  
February 5, 2026