

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Kennametal India Limited

Report on the Audit of Financial Results

Opinion

1. We have audited the financial results of Kennametal India Limited (the "Company") for the year ended June 30, 2026, the statement of assets and liabilities as on that date and the statement of cash flows for the year ended on that date (the "financial results"), attached herewith, which are included in the accompanying "Statement of Audited Financial Results for the quarter and year ended June 30, 2026, "Audited Statement of Assets and Liabilities as at June 30, 2026" and "Audited Statement of Cash Flows for the year ended June 30, 2026" together with notes thereon (together referred to as the "Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, the financial results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended June 30, 2026, and the statement of assets and liabilities and the statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("ICAI"). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Results' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by 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.



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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)

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To the Board of Directors of Kennametal India Limited

Report on the Financial Results

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Board of Directors' Responsibilities for the Financial Results

4. These financial results have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company and the statement of assets and liabilities and the statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 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 Board of Directors of the Company are responsible for 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the financial results by the Directors of the Company, as aforesaid.
5. In preparing the financial results, the Board of Directors of the Company are responsible for assessing the ability of the Company 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 of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

7. Our objectives are to obtain reasonable assurance about whether the financial results as a whole are 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 SAs 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 these financial results.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial results, 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.



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To the Board of Directors of Kennametal India Limited

Report on the Financial Results

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- 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 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 Board of Directors.
 - 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 ability of the Company 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 financial results 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 financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance of the Company 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 financial results include the results for the quarter ended June 30, 2026 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 Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E300009

SHIVAKUMAR

RAJGOPAL HEGDE

Shivakumar Hegde

Partner

Membership Number: 204627

UDIN: 26204627IQFOH15315

Digitally signed by SHIVAKUMAR
RAJGOPAL HEGDE

Date: 2026.08.13 15:14:28 +05'30'

Bengaluru

August 13, 2026



Kennametal India Limited

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Statement of Audited Financial Results for the quarter and year ended June 30, 2026

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

Sl. No.	Particulars	Quarter ended			Year ended	
		June 30, 2026	March 31, 2026	June 30, 2025	June 30, 2026	June 30, 2025
		(Unaudited) (Refer Note 4)	(Unaudited)	(Unaudited) (Refer Note 4)	(Audited)	(Audited)
I	INCOME					
	Revenue from operations	4,776	4,031	3,234	15,107	11,703
	Other income	15	44	37	108	144
	Total income	4,791	4,075	3,271	15,215	11,847
II	EXPENSES					
	Cost of materials consumed	2,282	1,281	835	5,470	3,158
	Purchase of stock-in-trade	1,480	1,370	947	4,710	3,324
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,415)	(488)	10	(2,250)	(215)
	Employee benefits expense (refer Note 3)	493	525	395	1,872	1,582
	Finance costs*	2	0	2	3	4
	Depreciation and amortisation expense	121	122	116	479	460
	Other expenses	644	573	553	2,268	2,132
	Total expenses	3,607	3,383	2,858	12,552	10,445
III	Profit before tax (I-II)	1,184	692	413	2,663	1,402
IV	Tax expense					
	Current tax	276	206	114	721	392
	Current tax adjustments relating to earlier years*	-	-	0	13	16
	Deferred tax charge / (credit)	20	(28)	(14)	(31)	(35)
	Total tax expense	296	178	100	703	373
V	Net profit for the period/year (III-IV)	888	514	313	1,960	1,029
VI	Other comprehensive income					
	(i) Items that will not be reclassified to profit or loss	12	(14)	7	(23)	(7)
	Income tax relating to items that will not be reclassified to profit or loss	(3)	4	(2)	6	2
	Total other comprehensive income, net of income tax	9	(10)	5	(17)	(5)
VII	Total comprehensive income for the period/ year (V+VI)	897	504	318	1,943	1,024
VIII	Paid-up of equity share capital	220	220	220	220	220
	(21,978,240 shares of face value of ₹ 10 per share)					
IX	Other equity				8,317	7,253
X	Earnings per share					
	[Face Value of ₹ 10 per share (not annualised)]					
	- Basic (₹)	40.39	23.38	14.22	89.18	46.82
	- Diluted (₹)	40.39	23.38	14.22	89.18	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 year ended June 30, 2026

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

Sl. No.	Particulars	Quarter ended			Year ended	
		June 30, 2026	March 31, 2026	June 30, 2025	June 30, 2026	June 30, 2025
		(Unaudited) (Refer Note 4)	(Unaudited)	(Unaudited) (Refer Note 4)	(Audited)	(Audited)
1	Segment Revenue					
	Revenue from operations					
	Machining solutions	302	408	449	1,471	1,534
	Hard metal and hard metal products	4,474	3,623	2,785	13,636	10,169
	Revenue from operations	4,776	4,031	3,234	15,107	11,703
2	Segment Results					
	Machining solutions	(92)	(44)	34	(123)	58
	Hard metal and hard metal products	1,385	829	450	3,161	1,634
	Total	1,293	785	484	3,038	1,692
	Add / (Less) :					
	Interest expense*	(2)	(0)	(2)	(3)	(4)
	Interest income*	2	0	1	3	13
	Other unallocable income	13	22	28	80	106
	Other unallocable expenditure	(122)	(115)	(98)	(455)	(405)
	Total profit before tax	1,184	692	413	2,663	1,402
3	Segment Assets					
	Machining solutions	922	1,277	1,294	922	1,294
	Hard metal and hard metal products	10,574	7,954	6,507	10,574	6,507
	Other unallocable assets	1,153	2,162	1,866	1,153	1,866
	Total assets	12,649	11,393	9,667	12,649	9,667
4	Segment Liabilities					
	Machining solutions	512	766	746	512	746
	Hard metal and hard metal products	3,354	1,993	1,357	3,354	1,357
	Other unallocable liabilities	246	110	91	246	91
	Total liabilities	4,112	2,869	2,194	4,112	2,194

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Audited Statement of Assets and Liabilities as at June 30, 2026

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

Particulars	As at June 30, 2026 (Audited)	As at June 30, 2025 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,809	2,712
Right-of-use assets	14	21
Capital work-in-progress	66	80
Investment property*	0	0
Intangible assets*	0	0
Financial assets		
Other financial assets	21	21
Deferred tax assets (net)	78	41
Current tax assets (net)	7	79
Other non-current assets	24	61
Total non-current assets	3,019	3,015
Current assets		
Inventories	6,088	2,949
Financial assets		
Trade receivables	2,694	1,905
Cash and cash equivalents	460	1,645
Bank balances other than cash and cash equivalents	12	9
Other financial assets	54	57
Other current assets	322	87
Total current assets	9,630	6,652
TOTAL ASSETS	12,649	9,667
EQUITY AND LIABILITIES		
Equity		
Equity share capital	220	220
Other equity	8,317	7,253
Total Equity	8,537	7,473
Liabilities		
Non-current liabilities		
Financial liabilities		
Lease liabilities	11	15
Provisions	9	10
Total non-current liabilities	20	25
Current Liabilities		
Financial liabilities		
Lease Liabilities	8	10
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	187	69
Total outstanding dues other than above	2,562	1,054
Other financial liabilities	408	385
Current tax liabilities (net)	105	-
Other current liabilities	580	478
Provisions	242	173
Total current liabilities	4,092	2,169
Total liabilities	4,112	2,194
TOTAL EQUITY AND LIABILITIES	12,649	9,667

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Audited Statement of Cash Flows for the year ended June 30, 2026

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

Particulars	Year ended June 30, 2026 (Audited)	Year ended June 30, 2025 (Audited)
Cash flow from operating activities		
Profit before tax	2,663	1,402
Adjustments for:		
Depreciation and amortisation expense	479	460
Gain on sale of mutual funds	(53)	(85)
Disputed taxes and duties provision written back	-	(9)
Provision for product support	33	22
Allowance for loss on financial assets (net)	3	6
(Gain)/ loss on sale of property, plant and equipments (net)	1	(1)
Interest on lease liabilities	1	2
Other interest expenses	2	2
Interest income on bank deposits	(3)	(13)
Unrealised foreign exchange loss/(gain), (net)	3	-
Share based compensation expense	27	23
Operating profit before working capital changes	3,156	1,809
Adjustment for working capital changes:		
(Increase)/decrease in inventories	(3,139)	(240)
(Increase)/decrease in trade receivables	(792)	(124)
(Increase)/decrease in other receivables	(240)	(34)
(Increase)/decrease in financial assets	3	(10)
(Increase)/decrease in bank balances other than cash and cash equivalents	(3)	(6)
Increase/(decrease) in trade payables	1,626	34
Increase/(decrease) in provisions and other liabilities	129	172
Cash generated from operations	740	1,601
Taxes paid (net of refunds)	(557)	(153)
Net cash generated from operating activities (1)	183	1,448
Cash flow from investing activities		
Purchase of property, plant and equipment	(536)	(312)
Gain on sale of mutual funds, net of purchase ₹ 5,600 (June 30, 2025: ₹ 7,775)	53	85
Proceeds from sale of property, plant and equipment*	0	20
Proceeds from bank deposits with maturity of more than twelve months	-	3
Interest income on income tax refund	-	152
Interest income on bank deposits	3	13
Net cash (used in) investing activities (2)	(480)	(39)
Cash flow from financing activities		
Interim dividend declared and paid	(879)	(879)
Unclaimed dividend paid*	-	(0)
Principal repayment of lease liabilities	(8)	(9)
Interest paid on lease liabilities	(1)	(2)
Other interest paid	-	(2)
Net cash (used in) financing activities (3)	(888)	(892)
Net (decrease)/ increase in cash and cash equivalents (1+2+3)	(1,185)	517
Add: Cash and cash equivalents at the beginning of the year	1,645	1,128
Cash and cash equivalents at the end of the year	460	1,645
Balance as per Statement of Cash Flows	460	1,645

*Amount below the rounding off norm adopted by the Company



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Notes to the Audited Financial Results for the quarter and year ended June 30, 2026

- 1 In terms of Regulation 33 of Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations 2015, the aforesaid statement of audited financial results ("financial results") for the quarter and year ended June 30, 2026 of the Company have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 13, 2026. The aforesaid financial results for the quarter and year ended June 30, 2026 have been reviewed by the statutory auditors of the Company.
- 2 The financial results have been prepared in accordance with the recognition and measurement 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 Code), 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 ₹ 52 million during the year ended June 30, 2026 (June 30, 2025: Nil). The Company has included this amount under "Employee benefits expense" in the financial results.

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 financial results include the results for the quarter ended June 30, 2026 and corresponding quarter ended June 30, 2025, 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 respective financial years, which were subjected to limited review.
- 5 The Company does not have any subsidiary/ associate/ joint venture entity(ies) for the aforesaid periods/ year.
- 6 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.

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

Vijaykrishnan Venkatesan
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Venkatesan Vijaykrishnan
Managing Director

Bengaluru
August 13, 2026