

Johnson Controls-Hitachi Air Conditioning India Limited
Regd. Office: 9th Floor, Abhijeet, Mithakhali Six Roads, Ahmedabad : 380 006 CIN: L29300GJ1984PLC007470
Tel: + 917926402024, E-mail: hitachi@jci-hitachi.com, Website: www.hitachiaircon.in
STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31/03/2020

` in million						
Sr. No.	Particulars	3 months ended 31/03/2020	3 months ended 31/12/2019	3 months ended 31/03/2019	Year ended 31/03/2020	Year ended 31/03/2019
		(Unaudited) (Refer Note 6)	(Unaudited)	(Unaudited) (Refer Note 6)	(Audited)	(Audited)
1	Income from Operations					
	(a) Revenue from operations	4,329.1	4,359.6	6,654.5	21,973.7	22,413.0
	(b) Other income	12.3	16.9	8.3	81.5	154.2
	Total Income from operations (a to b)	4,341.4	4,376.5	6,662.8	22,055.2	22,567.2
2	Expenses					
	(a) Cost of materials consumed	3,855.1	3,395.0	3,850.8	11,865.9	10,422.7
	(b) Purchase of stock-in-trade	849.2	596.8	1,663.4	3,777.9	5,040.7
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(2,097.8)	(1,345.7)	(1,364.7)	(1,670.2)	(1,024.5)
	(d) Employee benefits expense	478.1	460.0	465.4	1,745.4	1,651.5
	(e) Finance costs	14.0	10.1	20.1	50.2	26.9
	(f) Depreciation and amortisation expense	167.2	148.9	110.2	562.9	441.6
	(g) Other expenses	972.7	929.7	1,267.1	4,532.5	4,684.6
	Total expenses (a to g)	4,238.5	4,194.8	6,012.3	20,864.6	21,243.5
3	Profit before exceptional items and tax (1-2)	102.9	181.7	650.5	1,190.6	1,323.7
4	Exceptional Items (Refer Note 8)	7.5	-	-	7.5	-
5	Profit before tax (3-4)	95.4	181.7	650.5	1,183.1	1,323.7
6	Tax Expenses					
	(a) Current tax (net)	70.8	28.0	222.7	324.0	491.5
	(b) Deferred tax charge / (credit)	(47.0)	19.6	4.8	23.8	(27.2)
	Total (a to b)	23.8	47.6	227.5	347.8	464.3
7	Net Profit for the period (5-6)	71.6	134.1	423.0	835.3	859.4
8	Items that will not be reclassified to profit or loss					
	(a) Remeasurement of post employment benefit obligations - gain /(loss)	(37.6)	(1.2)	(19.1)	(41.2)	(49.6)
	(b) Income tax relating to remeasurement of post employment benefit obligations	9.5	0.3	6.6	10.4	17.3
	Other comprehensive income (net of tax)	(28.1)	(0.9)	(12.5)	(30.8)	(32.3)
9	Total comprehensive income for the period (7+8)	43.5	133.2	410.5	804.5	827.1
10	Paid-up Equity Share Capital (Face value Rs.10/- per share)	271.9	271.9	271.9	271.9	271.9
11	Reserves excluding revaluation reserves as per balance sheet of previous accounting year					5,858.0
12	Earnings per share (Not annualized)					
	Basic and diluted earnings per share (in Rs.)	2.6	4.9	15.6	30.7	31.6
	Nominal value per equity share of Rs. 10 each					

Notes:

- 1 The above financial results are prepared in compliance with Indian Accounting Standards ("Ind AS") as notified under section 133 of the Companies Act, 2013 ("the Act") [Companies (Indian Accounting Standards) Rules, 2015], as amended.
- 2 In accordance with Ind AS 108 - Operating Segment, the Company has identified two business segments viz., i) Cooling products for comfort and commercial use and ii) Design and development services. The segment wise information as required by Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished in Annexure 1. Until September 30, 2018, the Company was engaged in a single business segment of Cooling products for comfort and commercial use.
- 3 Refer Annexure 2 and 3 for Statement of Assets and Liabilities and Statement of Cash Flows respectively.
- 4 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to lease contracts existing on April 1, 2019 using the modified retrospective approach. Accordingly, the comparative figures have not been restated. This resulted in recognition of lease liability with an equivalent amount recognized as right-of-use-assets as of April 1, 2019. The effect of this adoption is not material on the profit for the current quarter/period.
- 5 The Company has exercised the option under section 115BAA of the Income-tax Act, 1961 and accordingly, the Company has recognized provision for current tax and re-measured deferred tax, basis the rate prescribed in the said section.
- 6 The figures for the last quarter are the balancing figures between audited figures in respect of the full financial year and the unaudited published year to date figures up to third quarter of the financial year.
- 7 The Company predominantly operates in air conditioning business which is seasonal in nature. The seasonal period is the first and the last quarter of every financial year and accordingly, results of current quarter are not indicative of overall performance of the financial year.
- 8 In the month of August 2019, there was a major fire at one of the Company's warehouse and due to this, there was a loss of inventory amounting to ` 263.6 million. Based on the communication from the surveyor (on behalf of the insurance company), the management believes that recovery from insurance company is certain and accordingly, has recognised insurance claim receivable of ` 256.1 million. Further, the Company has received an advance from insurance company and proceeds from scrap sales aggregating to ` 84.0 million.
- 9 Employee benefits expense for the quarter and year ended March 31, 2020 includes termination benefits of ` 15 million and ` 57.6 million respectively to employees who have resigned during such period.
- 10 The Company's plant and offices were shutdown from March 25, 2020 consequent to nationwide lockdown announced by Government of India due to COVID-19. Since the easing of restriction in phased manner the Company's plant and offices have commenced the operations. However, the current situation has impacted the operations of the Company and caused uncertainty. The Company's Management has done an assessment of the situation, including the liquidity position and the recoverability and carrying value of all its assets and liabilities as at March 31, 2020, and concluded that there are no material adjustments required in the financial statements as of March 31, 2020. However, the impact of assessment due to COVID-19 is a continuing process given the uncertainty associated with its nature and duration. The Company will continue to monitor any material changes as the situation evolves.
- 11 The above financial results as reviewed by Audit Committee were taken on record by the Board of Directors at their meeting held on June 23, 2020.

For and behalf of board of directors

Place : New Delhi

Gurmeet Singh

Date : June 23, 2020

Chairman and managing director

Annexure-2

Johnson Controls-Hitachi Air Conditioning India Limited

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STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020

in Million

Sr. No.	Particulars	As at 31/03/2020 (Audited)	As at 31/03/2019 (Audited)
A	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	3,533.7	2,156.6
	(b) Right-of-use-assets	265.1	-
	(c) Capital work-in-progress	65.0	941.3
	(d) Investment property	11.2	12.4
	(e) Other intangible assets	197.4	153.3
	(f) Financial assets		
	i. Loans	51.1	46.8
	ii. Other financial assets	2.6	2.7
	(g) Deferred tax assets (net)	142.2	166.0
	(h) Non current tax assets (net)	161.6	0.4
	(i) Other non-current assets	306.2	354.4
	TOTAL NON-CURRENT ASSETS	4,736.1	3,833.9
2	Current assets		
	(a) Inventories	7,274.5	5,554.7
	(b) Financial assets		
	i. Trade receivables	2,545.6	4,483.7
	ii. Cash and cash equivalents	176.4	295.5
	iii. Bank balances other than (ii) above	2.9	3.0
	iv. Loans	13.0	10.2
	v. Other financial assets	234.9	124.9
	(c) Contract assets	111.9	214.9
	(d) Other current assets	745.4	869.4
	TOTAL CURRENT ASSETS	11,104.6	11,556.3
	TOTAL ASSETS (1+2)	15,840.7	15,390.2
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	271.9	271.9
	(b) Other equity	6,613.3	5,858.0
	TOTAL EQUITY	6,885.2	6,129.9
2	LIABILITIES		
	Non-current liabilities		
	(a) Provisions	592.0	499.3
	(b) Financial liabilities		
	i. Lease Liabilities	233.8	-
	(c) Other non - current liabilities	144.4	124.1
	TOTAL NON-CURRENT LIABILITIES	970.2	623.4
3	Current liabilities		
	(a) Financial liabilities		
	i. Borrowings	1,587.2	1,896.2
	ii. Lease Liabilities	47.9	-
	iii. Trade payables		
	(a) Total outstanding dues of micro and small enterprises	314.6	164.1
	(b) Total outstanding dues of creditors other than (iii)(a) above	5,185.0	5,244.1
	iv. Other financial liabilities	194.4	365.2
	(b) Contract liabilities	288.2	299.9
	(c) Provisions	173.0	150.3
	(d) Current tax liabilities (net)	-	6.0
	(e) Other current liabilities	195.0	511.1
	TOTAL CURRENT LIABILITIES	7,985.3	8,636.9
	TOTAL EQUITY AND LIABILITIES (1+2+3)	15,840.7	15,390.2

For and on behalf of the Board of Directors

Place : New Delhi

Date : June 23, 2020

Gurmeet Singh

Chairman & Managing Director

Annexure-1

Johnson Controls-Hitachi Air Conditioning India Limited

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SEGMENT REVENUE, RESULTS, ASSETS AND LIABILITIES

in Million

Sr. No.	Particulars	3 months ended 31/03/2020	3 months ended 31/12/2019	3 months ended 31/03/2019	Year ended 31/03/2020	Year ended 31/03/2019
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
1	Segment Revenue					
	(a) Cooling products for comfort and commercial use	4,201.4	4,218.1	6,578.5	21,354.8	22,256.1
	(b) Design and development services	153.3	169.0	105.9	700.8	209.7
	Total	4,354.7	4,387.1	6,684.4	22,055.6	22,465.8
	Less : Inter-Segment Revenue	25.6	27.5	29.9	81.9	52.8
	Revenue from Operations	4,329.1	4,359.6	6,654.5	21,973.7	22,413.0
2	Segment Results					
	(a) Cooling products for comfort and commercial use (EBIT before exceptional items)	95.5	168.2	657.9	1,137.6	1,324.4
	Less: Exceptional items	7.5	-	-	7.5	-
	Less: Finance costs	14.0	10.1	20.1	50.2	26.9
		74.0	158.1	637.8	1,079.9	1,297.5
	(b) Design and development services (EBIT)	21.4	23.6	12.7	103.2	26.2
	Profit before tax	95.4	181.7	650.5	1,183.1	1,323.7
3	Segment Assets					
	(a) Cooling products for comfort and commercial use	13,733.4	12,122.3	14,230.9	13,733.4	14,230.9
	(b) Design and development services	1,618.3	1,649.7	980.9	1,618.3	980.9
	(c) Unallocated	489.0	242.6	178.4	489.0	178.4
	Total Segment Assets	15,840.7	14,014.6	15,390.2	15,840.7	15,390.2
4	Segment Liabilities					
	(a) Cooling products for comfort and commercial use	8,763.2	6,932.4	9,029.5	8,763.2	9,029.5
	(b) Design and development services	189.4	237.6	224.8	189.4	224.8
	(c) Unallocated	2.9	2.9	6.0	2.9	6.0
	Total Segment Liabilities	8,955.5	7,172.9	9,260.3	8,955.5	9,260.3

For and on behalf of the Board of Directors

Place : New Delhi
Date : June 23, 2020Gurmeet Singh
Chairman & Managing Director

Annexure-3

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31, MARCH 2020

in Million

Sr. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
		(Audited)	(Audited)
(A)	Cash flows from operating activities		
	Profit before tax	1,183.1	1,323.7
	Adjustment for :		
	Depreciation and amortisation expense	562.9	441.6
	Loss / (gain) on sale / retirement of fixed assets (net)	17.0	(5.0)
	Liabilities no longer required written back	(3.1)	(24.5)
	Finance costs	50.2	26.9
	Unrealised foreign exchange (gain)/loss (net) at year end	2.9	(0.1)
	Provision / (Reversal) for doubtful debts	(16.7)	21.7
	Bad Debt written off	7.9	11.7
	Lease rent income	(3.7)	(3.8)
	Interest income	(42.6)	(68.3)
	Exceptional Items	7.5	-
	Government Grants	(13.9)	(13.3)
	Operating profit before working capital changes	1,751.5	1,710.6
	Changes in working capital:		
	Adjustment for :		
	(Increase) in inventories	(1,937.6)	(1,133.7)
	Decrease / (Increase) in trade receivables	1,980.6	(355.7)
	Decrease / (Increase) in other financial assets / Contract assets	197.9	(128.5)
	Decrease / (Increase) in other current assets	80.9	(420.7)
	(Decrease) / Increase in current liabilities	(345.5)	67.0
	Increase / (Decrease) in other provision	67.9	(35.6)
	Cash generated from operations	1,795.7	(296.6)
	Income tax paid (net of refunds)	(480.8)	(513.5)
	Net cash from operating activities before exceptional items	1,314.9	(810.1)
	Proceeds of Insurance Claim	84.0	-
	Net cash inflow / (outflow) from operating activities (A)	1,398.9	(810.1)
(B)	Cash flows from investing activities		
	Purchase of fixed assets (including capital work in progress and capital advance)	(1,141.0)	(1,079.6)
	Proceeds from sale of fixed assets	22.9	57.5
	Investment in bank deposits (with maturity more than three months)	0.1	(0.3)
	Lease rent income	3.7	3.8
	Interest received	42.6	68.3
	Net cash outflow from investing activities (B)	(1,071.7)	(950.3)
(C)	Cash flows from financing activities		
	Proceeds from / Repayment for short-term borrowings (net)	(309.0)	1,769.6
	Principal Payment of lease liabilities	(44.1)	-
	Interest paid on lease liabilities	(24.4)	-
	Payment of finance cost	(19.5)	(19.2)
	Payment of dividend (including dividend distribution tax)	(49.3)	(49.4)
	Net cash inflow/(outflow) from financing activities (C)	(446.3)	1,701.0
	Net (Decrease) in cash and cash equivalents (A+B+C)	(119.1)	(59.4)
	Add : Cash and cash equivalents at the beginning of the year	295.5	354.9
	Cash and cash equivalents at the end of the year	176.4	295.5
(D)	Non- Cash financing and investing activities		
	Acquisition of right-of-use-assets	2.0	-

For and on behalf of the Board of Directors

Place : New Delhi
Date : June 23, 2020Gurmeet Singh
Chairman & Managing Director