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Experience a new world

Innovations that inspire a new way of living.



HITACHI
Air conditioning solutions

Read through the report

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Corporate information

Board of Directors

Gurmeet Singh
Chairman & Managing Director

Shinichi Iizuka
Director

Yoshikazu Ishihara
Director

Ashok Balwani
Independent Director

Indira Parikh
Independent Director

Mukesh Patel
Independent Director

Chief Financial Officer

Rishi Mehta

Company Secretary

Parag Dave

Auditors

Price Waterhouse & Co.
Chartered Accountants LLP
Ahmedabad

Registered Office

9th Floor, Abhijeet-I, Mithakhali Six Roads,
Ahmedabad - 380 006, Gujarat

Works

Hitachi Complex, Karannagar - 384 440
Kadi, Dist. : Mehsana, Gujarat

Registrars & Share Transfer Agent

Link Intime India Pvt Limited
506-508, Amarnath Business
Centre-1 (ABC-1),
Besides Gala Business Centre
Near St. Xavier's College Corner
Off C G Road, Ahmedabad - 380 006
Gujarat



— New air, for a new you

With the purpose of enriching the lives of our numerous customers across the world, Johnson Controls–Hitachi Air Conditioning India Limited is the organization where we are committed towards providing product of the goodwill, leading technologies and maximum corporate value that we have garnered over the years. We help people find the best possible air-conditioning solution, that not only meets their expectations but also enhances their lifestyle, and we do so by designing, engineering and manufacturing reliable, efficient and high quality cooling & heating air conditioning systems. We believe in evolving with the ever-changing needs and aspirations of our customers, and that is why we at Johnson Controls–Hitachi Air Conditioning India Limited bring you the future of comfort and convenience. We bring you “air” that is inspired by the nature & Japanese technology and made for the New You. Because #NewBeginsWithYou

Our vision

A safe, comfortable and sustainable world.

Our values

Integrity first

We promise honesty and transparency. We uphold the highest standards of integrity and honor the commitments we make.

Purpose led

We believe in doing well by doing good, and hold ourselves accountable to make the world a better place through the solutions we provide, our engagement in society, the way we do business, and our commitment to protect people and the environment.

Customer driven

We win when our customers win. Our long-term strategic relationships provide unique insights and the ability to deliver exceptional customer experiences and solutions.

Future focused

Our culture of innovation and continuous improvement drives us to solve today's challenges while constantly asking 'what's next'.

One team

We are one team, dedicated to working collaboratively together to create the purposeful solutions that propel the world forward.

Our story

Since 1952, Hitachi's cooling and heating technology has been helping make life more harmonious for people around the world. Today, our long heritage of precise Japanese engineering ensures that no detail is overlooked in our quest to create Living Harmony around New You.

With Johnson Controls – Hitachi Air Conditioning India Limited, you can address all your air-conditioning needs faster, smarter and more efficiently than ever before. We have combined the rich heritage and innovative technology of Hitachi with the industry leading expertise and global network of Johnson Controls, so our customers can benefit from the best of both companies. Johnson Controls – Hitachi Air Conditioning India Limited is a joint venture company of Johnson Controls, USA and Hitachi Appliances, Japan. Johnson Controls – Hitachi Air Conditioning India Limited company has a global presence, out of which Johnson Controls-Hitachi Air Conditioning India Limited is its Indian unit.

At Johnson Controls-Hitachi we manufacture a wide range of products, from room air-conditioners (Split & Window ACs) to commercial air-conditioners including VRF Systems, Ductable air-conditioners, Chillers and Telecom air-conditioners under the brand name of 'Hitachi Cooling & Heating'. The company also deals with the trading of Refrigerators and Air Purifiers. Johnson Controls-Hitachi Air Conditioning India Limited is amongst the top air-conditioning companies in India. It has a strong nationwide network consisting of 5 regional offices, 17 Branch offices and more than 10,000 sales points. We are passionate about exceeding expectations of our customers, and we look forward to bringing innovative HVAC solutions to them. With our customer centric approach, we'd like to say "New begins with You".



A heritage of innovations



Hitachi is known for its technological excellence in invention and innovation for a great stint of over 100 years.

Today Hitachi is synonymous with great quality and innovative technology on a global stage. Its enriching lineage and culture has evolved with time and created a harmony of invention and innovation worldwide. The addition of Johnson Controls' best in class expertise and widespread global presence has resulted in what we know today as Johnson Controls-Hitachi Air Conditioning India Limited company.

With a legacy of more than 30 years in India, we have been following the Make in India concept since the beginning. At Johnson Controls-Hitachi Air Conditioning India Limited, the Company constantly innovates, brings in world-class technology, newer concepts and incorporates advanced-smart features in order to provide an array of products to the entire world, which can make life for our clientele as comfortable and soothing as it can get.

A presence you can count on



Multi-faceted and composite, we enjoy a robust, solid and extensive distribution network that comprises of 290 plus exclusive sales and service dealers, 70 plus Hitachi exclusive showrooms, over 10,000 sales points and more than 1500 other service points including multi brand S&S and Authorized Service Partners. We have been fruitful in our efforts to consolidate and amplify our presence across the varied topographies of India and have accelerated further, the reach of our Company. In order to serve our customers even better, Johnson Controls- Hitachi Air Conditioning India Limited has company owned and operated, 24x7 customer care centres, which provide prompt resolutions to customers concerns across India.

Always customer first



Good customer care has always remained key focus at Hitachi. The company aims to offer best in class products along with utmost priority to customer care and after sales service. Customer satisfaction has always been a crucial part of company's strategy at Hitachi. For enhancing after sales services experience of our customers, we've embarked upon several initiatives in this financial year. With an objective to serve our customers even better and give faster response, we've widened our network and add another 40 authorized service partners during this financial year, thereby expanding our service reach.

Another area where we have focused is in technology led digitalization of some key service business processes. Few of the initiatives are:

- The implementation and adoption of technician's app is helping with faster resolution of calls
- Digital non-voice option for customers to register and can viewing status of their service request: WhatsApp integration for customer convenience
- Online renewal/purchase of Annual Maintenance: Digital payment and AMC documentation

Chairman & managing director's message

The pandemic has changed the way we live, interact and work, ushering a new era of a more informed modern lifestyle. Consumer is the King and we understand that consumer of the new informed world is evolving every day and their need for NEW is changing. In our endeavour to meet demands of this aspiring consumer, Hitachi is committed to set new consumer satisfaction milestones with its best-in-class products and solutions.



Dear Shareholders,
Heartiest Greetings to all of you!

04 At the time of writing this message, India and several other parts of the world are suffering from another wave of pandemic Covid-19 which is much harsher and tougher than what the world had seen last year. With deep grief and sorrow my heart goes out to each and every person who has suffered the loss of her/his loved ones. I wish and am sure that we shall eventually come out from this but until then, I urge to one and all that we must observe Covid protocols, govt. guidelines and get vaccinated (if eligible).

I pray for health and safety of all of you and your loved ones.

I would like to express my sincere gratitude for your continuous support over the years and through tough times that tested us all. I am extremely proud of our employees' and channel partners' efforts during these unprecedented times.

After these trying times, we should work for the new world. The pandemic has made us analyse, re-think, review, re-formulate, re-organise and innovate to transform into a world which is not just sustainable but also more compassionate. The pandemic has changed the way we live, interact and work ushering a new era of a more informed modern lifestyle.

The consumer of the new informed world has evolved and is full of energy, passion and positivity. This New Bharat's new-age consumer aspires for innovative product offerings, leading to convenience and comfort.

The beginning of the current financial year (2021-22) may have been slow but we are optimistic about the future of the HVAC industry. We look forward to a good year for business driven by path breaking innovation, flexibility, futuristic solutions and changed consumer perspective. The changing perspective about air conditioning as a necessity, lifestyle product and a health requirement instead of being a luxury product is a

welcome change. Market penetration will also help the business grow.

The Company has continuously focused on futuristic consumer centric solutions. Over the past few years' consumer awareness has increased immensely about Inverter technology. Improved lifestyle, higher disposable income, year-round usage pattern, increasing urbanization, ease of finance options, warranty assurance etc. has led to higher traction for superior technology of Inverter models. The Company had anticipated high demand of Inverter technology in advance and accordingly developed a strong product line of Inverter technology powered Room Air Conditioner models. The Company has robust plans for 2021 summer season with new products having eye catching features and we plan to reach out to our customers through our strong & nationwide channel network with aggressive marketing strategies.

Anticipating pent up demand for summer season of 2021 due to low buying in summer season of 2020, the Company has planned well in advance and launched new products having several new features and technological enhancements. The Company has introduced its innovative range of new products & technologies via virtual launch and received an overwhelming response with more than 6500 participants attending the event.

As part of our sales strategy, during the year 2021-22 we will continue to aim at increasing our reach in tier 2 & tier 3 towns, synergise our efforts to strengthen our channels, enhance nationwide service network, bring efficiencies to supply chain, enrich our product portfolio and work towards making Hitachi Air, an aspirational brand. I am confident that this comprehensive approach will help us in making our Room Air Conditioner business successful in ongoing financial year.

Consumer is the King and we understand that consumer of the new informed world is evolving every day and their need for NEW is changing. In our endeavour to meet demands of this aspiring consumer, Hitachi is committed to set new consumer satisfaction milestones with its best in class products and solutions. To create comfort and brand appeal for customers who are willing to adopt our advanced technologies combined with appealing aesthetics inspired from nature and Japanese roots, we are leading our communication with "New begins with You". Silent air, Surround

air, Odor free air, Clean air and Fresh air grouped as Hitachi air along with new features shall elevate our brand image and achieve a higher youth appeal. The Company continues to cater to diversified segments and achieve excellence.

The commercial air conditioners market has also had interesting developments, the Variable Refrigerant Flow (VRF) technology has been accepted and adopted widely now in the Indian market and is surpassing the PAC market in terms of value. VRF based Air conditioning systems are gaining immense popularity with increasing adoption at corporate offices, hotels, IT offices, high-end residential apartments, villas, retail stores, supermarkets, hospitals, banks, education institutes etc. Being a customer focused Company, Johnson Controls-Hitachi Air Conditioning India Limited has caught the pulse of high-end customers and has introduced a new range of VRF products. We have recently introduced country's first of its kind premium and luxurious air conditioning system 'SET FREE mini' to match modern lifestyle choices. In our endeavor to build air conditioning solutions that match with the evolved & new-age customers, we also launched SideSmart™ - World's first slim modular side throw VRF model air conditioners. The Company is constantly producing best technology products and has established itself as a leading 'Air Expert' in the B2B space.

In the packaged AC segment, the Company enjoys a strong market share with a strong channel network. Post pandemic period, the Company is expecting improvement in living standards along with rapid recovery of the organized commercial sector characterized by the rising number of hypermarkets, supermarket and offices etc. Light Commercial HVAC segment is expected to emerge as a dynamic business area. The Company is expecting growth of the overall commercial chain, which in turn is expected to boost the sale of HVAC packaged units and Cassette ACs in the coming period.

Being the single largest air conditioning solution provider for cooling requirements in Telecom Towers, the Company continues to dominate this segment. Future growth of the telecom tower sector would be driven by 5G and IoT business. While demand for services continues to spike, given India's increased usage of internet amid the pandemic there is an all time need to create more cellular infrastructure. We are hopeful that with the revival of the telecom industry, our revenue from this segment will increase in near future.

Strengthening the global footprint, in the last couple of years, the Company has started exporting to South Asian countries (Nepal, Bhutan, Sri Lanka and Maldives) and South East Asian Countries like Indonesia and Vietnam. We are also exporting our products in Middle East countries like UAE, Qatar, Oman, Bahrain, Iraq, Kuwait and Saudi Arabia. This year direct business operations have commenced in Africa and South Asian countries with the help of the newly formed International sales department. The Company expects to increase its exports business in the coming years with stabilized government policies after recovering from COVID-19 pandemic.

The Company is fully committed to the Indian market and is

aggressively promoting and pushing 'Made in India' ACs. We have started working with many component manufacturers in India. We are working with Industry associations, Government and our overseas vendors to ensure complete indigenisation of critical components. We are encouraging our overseas vendors who can come and put their factories here in India for the critical components, which are imported. Be it motors, PCB boards or compressors, we intend to procure everything from India to support 'Atmanirbhar Bharat' Abhiyan.

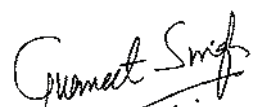
We expect a positive outlook for commercial air conditioning from growing demand for robust medical and health care facilities, pharmacies, cold rooms, warehouses, data centres etc. Support from several favourable Government initiatives such as Production Led Incentives (PLI) and Phased Manufacturing Plan (PMP) are expected to boost local manufacturing of critical components for Indian Air Conditioning Industry in the coming years.

Being a socially responsible organisation, the Company strongly believes in its responsibility to give back to the society. This year was challenging year for CSR due to the COVID-19 pandemic. In spite of severe restrictions imposed due to lockdown across the country, our CSR team tirelessly worked towards the successful and impactful implementation of all the planned projects which includes Primary Health Center at Karannagar that worked for the first rung medical care of approximately 40,000 rural and partially impoverished population in the hinterland of Gujarat. Under its Sanitation Project, Johnson Controls-Hitachi Air Conditioning India Limited constructed more than 850 toilets and its Skill Development Project trained over 450 school dropouts including girls. Approximately 40% students got the jobs after completing the course from Skill Development Centers. Initiative of skill building in Air Conditioner and Refrigeration segment is helping transform country's rural youth into world-class technicians. During the year lot of work has happened in education and digital education field as well.

Challenges make us stronger, recent events have highlighted the importance of innovation, technology advancement, adaption, future planning, future readiness, sustainability but more importantly the importance of relationships.

We need to keep progressing on the path of our individual goals, while making sure we work towards our team goals and organisation goals. The Company has maintained a lead by developing advanced technology and a very sound, dependable and compassionate network of mindful and sincere people.

I would like to express my sincere appreciation and thanks to all the stakeholders of Johnson Controls-Hitachi Air Conditioning India Limited for their faith in our efforts and support to the business. We assure you that we are committed towards creating excellence and value with responsibility.



Gurmeet Singh
Chairman and Managing Director

Product portfolio



06

At Johnson Controls- Hitachi Air Conditioning India Limited, it is our constant endeavor to provide the best product solutions to our customers. We understand that consumer of the new Informed world is evolving every day and their need for NEW is changing. In our endeavor to meet the demands of this aspiring consumer, Johnson Controls-Hitachi Air Conditioning India Limited is committed to set new consumer satisfaction milestones with its best-in-class products and solutions.

Keeping consumer needs in mind, Johnson Controls-Hitachi Air Conditioning India Limited introduced a revolutionary new room air conditioner called "Kiyora" a 5 star inverter range and "Shizen" a 3 star inverter range. This new range of AC's are Inspired by nature and Hitachi's Japanese roots, the new aesthetically appealing and premium looking product lineup includes Johnson Controls-Hitachi Air Conditioning India Limited Cooling and Heating's first-ever Ambience light feature, an immersive display on AC that allows consumers to perfectly tune-in with their desired set temperature and comfort level. The new range of AC, inspired from the natural wave form, comes with an artistic curve in iconic wave shape that will blend into the interiors and a golden Fusion line that accentuates the wave shape on front panel and which is inspired from Hitachi's Japanese roots art form Kintsugi, the art of joining material with golden dust. Johnson Controls-Hitachi Air Conditioning India Limited ACs are loaded with innovative technology such as FrostWash technology, that freezes, melts and cleans the dirt inside the AC coil for flawless fresh air every day. The airCloud Home, Wi-fi enabled AC range from Johnson Controls-Hitachi Air Conditioning India Limited is the newest launch of the year and has smart geo fencing, voice command and amazon echo and google home connected premium indoor units. A new aesthetics 1.0 Tr compact outdoor unit is recently introduced in India with a seamless outdoor design that is harmonious to any outdoor space. Johnson Controls-Hitachi Air Conditioning India Limited has plethora of other innovative and futuristic technology and features bundle and a wide range of 30+ models and 90+ SKUs in the room AC category for the ever-evolving need of our customers.

A new high capacity, heavy performing machine – Takeshi, that meets large residential space requirements up to 400 sq ft and that can throw air maximum 15 mt. has been introduced with capacity from 1.7/2.0/2.5/3.1 Tr. To step up with the recent rapid urbanization with more compact room sizes of 120 to 135 sq. ft., Hitachi has launched special category 1.24 Tr ac in 3 and 5 star inverter models that fits perfectly for the room size. Energy conservation is our core belief and therefore, we plan on going heavily on inverter technology to help consumers save electricity, money and environment. With Inverter Split AC models ranging between 5, 4 and 3-Star category, almost as high as 80% of our entire Split AC line up is inverter based. Bringing the expandable inverter technology legacy of split air conditioner to window air conditioner, the new product lineup has Shizuka inverter window air conditioner range. It expands its cooling capacity when the temperature goes up in

extreme summers and can work up to 52° C.

Apart from residential spaces, the company has also introduced premium product range for light commercial spaces. This year Johnson Controls- Hitachi Air Conditioning India Limited introduced country's first of its kind premium and luxurious VRF air conditioning system 'SET FREE mini ' to match the modern lifestyle choices. The product is aesthetically designed to suit the exquisite interiors and exteriors of premium bungalows and apartments, luxurious villas, restaurants, cafés and workspaces. SET FREE mini 's ODU expands its range from 3 HP to 7 HP with its compact size that fits inside any balcony space, so that it can meet any air conditioning need from a 2-bedroom to 5-bedroom luxurious home. To meet the need of mid commercial spaces we have launched world's first modular VRF system, SideSmart™ which can combine up to 4 units, it caters to single module from 8 HP to combination module up to 72 HP, heating and cooling requirements. Its compact size and light weight make it best part of your balcony leaving space for your own décor. For large commercial spaces, Hitachi has its well-known VRF series SET FREE Sigma since 2018 with single module up to 24 HP and combination module up to 96 HP, with incomparable other innovative technologies that makes it unique and top notch.

airCloud Pro is one of our latest disruptive innovations in VRF which we have introduced recently in India for our customers. It offers 24/7 control and remote access of your VRF systems to ensure energy savings, centralized control, flexible user management, pre-emptive alerts and trouble-shooting, thus making it ideal for any application like offices, hospitals, schools/universities, restaurants, hotels, retail etc.

In Light Commercial Packaged Air conditioners, the company offers Toughi Ductable Air Conditioners, Flexi Split ACs and 8 new models of Cassette ACs. Flexi Split is another innovative solution where one outdoor can be connected with options of indoor units from ductable, Hi Wall and cassette type to choose from as per the architectural and interior requirement.

Designed for Commercial and Industrial requirements, Hitachi's Screw Chillers (Air and Water) and Centrifugal Chiller Series with Eco Friendly refrigerant offers most energy efficient cooling solutions .

The company's new refrigerators' line up utilizes cutting-edge scientific designs to manufacture refrigerators that prevent the loss of amino acids and other essential vitamins in the food. The company presently provides double door, French door and six door refrigerators in India. Our refrigerator line-up is full with other innovative features like precise temperature control, uniform cooling/freezing, ample storage space in both freezer and vegetable compartment, Refrigerator-Freezer convertible flexi option etc.

Room air conditioners

Inverter split AC



Kiyora



Kiyora (X-series)



Shizen



Yugen



Enzen



Toushi



Logicool

Fixed speed split AC



Takeshi



Zunoh



Logicool

Window inverter AC



Shizuka



Kaze



Summer



Outdoor

Window fixed speed AC

07

VRF system

Outdoor Units



SET FREE Σ



SET FREE mini



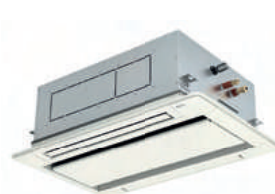
SET FREE FRONT FLOW



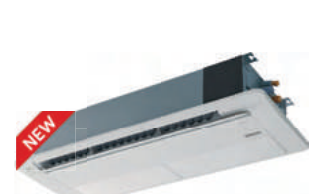
4 way cassette



4 way compact cassette



2 way cassette



1 way cassette

VRF system



HI WALL



Floor/Ceiling convertible



In-the-ceiling



In-the-ceiling (Duct type)



air Cloud Pro



Wireless remote control



Touch screen wired control



Advanced wired remote control



Central station mini

Package air conditioners

Ductable air conditioners



Toushi/Eco

Ductless air conditioners



Flexi split AC



Flexi duct AC



Cassette AC

Chillers



Water cooled screw chiller



Air cooled screw chiller



Direct drive centrifugal chiller

Refrigerators



Side by side series



4 Door french bottom freezer series



4 Door french bottom freezer series



Top freezer big 2 series



3 Door french bottom freezer series



2 Door french bottom freezer series