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# Be one with the new air



**Annual Report 2022-2023**

Johnson Controls-Hitachi Air Conditioning India Limited



**HITACHI**  
Air conditioning solutions

# Read through the Report

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## Corporate Information

### Board of Directors

**Nobuyuki Tao**

Chairman  
(w.e.f. 30<sup>th</sup> June, 2023)

**Ashok Balwani**

Independent Director

**Gurmeet Singh**

Chairman & Managing Director  
(Up to 30<sup>th</sup> June, 2023)

**Sanjay Sudhakaran**

Managing Director  
(w.e.f. 1<sup>st</sup> July, 2023)

**Mukesh Patel**

Independent Director

**Shinichi Iizuka**

Director  
(Up to 26<sup>th</sup> May, 2022)

**Yoshikazu Ishihara**

Director

**Shalini Kamath**

Independent Director

**Tatsuya Sugawara**

Director  
(From 26<sup>th</sup> May, 2022 to 30<sup>th</sup> June, 2023)

### Chief Financial Officer

**Rishi Mehta**

### Company Secretary

**Parag Dave**

### Auditors

Price Waterhouse & Co  
Chartered Accountants LLP,  
Ahmedabad

### Registered Office

9<sup>th</sup> Floor, Abhijeet-I, Mithakhali Six  
Roads, Ahmedabad - 380 006, Gujarat

### Works

Hitachi Complex, Karan Nagar,  
Kadi, Dist. Mehsana - 384 440,  
Gujarat, India

### Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd. 506-508, Amarnath  
Business Center-1 (ABC-1), Off C G Road,  
Ahmedabad - 380 006, Gujarat



# About the Company

Inspired by you, Johnson Controls–Hitachi Air Conditioning has been enriching the lives of people around the world by developing air conditioning solutions that you truly deserve.

Johnson Controls–Hitachi Air Conditioning is a joint venture of Johnson Controls, US and Hitachi Global Life Solutions, Japan. Through this joint venture, we have combined the rich heritage and innovative technology of Hitachi with the industry-leading expertise and global network of Johnson Controls. The partnership is aimed at addressing the cooling and heating needs faster, smarter and much more efficiently than ever before across the globe. Our customers will stand to benefit from our fully equipped design and development centres, where our researchers work tirelessly to provide innovative solutions and quality products that are designed to meet every expectation.

Johnson Controls–Hitachi Air Conditioning has global presence. Your Company “Johnson Controls–Hitachi Air Conditioning India Limited” is a subsidiary of this Global Joint Venture.

Johnson Controls–Hitachi Air Conditioning India Limited manufactures a wide range of products, from Room Air Conditioners such as Split and Window Air Conditioners to Commercial Air Conditioners, including VRF Systems, Ductable Air Conditioners, Chillers and Telecom Air Conditioners, under the brand name **‘Hitachi Cooling & Heating’**. The company is not just limited to making air conditioners; it is also engaged in the trading of refrigerators.



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## 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 we honor the commitments we make.

### Purpose-Led

We are driven to do good and be accountable to making the world a better place. We do this through the solutions we provide, our engagement in society, the way we do business, and our commitment to protect people & 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 collaborating so as to create the purposeful solutions that propel the world forward.

# A Message from the Managing Director

**Dear Valued Shareholders,**

I hope this message finds you in good health and high spirits. I am honored to address you as the newly appointed Managing Director of Johnson Controls–Hitachi Air Conditioning India Limited. As I embark on this journey, I would like to extend my heartfelt gratitude for the warm welcome I have received from the entire JCH India team and from each of our stakeholders.

I am well aware that JCH India has faced its share of challenges in recent times, resulting in financial losses. However, I firmly believe that challenges provide us with an opportunity to re-invent ourselves for the future. They provide us with a chance to reassess our strategies, innovate, and emerge stronger than ever. The road ahead might not be easy, but I am committed to leading our team with dedication, transparency, and a clear vision success.

It is during these very moments of adversity that a company's true resilience and potential are revealed. I have full confidence in the capabilities of our talented team and our collective ability to turn this situation around.

We have already begun implementing a comprehensive plan to address the root causes of our current situation. We are carefully reviewing our operations, exploring opportunities for cost optimization, evaluating our market positioning, and realigning our strategies to ensure that we are well-positioned for success. This process will guide us towards a comprehensive revitalization strategy that aligns with our core values and strengths. Our commitment to excellence remains unshaken, and we are taking every necessary step to emerge from this challenge even stronger than before.

Transparency will be a cornerstone of our approach. We will keep you informed about our progress every step of the way. By addressing challenges head-on and fostering open communication, we can collectively work towards achieving our shared goals. I understand the responsibility that comes with the role of Managing Director, and I am fully committed to delivering on



your trust. This is not a new situation, neither for the organization nor for me. We have done it in the past, and I am confident that together with our dedicated employees, leadership team, and your continued support, we will be able to navigate through these challenging times and pave the way for brighter days ahead.

Our commitment to innovation, energy-efficient and smart products, customer satisfaction, and ethical business practices will continue to guide us as we navigate this journey. We are confident that our dedication to these principles will help us turn the corner and create sustainable value for all stakeholders.

I invite you to join me in embracing this transformative journey. Your input and insights are invaluable to me, and I encourage you to share your thoughts as we work together to rebuild and revitalize JCH India. We are not just striving for recovery; we are aiming for growth, sustainability, and a return to profitability.

Thank you for your trust, your patience, and your partnership. Together, we will create a future that reflects the true potential of Johnson Controls–Hitachi in India.

Looking forward to the journey ahead.

**Warm regards,**

Sanjay Sudhakaran  
Managing Director



# Ushering in an era of new air

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Hitachi is dedicated to excellence. We are a company that strives to craft an experience novel to the HVAC industry, giving our market something new to look forward to.

Steeped in the rich culture from our land of origin, and engineered with the same Japanese technology that contributes to setting the industry's standards – our solution is more than just a product. It's an emotion, an expression of our scientifically-backed features, latest technologies and a duality design philosophy that come together to redefine the way we perceive air conditioning.

Presenting **new air**.

An integral part of our company's mission and vision that perfectly captures the Hitachi spirit of uncompromising expertise in every solution we deliver. As a company with three decades of expertise in conditioning air, this is our commitment to upholding its quality through our products whose new features, technologies and designs create a new level of comfort and aesthetics that ultimately inspires an emotional connect with our customers by meeting their varied requirements and improving their living experience.

New is the innovation we offer our market in terms of our features and technologies. It's the comprehensiveness of our package that has smart, IoT-enabled indoor units, outdoor units, and remotes. All this in a single solution rooted in innovation and technology that enables improved air quality in the environment, energy savings, and a product that cleans itself while also looking after the air around you.

Encompassing our range of pioneering offerings, **new air** is the extraordinary that we imbibe in every one of our products. It is our universe of complex systems created to cool, heat, and function in order to deliver efficiency to spaces. **new air** is how we connect with people, embrace their emotions, simplify their lives.

**new air** is Hitachi.

So, enter a realm beyond the expected. Welcome to the **new** world of Hitachi's **air** – a harmony of our innovation and timeless Japanese tradition.

## A Heritage of Innovations

Steadily flourishing owing to its rich culture and heritage, the company is known for its futuristic evolution.

It is reputed for its superior quality and leading technology on the global canvas. Its rich lineage and culture have evolved with the changing times, creating a harmony of invention and innovation, globally. The addition of Johnson Controls' strengths, expertise and widespread global presence further enabled the company to fulfil its passion for bringing unique HVAC solutions that exceed expectations.

With more than 35 years of legacy in India, the company has earned great brand equity and has been following the 'Make in India' concept since the beginning. Johnson Controls-Hitachi Air Conditioning India Limited constantly innovates, brings in world-class technologies, path-breaking concepts and award-winning products from around the world, and delivers advanced, smart features that give the best indoor air experience to its customers.

## A Presence You Can Depend On

Johnson Controls-Hitachi Air Conditioning India Limited is a renowned entity in Air Conditioning Sector having its Manufacturing unit in Kadi, Dist. Mehsana, Gujarat. It has established a strong, nationwide network - 4 regional offices, 15 branch offices and 4 Engineering Excellence Centers. With the vision of reaching closer to its customers, the company has built a multifaceted, composite, robust, dependable, and extensive distribution network. The company has 600 plus exclusive sales and service partners, approx. 100 exclusive showrooms, approx. 10,000 sales points and more than 1,500 other service points including multi-brand sales & service partners and authorised service partners. To serve its customers even better, Johnson Controls-Hitachi Air

Conditioning India Limited Company operates a 24x7 customer care centre, which provides prompt resolutions to customers' concerns across India. The company has invested its efforts to amplify and strengthen its presence across the varied topographies of India and is working towards expanding the reach of the company.

## Always Customer-First

Maintaining our unwavering commitment to superior customer care, our company has remained steadfast in prioritizing exemplary service throughout the past year. Customer satisfaction remains at the core of our strategic vision, and we have undertaken a range of initiatives to further enhance our after-sales service experience. Strengthening our service capabilities, service network has been expanded with the addition of 35 authorized service partners, improving response times and extending our reach.

Embracing digital transformation, we have made notable strides in optimizing key service processes, notably through significant enhancements to our customer service & technician app. This enhanced app empowers our customers with a seamless and intuitive platform for registering and tracking service requests, ensuring faster complaint resolution and improved overall convenience.

Additionally, we have integrated popular communication channels, such as WhatsApp Chat bot, to facilitate efficient and streamlined interactions. Furthermore, we have introduced online options for Annual Maintenance Contract renewals and purchases, as well as digital payment facilities and electronic documentation for enhanced convenience and efficiency.

Company is offering 'Care+ HITACHI Extended Warranty program' to our valued retail customers to avail the opportunity to extend their standard warranty up to 5 years, thereby assuring trouble-free operations.

# The Innovations in air:Our Products

At Johnson Controls-Hitachi Air Conditioning India Limited, we understand our consumers and their constant search for evolution, embracing change, and upgrades. We understand the power of air and its ability to elevate the environment of one's business and home. With its unparalleled Japanese heritage, the company aligns its endeavors to match the ever-evolving requirements of consumers and creates cutting-edge products that upgrade the indoor environment with perfect air conditioning. This is why we have come up with the new air—the harmony of Hitachi's innovation and classic Japanese tradition.

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The company manufactures a wide range of air conditioning solutions under the brand name 'Hitachi Cooling & Heating India'. From Room Air Conditioners (Split and Window ACs) to Commercial Air Conditioners (VRF Systems, Ductable, and Ductless ACs, Cassette ACs, and Chillers), the company continuously works towards developing and providing the best solutions to our customers. The company is also into the trading of refrigerators.

## Air Conditioning Solutions for Residential Spaces

Catering to a wide audience, the company has curated a robust portfolio of residential air conditioning solutions. It offers a wide range of 30+ models and 100+ SKUs in the Room AC category, packed with innovative and futuristic technologies and features. The year started with the shift of models towards green ozone-friendly refrigerant R32 for the summer season. Apart from the iconic wave

design and fusion line, the inverter product line-up was loaded with path-breaking technologies in different models like Ambience light, FrostWash, air Technologies (Surround air, Odour-free air, Clean air, Fresh air & Silent air), Xpandable, penta sensor, airCloud Home, hot & cold, iSee, iSense, and much more. Shizuka – an inverter window AC, was launched last year. It has been upgraded with a twin-rotary compressor, a noise-free start-up, silent operation up to 44 dB, and comes with Hitachi's prior Xpandable technology.

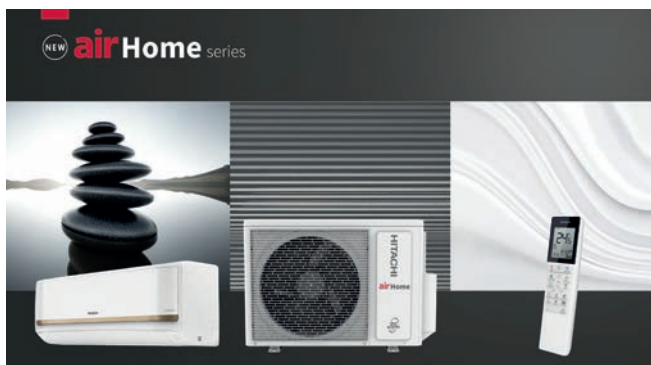
Hitachi always believes in taking the initiative and thus introduced future-ready models starting in March 2022 to comply with the new star rating criteria w.e.f. July 2022.

The company launched a whole new range of split air conditioners under 'airHome' – both inverter and fixed-speed categories. For the first time in years, we have launched a whole package of indoor units, outdoor units, and remote control units as airHome.

**For the first time in years, we bring you a newly launched package of indoor, outdoor, and remote control units—airHome—that have been designed to meet the top customer needs of cool, clean, and energy-efficient living.**

The new signature airHome series of air conditioners has been curated from a duality design philosophy of complementing contrasting elements to offer perfect architecture. Inspired by the duality design, the new indoor unit has a dual surface finish, a dual-panel look, and dual gold and dual platinum colors. Setting the highest standards of air conditioner design in living spaces, the company offers a curvier design with an iconic wave design in all indoor, outdoor, and remote, with a long-lasting star white color with UV coating for a long-lasting finish, and much more. This unique piece of art can turn a house with four walls into a home with a happy living space.

The new airHome series has been crafted with the top customer needs in mind, such as cool, clean, and energy savings. It is power-packed with aspirational technology that makes indoor living more convenient. Our most popular technology, FrostWash, automatically cleans the indoor unit AC coil with just a press of a button and makes it new for the next usage. The technology freezes the entrapped dust, melts it, and cleans it to offer fresh air every time. It maintains the cooling performance of the machine and removes mold, bacteria, and dust from the AC coil. The AC is further cleaned every time after usage with the unique soft-dry technology. Taking it a



step further in air purification, Hitachi launched AQtiV-Ion, a built-in ionizer that releases negatively charged particles that bind themselves with pollutants floating inside the room, causing them to deactivate.



**Our most popular technology, FrostWash, revolutionizes the way we clean indoor AC units. With the press of a button, FrostWash freezes, melts, and cleans entrapped dust to offer fresh air every time.**



The AC offers surround cooling that reaches a distance of up to 24 m to cover long spaces uniformly. Now the air reaches you even when you are far away from the air conditioner. Hitachi's prior technology has been enhanced as Xpandable<sup>+</sup>, a smarter machine that self-expands or self-adjusts as per the need. It works best for tropical temperature needs and ever-changing room requirements to expand or adjust as per the number of people inside the room, ambient temperature, or load conditions. It works better in humid zones such as Mumbai or Kolkata and decreases the humidity inside the room faster. The Xpandable<sup>+</sup> gets its smartness from Hitachi's Hexa sensor technology, which senses comfort needs and protects the machine equally. To add to the crown, Hitachi has airCloud Home, a wi-fi-enabled AC series. The airCloud Home series not only has voice-enabled as an added advantage but also has Smart-Fence, which geolocates you and switches on or off the machine as you arrive or leave the room. Now, you can connect and monitor your air conditioner anytime, from anywhere.

Inspired by the ever-changing seasons, Hitachi's first-ever Ambience Light is a super exciting product range. The Ambience Light is an immersive display on the AC that allows consumers to tune in perfectly to their desired temperature and comfort level. With the Ambience Light feature, consumers can easily know their surrounding ambience, ranging from cold to comfort to warm. This feature has three specific colors: cool blue for a cool

ambience, comfort green for a comfort ambience, and warm red for a warm ambience. Ambience lighting offers ultimate flexibility and comfort for consumers to easily set their preferred ambience with just one glance.

The new remote control is not just an aspirational design with its unique wave curve but also comes with brand-new features. It has night-glow buttons for easy access to buttons in the dark, colorful buttons to reach the most sought-after technology or feature, can work up to 11 m range, and easy UX. The My Mode button on the remote makes it personal for the user with three personalized options with different settings options to make it a user preference and hassle-free to turn on AC. Now, the AC will remember your preferred AC settings with My Mode. The new outdoor unit, with its iconic wave curve and global design, offers more than ever safety and efficiency features to rise above the market and perform at its best.

### Air Conditioning Solutions for Commercial Spaces

The rising demand for Air Conditioners from increasing construction activities at airports, metros, and commercial buildings, increasing government spending on public infrastructure, and technological advancements are creating opportunities for the growth of the VRF air conditioner Market in India.

The company has a wide range of VRF air conditioning systems that cater to commercial, light-commercial, and residential air-conditioning needs. SET FREE  $\Sigma$ , a superior VRF system, has very good acceptability in the Indian market. It has a single base module of up to 24 HP and a module combination of up to 96 HP. The VRF SET FREE  $\Sigma$  series is built-in with all inverter compressors designed with high-efficiency DC inverter compressors having precise frequency control in the range of 0.1 Hz increments with 110 steps. Besides precision compressor control, a  $\Sigma$  shape heat exchanger, a dual fan for increasing air volume rate, and a new bell-mouth fan housing design, all electrical & electronic components are well integrated with a precise microprocessor and together act as energy enhancers & allow  $\Sigma$  range to achieve best-in-class efficiency even at partial load conditions and works up to 52°C ambient temperature.

Looking at the increasing demand for VRF systems in premium households and light commercial complexes, the company launched SET FREE mini in 2020. It is a compact, power-packed VRF system and a perfect solution for small spaces and premium homes. With SET FREE mini, customers have the added advantage of choosing from a basket of eight different types of indoor units and five different types of controllers. The outdoor unit capacity ranges from 3 HP to 7 HP, and its compact size offers a space-saving advantage over traditional one-to-one split ACs with multiple outdoor units catering to similar requirements. Moreover, this new range of

SET FREE mini's outdoor units also has a feature to connect indoor units up to 130% and more of ODU capacity on a case-by-case basis using diversity and usage patterns.

Leading innovation in products from the front, the company introduced SideSmart™ in 2021 with a leading-edge design and technology. It is an exclusive solution that offers cutting-edge performance, equaling large top-flow units with slim outdoor units that can fit anywhere. With SideSmart™, Hitachi has the pride of owning the world's first Side Flow ODU with a base module capacity of up to 18 HP. SideSmart™ is the world's first side-flow VRF ODU with a modular design that can connect up to 72 HP. With its easy-to-maintain and award-winning design engineering and aesthetics, the slim outdoor unit can easily fit inside dense spaces such as balconies, which offers more space utility to customers.

The product has been recognized for its design excellence across the globe and has received international product design awards, including the iF Design Award 2020 in the Product category, the Good Design Award 2020, and the Red Dot Best of the Best Product Design 2021.



**SideSmart™ is a game-changer in the world of VRF ODUs with its modular design and ability to connect up to 72 HP. Its award-winning design and slim profile make it an easy fit for balconies and other dense spaces, providing customers with greater space utility. It has been recognized globally for its design excellence, winning prestigious awards such as the iF Design Award 2020, the Good Design Award 2020, and the Red Dot Best of the Best Product Design 2021.**



Although the Indian VRF air conditioner market is highly competitive and fragmented with international and unorganized market participants, growth in several construction projects across metro and tier-2 cities is likely to increase the demand for VRF air conditioners in the country in the coming years.

In Light Commercial Packaged air conditioners, the company offers Toughi & Eco Ductable air conditioners, Flexi Split ACs, concealed ACs and inverter & fixed speed cassette ACs. Flexi Split is another innovative solution where one outdoor unit can be connected with options of indoor units, including ductables, Hi Wall, and cassette types, as per the architectural and interior requirements.

Designed for Commercial and Industrial requirements, Hitachi's Screw Chillers (Air and Water) and Centrifugal Chiller Series, with an eco-friendly refrigerant, offer the most energy-efficient cooling solutions.

#### Hitachi Refrigerators

The company's refrigerator lineup utilizes cutting-edge scientific designs to manufacture refrigerators that prevent the loss of amino acids and other essential vitamins in food. Presently, the company provides double-door, French-door, and six-door refrigerators in India. Our refrigerator lineup is full of other innovative features, like precise temperature control, uniform cooling and freezing, ample storage space in both the freezer and vegetable compartments, and a Refrigerator-Freezer Convertible Flexi option.

